

SOUTH AFRICAN

LABOUR BULLETIN

Volume 21 Number 4 August 1997

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labour in the Eastern Cape

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SOUTH AFRICAN LABOUR BULLETIN

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CAPE TOWN
WINS,
WE ALL
WIN.**

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LABOUR
BULLETIN**

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Cover: Penstemon at Isidenge settlement near Sutterheim in the Eastern Cape. Photograph by William Matlala. All other photographs by William Matlala unless otherwise indicated. The views expressed by contributors are not necessarily those of the editorial board of the Labour Bulletin or Umamnyano Publications.



The focus on the Eastern Cape, which makes up the bulk of this issue of the *Bulletin*, is long overdue

The province encompasses some of the poorest and most marginalised areas of South Africa. Most of its people live in dire poverty. Current investment trends will not meet the needs of the most deprived.

The Eastern Cape experience raises serious questions about the appropriateness of current government policies and the ability of civil society to make its voice heard. Of late, the parameters of debate have become increasingly narrowed by the dominance of the ideology of international competitiveness. The blind acceptance of this imperative by so many roleplayers leads to an inability (and indeed unwillingness) to debate alternatives which could offer some hope for the majority of South Africans.

The words and concepts which have crept into our vocabulary reflect this state of affairs. A recent Department of Labour workshop on flexible labour practices, was entitled "Regulating new employment norms". Until very recently practices like casualisation and outsourcing were referred to as 'non-standard' or 'atypical' forms of employment. The new terminology reflects just how far along the road we have travelled in accepting these practices.

We will be publishing articles from the workshop in the next issue of the *Bulletin*.

The debate over the Green Paper on skills development continues. In this issue we publish two distinct views. Working on the premise that we are hostage to the global

economic race, Andre Kraak argues for a 'balance' between market forces and 'supply-side restructuring'. Salm Vally rejects the notion that capitalism can be reformed. He calls for an education and training system which will lead to the true development of human potential.

If the trade union movement is to have any impact, it will need not only a strong fighting machine, but coherent alternative policies. The articles in our international section – on Sierra Leone and Europe – provide examples of how workers in two very different parts of the world are mobilising in support of their demands.

I have decided, for personal reasons, to leave Johannesburg in a year's time. In the interests of continuity and a smooth handover, the *Bulletin* will employ a new managing editor from January next year. The new editor will work side-by-side with me for six months. Readers will find an advertisement for the post in the inside back cover.

Deanne Collins
Managing editor

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Raking it in...

A MATTER OF COMPLEXION?

REDEYE was enjoying a stroll in the winter sunshine when a police van screeched to a halt. The police grabbed two men walking on the pavement and shoved them up against the van, all the time shouting "where are your papers, where are the guns?" The man who could not produce his papers was handcuffed to the van.

No, dear reader, this is not a scene from the bad old days. It happened in Johannesburg just the other day. REDEYE was not asked for proof of identity. A small matter of complexion, perhaps...?

AT THE CLINIC.

Union investment companies continue to provide REDEYE with much food for thought. COSATU's investment arm has just bought a hefty stake in Clinic Holdings, the group of private hospitals catering for those rich enough to avoid public health queues.

COSATU affiliate, NEHAWU, which organises at Clinic Holdings, is part of the investment consortium. REDEYE wonders what workers, who have suffered the effects of the company's anti-labour policies for years, think of this. Will the 28% stake which the unions have enable them to make a difference? Or is this just another case of profit before principles?

CLASS AND COLOUR

NUM leader, Gwedo Mantasho, also experienced the nasty side-effects of 'black empowerment'. His old comrade, Mzi Khumalo, who worked with him for a while on the lime mines of Robben Island, decided to retronch thousands of mineworkers. A fairly clear case of class overcoming colour?

BIG BUCKS

Johnny Copelyn and Marcel Golding's contributions to the union investment debate in the *Bulletin* make very interesting reading. While their philanthropic efforts are to be applauded, REDEYE can't help feeling that the whole picture is not being presented. For example, the HCI deal made instant millionaires out of the two former 'comrades'. Copelyn's shares in the company are worth a cool R10,7-million, while Golding stands to rake in a more modest R8-million from his stake.

GULLIBLE

Billboards screaming out the news that Sam Shilowa will be the next Minister of Labour graced lamp poles in Johannesburg recently. The 'scoop' originated in a throwaway comment by present incumbent, Tito Mboweni.

The Star journalist who fell so willingly into this mischievous trap should perhaps have been alerted by Tito's actual words. "Maybe Sam will replace me - watch this space". He could also have checked with Shilowa's office, which responded to REDEYE's enquiries with hysterical laughter. On the other hand, a front page load is perhaps worth twisting the facts a little!

EQUAL?

Still on the subject of the press, journalist, Terry Bell, is known for his insightful and very politically correct column 'Inside Labour' in *The Star*. He recently produced a piece on employment equity. REDEYE was shocked to see that he referred to ANC MP, Maria Ranthu, as the *chairman* of Disabled People of South Africa. Dear Terry, maybe you need a new political dictionary!

Inflation monitor: April 1997 – June 1997

Area	Consumer Price Index			Annual rate of inflation (% increase over 1 year)		
	April	May	June	April	May	June
Cape Peninsula	116,1	116,3	116,6	10,6%	10,1%	9,4%
Port Elizabeth	115,6	116,0	116,2	10,3%	9,7%	8,8%
East London	116,8	117,4	117,9	10,8%	10,8%	10,2%
Kimberley	113,7	114,2	114,9	8,8%	8,5%	8,6%
Pietermaritzburg	116,2	116,6	117,1	9,4%	9,3%	8,6%
Durban	116,7	117,0	117,4	10,5%	10,1%	9,0%
Pretoria	116,6	117,0	117,2	10,4%	10,0%	9,2%
Witwatersrand	114,9	115,3	115,7	9,2%	9,0%	8,4%
Klerksdorp	113,9	114,2	114,4	8,2%	8,0%	7,4%
Free State Goldfields	112,9	113,1	113,3	8,0%	7,6%	7,2%
Bloemfontein	116,3	116,7	117,2	11,5%	11,0%	10,4%
SOUTH AFRICA	115,6	116,0	116,3	9,9%	9,5%	8,8%

Source: Central Statistical Services

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TAWU, AMAWU, MEWUSA, NEHAWU, NUM, SARHWU

Socialism or self-enrichment?

Dear editor

The ANC won the 1994 election on the basis of the policies in the Freedom Charter and RDP.

Activists and those who are in government should resist the temptation to turn their backs on these documents and rely only on technocrats and civil servants. If there is no delivery, the masses will not go to technocrats. They will say: "This is what the ANC promised us."

The fact is that there are no advances in the implementation of the RDP. The wealth which is needed to address the needs of the majority remains in the hands of the capitalist class. COSATU has criticised GEAR, which will not meet the needs of our people. It is clear that the new ANC ruling bloc is dominated by a bourgeoisie, which includes fractions of the old (white) bourgeoisie. This bloc will attempt to consolidate itself on the basis of plain, old self-enrichment! Socialism, more substantial transformation, the Freedom Charter – all of these traditions are viewed as things from the past, hopelessly 'out of date'.

While the alliance has been undergoing continual redefinition since 1994, the government is taking more and more policy decisions on its own, rather than as the ANC

acting in concert with its alliance partners. Activists and the masses are spectators in the theatre of the struggle for transformation. We are presented with a world where 'progress' means no strikes or wage demands, job insecurity and privatisation.

There is an urgent need to develop a policy programme for the alliance at national, provincial and local level. An alliance summit must be called. COSATU should engage alliance partners to ensure proper consultation. Full delegations, or the provincial executive committee of each alliance partner should attend meetings, not just secretariats. We must do away with the idea that only the ANC can call an alliance meeting. Any alliance partner should be able to do so if conditions dictate. COSATU must develop proper tactics and a fighting spirit. We must not just rely on MPs and ministers.

COSATU's policy conference developed a programme for meaningful economic transformation that would reduce unemployment and poverty and improve income distribution. We must mobilise around this programme.

Alfred Sithole
SAMWU Northern Province Organiser
writing in his personal capacity

Kick the dictators out!

Dear editor

The recent civil unrest in Kenya is another tale of how leaders of the world, especially African leaders, do not seem to know that the time for dictators in Africa is up. The reaction of African leaders in the OAU, especially the 'messiah', Mandela, is nothing short of inconsistent. Konyans have long been involved in this struggle. It seems that not enough blood has

been spilt for our leaders to react with a sense of urgency.

The recent shuttle diplomacy of Comrades Mandela and Mbeki to Zaire was clearly a political initiative a little too late. The political pandering to Kabila only occurred after he captured half the country. One must ask why comrade Mandela did not give Kabila a hearing before. The reaction of the OAU was

as pathetic. OAU leaders claim to be part of an organisation with mechanisms to resolve conflict well before it reaches violent proportions.

How does one explain the lies that are believed by the SADC, told by 'the puppet Swazi Ambassador that Swaziland is democratic, and that the people agree with the flawed Constitutional Review Commission? All this smells of utter hypocrisy. It seems that the OAU, which has been conspicuously silent about the brutality of Daniel Arap Moi, is treading the same road they walked during the Zairian conflict.

Sani Abacha, that well known disgrace to democracy and human rights, is left alone to instill democracy in Sierra Leone. The SADC and OAU continue to harbour that little shameless despot of southern Africa, King Mswati III of Swaziland. The list goes on and on.

These criticisms do not in any way abdicate the United Nations from its failures as a world body – on the contrary, they entrench it.

It's time for the OAU to come clean. The envisaged African Peace Keeping Force will

be a nightmare if soldiers from countries like Nigeria and Kenya were to participate in it. No amount of peacekeeping can solve the fundamental conflict that arises out of dictatorships. Let the OAU kick out the dictators and clowns!

As long as the OAU remains in such a state, the democratisation of Africa rests squarely in the hands of organised national liberation movements, with the militant support of the people and sympathetic solidarity movements operating in other African countries. The OAU will join the bandwagon after a democratic victory is a *fait accompli*.

Those leaders who claim to be democratic revolutionaries need to re-organise the OAU. In the knowledge that this may never happen, we express our faith that the Swazi's will destroy their oppressors, that Kenyans will destroy their dictatorship, and that Africa will emerge with new leaders who will lead our people to an open and free society based on genuine revolutionary Ubuntu.

*Sipho Khumalo and Solly Mapaila
Swaziland Solidarity Network*

Don't blame the department!

Dear editor

It is trite to say that the proposed Basic Conditions of Employment Bill has become very controversial. Informed debate on this Bill is welcomed, as are your articles on the Bill in your magazine.

I was thus disappointed to read your editorial (Vol 21 No 3, June 1997) that argues that government unilaterally published a Bill and effectively bypassed negotiations at Nedlac. This is very far from the truth.

The truth is that last February the Department of Labour published a Green Paper on employment standards which was discussed for eight months in Nedlac. As a result of these discussions at Nedlac we published a draft Bill for further public comment and negotiation at Nedlac.

Negotiations at Nedlac began on 5 May 1997 and ended in an 'impasse' on 15 May.

Questions can be legitimately raised, as you do in your editorial, on "how effective the notion of social partnership" is. But to blame the Department of Labour and its process around the Basic Conditions of Employment Bill for undermining social partnership, is rather unfair.

*Lisa Seftel
Director, Minimum Standards
Department of Labour*

The editorial in question noted that actions on the part of all three 'social partners' – government, labour and business – were threatening to derail the Nedlac process – ed

Confronting the crisis *labour in the Eastern Cape*

Those of us who live in the Eastern Cape – the second poorest province in the country – are glad to take this opportunity to explain to a wider audience some of the difficulties which face ordinary people in this part of the country

In the 1970s and 1980s, the Eastern Cape was famous for the leading role taken by its militant trade unions in confronting apartheid. These days, when local labour hits the headlines, it is usually because some more workers are about to be retrenched! We hope that our collection of articles goes some way towards explaining the depth and dimensions of the crisis which confronts labour in this province.

It is not a pretty picture. Unemployment is high, manufacturing is in relative decline, the public sector is fragile, and the rural economy cannot adequately sustain the number of people dependant on it. Farmworkers face particular problems. People are on the move. The small towns are beginning to grow, but without much economic base to sustain them.

Despite all the difficulties, a strong commitment to trade unionism lives on! While some of the older unions in the province are beginning to struggle as industry 'downsized', the public sector unions are growing. This does not necessarily make life easier for the new government and newly democratic municipalities, but it does show that the labour movement is managing to adjust to the changing economic situation.

Special focus edited by Roger Southall.

Understanding the lives of ordinary people in the Eastern Cape is not easy. In fact, it is very complicated! There are no easy answers to the economic problems faced by the province. A powerful business lobby is pushing hard for government to help fund the development of a deep water harbour and industrial zone in Port Elizabeth. This will cost at least R1,5-billion. They seem in a terrible rush to spend taxpayers money, and reluctant to allow time for a proper study of the economic prospects of the scheme and its environmental impact. Trade unionists are wary: of course they want to see the jobs that Coega would supposedly create, but they also want proper consultation and research. The Eastern Cape wants elephants for tourists, not white elephants for taxpayers!

Thanks to all those who helped with this *Focus*. The Rhodes University contributors would also like to thank the University's research committee, and the Human Sciences Research Council for financial support.

Roger Southall is Professor of Politics at Rhodes University and a member of the Bulletin editorial board.



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The local economy

no hope for the poor?

The demise of apartheid and South Africa's re-integration into the global economy have not brought about any significant improvements to the traditionally weak economic base of the Eastern Cape region

In some sectors and areas conditions have actually deteriorated since 1990. The region remains one of the poorest in the country. Despite having 16,4% of the national population, the province only generates 7,5% of national GDP and has the greatest concentration of 'poor' people (as defined by the World Bank). Approximately 92% of the residents of the former Transkei can be classified as poor

Ironically, the abolition of the homelands' system has marginalised the residents of those areas still further. Whilst there have been aspects of both growth and decline in the province, the former Ciskei and Transkei have the poorest prospects

Comparisons

The Eastern Cape compares very unfavourably with national averages. It has the:

- ❑ lowest level of participation by potential workers in the country (42,6% of those able to work cannot find jobs),
- ❑ second lowest ability to absorb new entrants to the labour market (44,8%),
- ❑ third highest formal registered unemployment rate (23,6%);
- ❑ highest level of male absenteeism (31,3%),

Etienne Nel argues that regional and local economic development initiatives in the Eastern Cape will not alleviate the plight of the poor in the province.

- ❑ second lowest personal income level;
- ❑ second highest dependency rate (the number of people dependent on the income of a bread-winner),
- ❑ lowest life expectancy, and
- ❑ lowest human development index.

Despite being home to one-sixth of the national population, the Eastern Cape only has 5,5% of industrial firms and 7,8% of industrial jobs

Political change

Political changes and the re-integration of the homelands have resulted in a new government at the provincial level. Crises and inertia on the part of inherited bureaucracies have delayed delivery on development projects. Current provincial economic policy appears sound, with its focus on large and small business development, tourism promotion, rural development and, more recently, local economic development. However, funding shortages, attacks on tourists and poor infrastructure have all impeded change.

State support

The phasing out of the decentralisation policy has seen the closure of large numbers of firms and the loss of thousands of jobs. The industrial development points in the former homelands have been hardest hit. In the Ciskei, the total number of industrial jobs declined from 28 868 in 1991 to 15 918 in 1993. In the Transkei jobs fell from 17 452 to 8 672 during the same period. The failure to implement retraining and alternate employment ventures has wreaked havoc on places like Butterworth and Dimbaza.

By contrast, in centres such as East London and Port Elizabeth the third schedule of state incentives, introduced in 1991, appears to have encouraged growth. The result is markedly enhanced disparities in the province's industrial economy.

Sectoral trends

Industry has experienced mixed fortunes. The clothing and textile industries have been hard hit by tariff cuts. Indications are that the motor industry will face similar difficulties, albeit to a lesser degree. National government's sudden renunciation of diplomatic relations with Taiwan has affected the not insignificant Taiwanese industrial base in the province and jeopardised expansion plans.

In other sectors, particularly in Port Elizabeth and East London, there is some expansion. Ambitious plans to develop Industrial Development Zones in these centres are thought by some to

bode well for the future.

The agricultural sector has not fared well. Recurring drought, low world prices for wool, changes in the pineapple industry and rising stock theft have led to significant economic decline. In some districts, stock-numbers have declined by nearly 50% over 25 years.

The 'knee jerk' reaction of commercial farmers to issues of land restitution and farmworkers' rights has led to the eviction of thousands of workers in the former Cape areas of the province. Small towns such as Kei Road, Ugie and Molteno have had to cope with local refugee crises. The inability to meet the employment and service needs



Thornhill settlement near Queenstown. Peri-urban settlements are the greatest areas of deprivation.

is exacerbating poverty levels in what are already significantly disadvantaged centres.

Unemployment

Accurate provincial-wide statistics are difficult to come by. It is apparent that very high levels of unemployment (over 80% in certain Transkeian districts) prevail. In urban areas small towns appear to be suffering the effects of rapid population growth and negligible or negative economic growth. Figures of over 85% unemployment in towns such as Seymour are quoted.

The areas of greatest deprivation and need are the rapidly expanding peri-urban settlements which have assumed vast proportions around Umtata and King William's Town. The rapid growth of squatter settlements in Butterworth, East London and Port Elizabeth are equal cause for concern. Low employment levels in the formal sector lead to survival strategies and a reliance on informal sector activity.

Small business

Small business has become a key focus of attention for the central and provincial government. At least 12 Local Business Service Centres have been established. The success of one of the first such centres in the country, in Stutterheim, suggests that small business support strategies, allied with local development initiatives, have some potential to deal with local employment crises.

Future issues

Positive national and provincial government support for the economy is to be welcomed, but the scale of deprivation in large parts of the province presents a daunting obstacle. In all probability, growth will focus on the logical centres with inherent growth potential, adequate infrastructure and a large skills base, i.e. Port Elizabeth and East London. This is borne out by the major

development projects for the area, namely the two proposed Industrial Development Zones in those cities.

The most significant single project is the possible development of an industrial port and an Industrial Development Zone at Coega on the outskirts of Port Elizabeth. The two proposed anchors are a zinc refinery (valued at over R2-billion) and a fertiliser plant. If such investment occurs, the effect on the city's employment and economic base will be enormous. It could help to make Port Elizabeth one of the major industrial centres in the country.

The 1996 'tax holiday' package allows a two year 'holiday' to approved manufacturers setting up operations in certain designated centres. In the Eastern Cape these centres are Port Elizabeth, Uitenhage, Despatch, King William's Town, Queenstown and Butterworth. The return to regional development intervention, focussing on many of the former growth points (with the exception of most of those in the former homelands), is welcome. It could, however, serve to promote growth only of those areas with significant potential and further isolate the weaker centres.

The economy of Eastern Cape is very weak when compared to the national economy. The vast wealth disparities which already exist appear to be increasing. Current trends in private sector investment and state intervention will not meet the needs of the most deprived. One can only hope that effective mechanisms are developed to help the poorest of the poor. ★

Reference

Development Bank of South Africa, 1991 South Africa's Nine Provinces A Human Development Profile

Yllemne Nel is a lecturer in Geography at Rhodes University

Unions in the Eastern Cape

prospects and problems

A difficult road lies ahead for workers and their unions in the Eastern Cape. The Eastern Cape is South Africa's second poorest province. Its economic base is highly vulnerable to national and global currents. Formal unemployment is rife and increasing. The immense developmental and political problems posed by the merger of the eastern half of the former (white) Cape Province with the former homelands of Ciskei and Transkei are severely testing the ANC-dominated provincial government.

There is a steady drain of people from the countryside to the towns, and from the former homelands to the urban conglomerations of Port Elizabeth and Mdantsane East London. Restructuring in commercial, agriculture, car manufacturing and clothing and textiles is leading to a further decline in jobs. If this were not enough, the Eastern Cape has a reputation for labour militancy which, whilst good news for workers, is said to frighten potential investors.

The challenge to unions is clearly to combine their struggle for worker rights with the need to shape the right conditions for attracting investment and jobs to a province which is running the risk of further economic marginalisation.

The labour market

Apartheid divided South Africa's people along spatial as well as racial lines. One consequence is that it is very difficult to arrive at reliable employment, population

The challenge for unions in the Eastern Cape is to combine their struggle for worker rights with shaping the right conditions for attracting investment and jobs. Roger Southall reports.

and production statistics over time for what is today's Eastern Cape.

A census was conducted in South Africa in 1991, but not in Transkei and Ciskei.¹ Generalisations should therefore be treated with caution. Nonetheless, the figures suggest that employment prospects for the mass of ordinary people in the Eastern Cape are getting worse. There are many reasons, but three closely related factors stand out.

Jobs

The first is that the number of jobs being created is not keeping up with the increasing number of people looking for work. The population of the Eastern Cape is estimated at around 7.2-million. It increased by 2.96% between 1985 and 1991. The labour force (those in the formal sector, the informal sector and the unemployed) numbered 1.3-million in 1991, having increased at an annual average rate of about 2.6% between 1980 and 1991. This rate of growth can be attributed to two factors

- Harsh economic conditions are driving more women into looking for paid work. The proportion of women in the labour force increased from 36% in 1980 to 41% in 1991.
- On the other hand, the population is relatively young, with some 43% of people under the age of 15 (the highest proportion of children in any of South Africa's nine provinces) As the youth mature, some 100 000 enter the provincial labour market each year. Against these increases in the labour force, unemployment in the formal sector increased from 13,8% to 23,6% between 1980 and 1991 and in the informal sector from 8,6% to 15,9%. In short, more people are chasing relatively fewer jobs

Skills

Worse still, the educational level of the labour force is low compared to the rest of South Africa; the literacy rate of the adult population (72,3%) is well below the national average (82,2%), and the average quality of schooling is also low. This discourages investors from moving to the province and makes Eastern Cape labour less competitive nationally

Migrancy

The second major factor is that the former Transkei and Ciskei are able to export less and less labour to the mining industry

The historical dependence of the mines upon migrant labour from the former homelands is well known. The flow of migrants increased from the mid-1970s as the Chamber of Mines could no longer rely, for political reasons, upon uninterrupted supplies of labour from countries such as Malawi and Mozambique. By July 1983, Transkei supplied 135 437 and Ciskei 14 987 out of a total of 463 007 African workers employed by members of the

Chamber on gold, coal and platinum mines

The industry has, however, steadily shifted to mechanisation and to the use of skilled, rather than unskilled workers. By 1991, average monthly employment figures from the homelands had been drastically reduced. Transkei supplied 90 588 and Ciskei just 8 417 out of a lower overall total of 389 859 African workers employed by Chamber of Mines members.

It is the rural poor who bear the consequences of this situation. An increasing number of workers from these areas are now migrating to other provinces (particularly the Western Cape and Gauteng) in search of work: on average, nearly 31% of the male labour force was absent from the Eastern Cape in 1991. More and more families are drifting away from the countryside. This means that there is a growing surplus of labour dammed up in the marginal and informal sectors of the provincial economy. Basic economics suggests that this is likely to lower the average wage earned by those who are employed, notably in those sectors of the economy where wage levels are not subject to some form of industrial or national regulation

Sectoral trends

The third major factor affecting the labour market is that, whilst the surplus of labour is increasing, the provincial economy is becoming less labour intensive: only 44 people were required to produce R1-million Gross Geographic Product in 1991 compared to 51 people in 1980

During this period, the relative importance of agriculture, trade and transport as employment providers decreased, whilst manufacturing (marginally) and services (significantly) played rather larger roles

More up-to-date statistics are not available, but it is to be expected that

Eastern Cape Formal Employment by Economic Activity, 1980 and 1991

Economic Activity	1980	1991
Agriculture/forestry/fishing	148 149	136 165
Mining/quarrying	24 220	27 560
Manufacturing	142 784	159 006
Electricity/water	4 555	4 771
Construction	39 038	47 051
Trade/catering	94 213	90 211
Transport/communications	57 846	37 481
Finance/real estate	21 506	28 137
Services	241 267	267 173
Total	773 578	798 005

employment in agriculture will continue to show an absolute decline. There may also be a drop in the proportion of jobs offered by manufacturing. Ford's withdrawal from Port Elizabeth in 1985 and the restructuring of General Motors in 1986 (which featured retrenchments, a sell-out to local management and the establishment of Delta) had a severe effect on connected supply industries. The motor industry in particular and the manufacturing sector more generally has seen improved performance since the early 1990s, not least on the basis of increased exports. Although this may have led to an increase in the total number of jobs in this sector, it seems unlikely that the proportion of people employed in manufacturing will have increased significantly.

What these figures do not show is how provincial employment is skewed towards the East London and Port Elizabeth-Uitenhage metropolises. Since 1991, this regional inequality has been widened, firstly by the loss of public service jobs in the former Transkei, notably in Umtata, and their transfer to Bisho (previously capital of the Ciskei) and, secondly, by the termination, in 1995, of incentives to industry to stay in the

former homelands' 'growth points' such as Butterworth and Dimbaza. Factories are now fleeing the artificial industrial sites of the former bantustans as fast as they can and they are leaving the large majority of people who worked for them behind. As they leave, whether to another site in the Eastern Cape or beyond its borders, they are taking the opportunity to restructure and modernise. This usually means fewer jobs. Although updated statistics may demonstrate increasing employment in government,

teaching, nursing and other social services, these will not add to self-perpetuating economic growth.

The labour movement

The roots of the trade union movement in the Eastern Cape lie in the years before the last world war. Clements Kadane formed his own union in East London in the early 1930s after the effective collapse of his Industrial and Commercial Union (ICU). Today's unions hark back more especially to the early 1980s, when Eastern Cape workers earned themselves a reputation for particular militance.

The growth of the unions centred around the establishment of general unions in the East London area and the industrial unions organising workers in the motor industry, mainly in Port Elizabeth.

The most influential of the general unions was the South African Allied Workers' Union (SAAWU), which, as well as organising workplace struggles in East London, played a central role in mobilising community-based opposition to Ciskeian 'independence'. Although black workers in the motor industry in the early 1980s were divided between the Motor Assembly and

Components Workers' Union of South Africa (MACWUSA) and the National Automobile and Allied Workers' Union (NAAWU), they engaged in a series of titanic battles at Ford, Volkswagen and Mercedes-Benz. They achieved a number of important victories (notably in 1980 at Volkswagen) and inspired numerous struggles by unions in other sectors. On the downside, they also nudged Ford into closing their Port Elizabeth factory when they restructured their South African operations in 1985.

SAAWU, NAAWU and the majority of other unions in the Eastern Cape were founder members of COSATU in 1985. However, it was only later, in the early 1990s, following the Holomisa coup in Transkei, that workers in that part of the region were able to challenge hitherto despotic labour laws, strike for their rights, and then to join COSATU affiliates.

The Eastern Cape region of COSATU was launched in August 1995. In 1996, its paid up membership was 170 000. The biggest unions are NUMSA (30 133), NI HAWU (22 661), IAWU (19 757), SACTWU (18 452), SADIU (16 332), and SACCAWU (11 547). The remaining affiliates have fewer than 10 000 members.

Progress and problems

COSATU Region 11 Secretary, Pinkie Ntsengane, a former CMIU official who



Restructuring in car manufacturing is leading to a further decline in jobs.

assumed his present post in February this year, is optimistic about many aspects of the federation's operation in the province. He is upbeat about the level of democracy within the region's unions, proud of the educational work carried out by some affiliates, and claims that COSATU enjoys a very good working relationship with the provincial government. He is also pleased that COSATU's 'rivals', whether breakaway unions or those aligned to other federations, continue to make very little impact. Against this, he acknowledges that COSATU faces a number of problems.

Locals

While most of COSATU's locals are working well, some - notably in the smaller towns such as Fort Beaufort, Queenstown and Adelaide - are weak. The vast size of the province makes it difficult for some unions to provide good service to their members. This is also a result of many unions having lost leaders to either the public service or the provincial parliament.

Tensions have arisen as a result of changing patterns of membership. Whilst membership in some of the established industrial unions, notably NUMSA, is beginning to decline as a result of retrenchments, unions active in the public sector - NTHAWU, SADTU, SAMWU and POPCRO - are experiencing significant growth. This has led to competition for members. There are also differences in style between the leadership of the older industrial unions, which was schooled on the shopfloor, and that of the newer public sector unions, which in general possess a higher level of formal education and in some cases has emerged from former homeland staff associations.

Restructuring

The greatest challenge facing the unions is the reality of industrial restructuring and retrenchments. This has had the most impact in the industrial areas in the former homelands. In places like Umtata, Dambaza and Butterworth, says Ntsengane, factory closures have meant that "we have lost almost everything we had".

Pep stores in Butterworth once had in excess of 2 000 workers. Now it is down to 300. A long established chemical firm, Butakem, has closed and relocated to Gauteng. South African Breweries is undergoing a general restructuring which has resulted in the closure of its production facility in Butterworth. The factory employed 450 workers at its height. It is

now a warehouse which provides jobs to only 50 workers.

COSATU is also protesting against the provincial government's recent announcement that it intends to restructure the Magwa Tea Corporation, the Transkei Agriculture Corporation and the Ciskei Agriculture Corporation. This could lead to the retrenchment of as many as 3 500 workers.

SACTWU has been severely affected by restructuring in the clothing and textile sectors. Tramutex in Butterworth is closing down. Although most workers will be absorbed into the company's East London operation, about 180 jobs will be lost. Waverley Blankets, successor to the old Frame Group which used to employ 7 000 workers in East London alone, now employs less than 1 500. Nonetheless, SACTWU's Port Elizabeth Branch Secretary, Michael Botha, is confident that the worst is now over. With the recent increase in exports to Europe and America, SACTWU's membership has begun to stabilise.

NUMSA's membership is definitely shrinking. The steady reduction of tariffs, as South Africa gears up to compete internationally, is leading to cost-cutting measures by local industry, increased outsourcing and inevitable retrenchments. As Ntsengane notes, this implies a qualitative as well as a quantitative loss. He has noticed that experienced unionists - those who came up through the 1980s - are opting for retrenchment packages, to be lost to the trade union movement. Their younger replacements may well become union stalwarts, but the change can cause difficulties for the unions in the short term.

Given this scenario, it is not surprising that industrial relations in the Eastern Cape continue to be troubled.

Industrial relations

Judith Parfitt and Julia Cameron have monitored industrial relations trends in Port

Industrial Action in Port Elizabeth and Uitenhage 1988-1991 & 1994-96

Year	Strikes & Stoppages	Workdays Lost
1988	75	84 269
1989	127	259 298
1990	142	258 400
1991	79	215 419
1994	114	262 934
1995	76	43 535
1996	60	72 941

Elizabeth and Uitenhage between 1988 and 1991 and between 1994 and 1996. Their survey methodology has changed over the years, so that their reports are not strictly comparable. Their findings are, nevertheless, suggestive.

Most strikes and stoppages have occurred in breach of dispute procedures, and in contravention of LRA requirements for lawful strikes. In 1996, for instance, a mere 8% of incidents occurred after non-statutory procedures had been exhausted, and only 5% of the 60 incidents were lawful. The three lawful strikes in 1996 lasted considerably longer than the unlawful ones, yet accounted for only 39% of the total workdays lost.

Parfitt and Cameron conclude that most incidents are spontaneous demonstrations by workers who believe that they need to act dramatically and forcefully to get management to take their grievances seriously. Workers feel that if they do not take immediate action, management will eventually win a dispute by default.

Whilst conflict over wages has tended to be the cause of only between a quarter and just over a third of strikes and stoppages, such incidents tend to be longer lasting than others and have normally been responsible for a considerable proportion of workdays lost (peaking at 80% in 1991). However, an indicator of change may be the five week

strike which occurred in the motor car sector in 1996 in protest against retrenchments. This accounted for 35% of the workdays lost in that year, compared with just 25% of workdays lost in wage disputes.

There are no studies of trends in other parts of the province, but there is no evidence that things are very different elsewhere. It suggests that, on the one hand, workers in the Eastern Cape still lack confidence in the statutory labour procedures as a means for resolving their grievances and that, on the other, COSATU and employers need to work more closely together to tackle the common problems they face as the provincial economy adjusts to meet global competition.

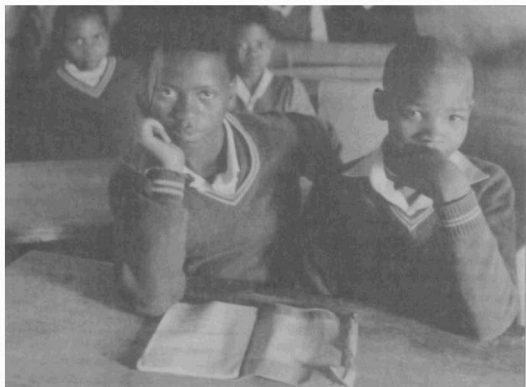
The future

COSATU is party to the Eastern Cape Economic Consultative Council (ECEC) which resulted from an Eastern Cape Summit between organised business, labour and the new provincial government in 1996.

The declaration emerging from that meeting committed the three parties to working together to promote social and industrial stability. It also committed them to integrated and sustainable development programmes and creating an environment conducive to job creation and economic growth. This would provide a framework for the delivery of services and the satisfaction of basic human needs within the framework of the RDP.

Since that time, of course, the RDP has made way for GEAR. Workers in the province have given massive support to COSATU's national campaigns and stayaways. This has made relations between organised business and labour more complicated.

John Miles, the chief executive of London's Chamber of Commerce and Business, says that employers remain confident that COSATU's provincial



The average quality of schooling is low

leadership is becoming more aware of unions' responsibility to make Eastern Cape industries more productive and competitive. He argues that COSATU is more ready to look at ways of making industrial relations more stable. He worries, however, that COSATU is not sufficiently disposed to reward employers who exceed minimum wages and conditions, and that because they have lost so many senior people to politics and the public sector, some unions are less fit than they were to bargain at plant level.

For their part, union leaders in the province seem worried that business wants too much out of them. When local affiliates heeded COSATU's call for a national stayaway on 30 April last year, to support demands around the new constitution, Eastern Cape employers threatened to pull out of ECSECC. Provincial COSATU leaders stood firm and insisted that they would not break ranks with their federation. COSATU

has given cautious support to proposals for a new deep-water harbour and associated development zone at Coega (outside Port Elizabeth) - a project which has the enthusiastic backing of most sectors of Eastern Cape industry - but it remains wary. Business claims Coega will create up to 40 000 new jobs, but COSATU is concerned that this might be at the expense of existing employment and that it might have adverse environmental implications and that the development may actually demodustrialise East London and nearby Port Elizabeth.

Problems abound in the Eastern Cape. The best hope for the future is that both business and labour recognise that there are no easy answers, and that they are beginning to work more closely together. ★

1 The articles in this Focus were written before the release of the 1995 Census figures

Town and country

urbanisation and migration

Since the 1980s there has been a lively debate on migration patterns in South Africa. This has centred around the consequences of the abolition of apartheid influx control after 1986.

There is growing consensus that migration from rural to urban areas in the 1980s has been over-estimated. It appears that urban-to-urban migration and township overflow are the main reasons for the mushrooming of informal settlements in South African cities. Very high levels of movement within and between urban areas have been documented. There is general agreement that migration follows a gradual 'step-by-step' pattern in its relentless 'struggle for the city'.

Do patterns of migration in the Eastern Cape fit this model? Surveys in a number of informal settlements in East London, as well as a large number of smaller towns in the former Ciskei, Transkei and the Border Corridor area suggest that the province is 'out of step' with other regions. This raises questions about the economic and political strategies currently being pursued in the province.

Informal settlements

Alan Mabin's research challenged the view that the repeal of influx control would lead to a deluge of rural families into the towns and cities. In Gauteng, Crankshaw and Hart found that the main reason for squatting was not 'rural immigration', but 'township overflow'. Emmett makes the same point for

Leslie Bank examines migration patterns in the Eastern Cape. He argues the need for local economic development to be given urgent priority.

the Western Cape when he notes that only "9% of the shack dwellers came directly from homelands such as the Transkei and Ciskei". Research in Durban shows that only 17% of the population of the city's informal settlements came *directly* from rural areas after 1986.

The Eastern Cape

In the Eastern Cape, virtually every town and city is surrounded by expanding informal settlements. Most of these were established in the period 1986 to 1994, although the rate of settlement differed in accordance with the policies of the various administrations in the region. In the former Ciskei, the Gqozo regime vehemently opposed squatting and continued to adopt apartheid style strong arm tactics well into the 1990s. In the Transkei, the military regime was less repressive and informal settlements began to expand rapidly, especially around Butterworth and Umtata, after General Holomisa took power in 1987.

In those parts of the province under the former Cape Provincial Administration

(CPA), black and white local authorities continued to try to control squatting. They experienced varying degrees of success. In Duncan Village in East London, where the black local authority had been evicted from the township in 1986, the state's 'orderly urbanisation' policy was studiously ignored by the new residents' association. In other urban areas, where black local authorities retained power, the formation of spontaneous informal settlements was slowed down.

The decisive moment for these settlements came only after 1990 when the newly unbanned ANC declared its support for 'land seizures' by dispossessed communities. This resulted in rapid informal settlement formation throughout the province.

In smaller towns, the land seized was usually town commonage land which had historically been administered by the local municipality. In the cities, land belonging to the municipality was also identified for settlement. New squatter camps often emerged around municipal dumping sites or in the 'buffer zones' between townships and white middle class suburbs. Privately owned farm land - especially farms on the fringes of white suburbs - was also frequently occupied.

The scale of settlement can be seen by the growth of Butterworth in the former Transkei. In 1989 there were around 700 shacks in the town, by 1992 there were 3 500 and well over 5 000 in 1995. The growing shanty town was appropriately named *Siyanda* ('we are increasing'). It is estimated that the population of Umtata has grown by between 7% and 9% since 1990, while in other towns like Cala and Port St Johns the rate has varied between 4% and 8%.

This growth pattern began to slow down in 1995. The region has experienced significant improvements in rainfall over the

past three years. 1996 was a bumper year for rural producers. Confidence in agricultural production has been restored and is possibly holding back migration.

It is also possible that the bulk of those who wanted to leave the rural areas had done so by 1995. The long term pattern may well be towards declining rural-to-urban migration and greater movement within the urban areas.

Patterns

Unlike areas in the rest of South Africa, informal settlements in the Eastern Cape have grown through sustained rural-to-urban migration over the past decade. Surveys show that approximately 40% of the inhabitants moved in directly from rural villages or white owned farms, while the remaining 60% moved from overcrowded townships and locations.

In former white towns, the major source of migrants has been the farming sector, which has hemorrhaged labour at an alarming rate over the past decade. In small towns, like Bathurst, Kei Road, Bedford and Kenton-on-Sea, between 50% and 80% of the inhabitants of informal settlements moved in *directly* from white farms in the late 1980s and early 1990s. In homeland towns, such as Peddie in Ciskei or Butterworth and Cala in Transkei, an equally sizeable portion of the informal population came to town from rural villages in surrounding areas.

Direct rural immigration into East London has, however, declined in the 1990s, with a greater portion of the new arrivals in informal settlements coming from within the city or from white farms on the fringes of the city. Since the early 1990s, rural migrants are bypassing East London for Cape Town and Gauteng, where greater economic opportunities exist and where new urban residential developments are more firmly on track.

In the mid-1990s the white farms have

overtaken the rural villages as the main source of migrants. By 1995, ex-farmworkers accounted for about 25% of the migrants into informal settlements, while those from villages dropped off to a mere 14%.

It is estimated that 80 000 farmworkers lost their jobs as a result of the sustained drought that crippled the Eastern Cape between 1986 and 1992. Fears amongst white farmers that new labour legislation would increase their wage bill spawned a steady flow of evictions from the farms between 1989 and 1993. In the rural villages of the Transkei and Ciskei, watering holes dried up, cattle died and arable production ground to a halt. Massive mine retrenchments forced migrants to seek alternative livelihoods. As people moved away from the villages, large surplus populations began to build up on the fringes of the homeland towns.

Gender factors

A striking feature of migration patterns in the Eastern Cape has been their gendered nature. Men have followed the well-trodden routes of long haul migration, while women have tended to remain closer to home and to their children in the countryside. The

informal settlements are dominated by female-headed households. In East London's sprawling informal settlements, the ratio of adult women to men is often as high as two to one. Moreover, a disproportionately high number of young women have moved into informal settlements. Some have moved in from surrounding townships, but they have also been joined by a steady flow of young women from rural areas around the city. One of the reasons has been the growth in the city's commercial and service sectors, which employ women. The relative decline of industrial investment has kept men away.

A short haul

Between 70% and 95% of informal settlement residents come from somewhere in the same district, either from a farm, village or existing location. Most were born in the same district. In East London, 87% of the population of informal settlements are from within the city or the surrounding rural areas - 53% were born in the district.

This is partly due to the fact that RDP projects and new low-cost housing schemes have been very slow to get off the ground in the city and the province generally. The

Rural struggles

Tension between chiefs and civics in the villages also contributed towards migration.

In 1990, the former Ciskei was poised for a transition to a democratic local government system after the Gqozo coup. When General Gqozo seized power, he declared that the tribal authority system would be dismantled and restructured to allow for greater democratic representation at the local level. The people responded by taking to the streets and singing "Iwilo, iwilo, nyheko ka Sobu" ("the big lip of Sobu has fallen").

A year later, Gqozo simply reversed this decision, announcing that all headmen

would return to office and that the tribal system would be re-established. In the same breath, he banned residents' associations. One hundred and ninety eight headmen were reinstated, amidst widespread protests and violence. By 1992, 36 headmen had lost their homes, eight had been killed and 39 had resigned for fear of their lives.

In the former Transkei, rural struggles were less intense, but as chiefs began to feel the political pressure of youth mobilisation they made it increasingly difficult for young people to secure sites in the villages. These rural struggles provided an incentive for migration.



Sustained drought contributed to migration

Eastern Cape has the poorest delivery rate for housing having built only 6 000 units since 1994, far short of the target of 150 000 (*Daily Dispatch 17/79*). Clearly, there is little incentive to move on in pursuit of better services. The complete disbanding of the provincial housing board in March adds to the pessimism about the prospects for delivery in the province.

Making a living

In the smaller towns, especially those in the former homelands that have a very weak economic base, the reluctance of households to move on is perplexing. An important reason is poverty. Migration requires access to social and financial resources, which many of these households lack.

There are also other factors at work. The lack of a clear urban hierarchy in the Eastern Cape contributes to the low levels of movement. For individuals in small town squatter camps, the cost of moving up the hierarchy, to the next biggest town, cannot

be justified. Eastern Cape towns are virtually uniformly economically depressed, with bankrupt local authorities and no significant RDP investment. If people are to consider moving, it makes more sense for them to move out of the province altogether. The massive influx of Transkeians and Ciskeians into informal settlements in Cape Town and Gauteng is indicative of this fact.

Services

One of main attractions of migration for many rural people is access to better services - social welfare centres, running water, pension pay-out points and medical care - rather than jobs *per se*. In small towns, livelihoods depend less on formal employment and more on the *combination of earning opportunities and natural resources*. Many households remain heavily dependent on remittances from long term migrants and social welfare payments, especially old age pensions, for survival.

People also rely heavily on their local social networks. This is precisely why they

Rural life

On the urban fringe of East London, Butterworth and Umtata, rural villages are quiet and deserted during the week. The only obvious evidence of productive activity is the movement of older women working at their daily chores of housekeeping, firewood collection, and attending to gardens. They lament the absence of their daughters, many of whom have taken up residence in nearby towns. At midday, streams of young school children criss-cross the village on their way home. Occasionally, clusters of young men are seen hanging around on street corners or in the yards of houses. They come and go, but are especially evident at month-end when their mothers get pensions.

Over week-ends the situation changes dramatically. The villages come alive with the return of commuters, work seekers and market women. Social activities intensify. People move freely between ritual gatherings, school meetings, credit club get togethers, and local beer drinks. By Sunday evening these activities have begun to wind

down and many head for the taxi rank to get into the city for an early start on Monday. Such is the weekly cycle in many of the peri-urban villages on the fringes of many Eastern Cape towns and cities.

In the deeper rural areas of the province, the weekly cycle of the urban fringe is less evident and there are more deserted homesteads and unattended fields. But even in these areas, the month-end flows back into the countryside are significant. The notable absence of especially young women has had a profound impact on the productive rural economy. Household fields are planted and harvested, but not with the same intensity as before. Ploughing teams are no longer mobilised, cattle kraals are in a state of disrepair and livestock are thin on the ground. These are facts which are lamented by local people who refer to the lost opportunities of the good rains over the past few years. At month-end, the social economy of these villages is re-invigorated with the arrival of migrants and commuters who return with remittances.

find it so difficult to move on. By circulating within a limited social and geographic field, it is possible to gain access to a range of support networks and relationships. Many ex-farm families in small towns, for instance, continue to move on and off the farms as they shift children, possessions and economic resources within their networks. Households in informal settlements keep active links with their rural villages in the former homelands, to which they return on a regular basis. They do so not out of nostalgic traditionalism, but in order to spread their economic risks and to strengthen their survival strategies.

Recent research in Transkeian towns has shown that between 30% and 40% of household heads in informal settlements retain a second house in the country, while between 50% and 70% of the population are

actively engaged in the transfer of 'goods and cash' between town and country. In the informal settlement around Duncan Village in East London, where over 60% of the population has come from rural areas since 1986, a third of the household heads claim that they own a homestead elsewhere. The vast majority of these homesteads (89%) are in rural areas.

It is also interesting that, while 39% of the residents in Duncan Village come from the former Ciskei, only 15% of those with houses elsewhere retain homes there. On the other hand, while only 1.4% of the sample came from the Transkei, 4.6% of those with a house elsewhere have that house in the Transkei. The tendency towards 'double-rootedness' is clearly stronger among immigrants from the Transkei than from the Ciskei.

Current solutions

It is clear that Eastern Cape towns are isolated economic and service centres which attract migration from a small local area. Even the city of East London draws most of its population from surrounding rural areas. One of the reasons for this is the lack of a clear urban hierarchy which allows people to move on. The consequence is that people become trapped within 'stagnant pools' on the fringes of depressed towns. Instead of moving on in search of better opportunities they spread risks by circulating between urban and rural places within the same district. This has reduced the movement within towns which is experienced in other regions.

This has profound implications for economic policy in the province. The fixation of the provincial government, the business community and the local media with economic miracle solutions, such as the Coega port project in Port Elizabeth and the new West Bank industrial zone in East London is disturbing.

False hope

Current economic policies are underpinned by a millenarianism reminiscent of the famous Xhosa Cattle Killings of the 1860s.

The new prophets of progress are building their elaborate visions of utopia on the prospect of massive foreign, mainly Asian, investment in a set of industrial and agro-tourism spatial corridors or initiatives. The vision bears little relation to the economic and social realities of the province. To borrow a slogan from a shack wall in Duncan Village, they give 'false hope to the hopeless'. Like the search for the head of the slain Hinsa, it might in the end amount to nothing more than an elaborate hoax.

Alternatives

Instead of imposing imported 'pie in the sky' models and initiatives on the depressed economy of the Eastern Cape, it is time that government paid attention to what is actually happening on the ground. There is an urgent need for local economic



Pensioners in Stutterheim. Many households depend on pensions



People move on in search of better opportunities.

development (LED) and for exploring new ways in which existing social and economic patterns can be used to promote productive development strategies

As a first step

- Infrastructural development should be linked much more closely to local level economic development initiatives.
- Government needs to use the linkages between town and country to increase marketing opportunities, information flows, and micro-business opportunities within and around small towns
- Close attention should be paid to the current role and future of medium-sized urban centres in the province. These could be used to strengthen and diversifying flagging urban economies. Provincial government should rethink and restructure the government housing subsidy so that the focus of state investment is on local economic development, rather than on mere infrastructural development.

The emergence of a new local economy which connects local service centres with their surrounding hinterlands in new ways would certainly challenge older understandings of the relationship between

town and country. It raises interesting questions about the structure of local authorities and governance in the province. Given that large numbers of informal settlement households survive neither in town nor country, but between the two, it is difficult to see the rationale for the maintenance of hard administrative and political boundaries between urban and rural local authorities. Indeed, greater co-operation between urban and rural local authorities at a district level would make much more sense. This would allow for development

planning, co-ordination and administration which simultaneously addresses problems in urban and rural areas. The current district council system provides for such co-ordination, but the geographic areas under these councils are still too large to allow for coherent planning at a district level.

Finally, it appears that the current migration patterns in the province will remain unchanged unless the provincial government can radically improve its performance in the delivery of infrastructure, jobs, houses and services. ★

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Leslie Bank is a Research Fellow at the Institute of Social and Economic Research at Rhodes University

Paper rights

organising farmworkers

When farmworkers voted in the first democratic elections in 1994, they voted for a change in their working and living conditions.

Three years later, they find that very little has changed. They continue to live in poverty and are subject to archaic labour relations. It will be some time before the paper rights which farmworkers now have are converted into practical ones.

In large parts of the Eastern Cape, farmworkers work long hours for little pay and no benefits.

Wages

Wages are composed of cash and payment in kind, or rations. It is difficult to determine wages on a provincial level. Wages for the agricultural sector are not regulated. Different sub-sectors pay different rates. The particular type of employer-employee relationship also affects wages. There can be no doubt, however, that farmworkers are amongst the lowest paid employees in the country.

Gender and job classification determine wage rates. While men employed on farms are regarded as permanent, female workers are perceived as casual and are often employed as seasonal labour. Their wages are therefore well below their male counterparts. For example, in the East London area the average wage for males on fruit farms is R600 per month, females are paid R225.

Farmworkers are now covered by the LRA. It will, however, be some time before paper rights become a reality. Lali Naidoo outlines the problems facing farmworkers in the Eastern Cape.

Rations

The composition of payment in kind is informed by the nature of the agricultural activity. In addition to the standard form of rations which includes 50kg mealie meal, mealies, tea, coffee, and tobacco, workers receive products in which the farm specialises. On sheep, cattle and goat farms, they receive meat, on dairy farms, low quality milk.

Workers are not happy with the rations, complaining that they are "too little" and "low-grade".

Farmers are now beginning to stop payments in kind. Cash wages have been increased, but amount to less than the payment in kind that workers previously received.

Hours of work

Most workers start work at 6am and end at 6pm, six days a week. There is no overtime pay. Workers work on public holidays.

without additional pay. Many receive no annual leave. On the ostrich farms workers work seven days a week from 6am to 6pm without additional pay. In summer, knocking off time is 7pm, or "until the sun goes down". It is not uncommon for workers to work 60 hours a week.

Since there are no contracts of employment, workers are unclear about working hours. Rights which industrial workers have fought for and won – sick leave, paid public holidays, overtime pay, unemployment cards, parental leave and protective clothing – are often non-existent on farms. Farmworkers also lack proper housing, electricity, easy access to water, water-borne sewerage, schools and recreational facilities.

Labour relations

On paper, all farmworkers are protected by the LRA (1995) and the BCEA (1993). A number of factors combine to prevent these rights from becoming real. Predominant amongst these is the relationship between farmer and workers.

The dominant employment relationship is paternalism. The farmer assumes the role of father, judge and protector. Farms provide fertile ground for this kind of relationship: workers are dependant on the farmer for a job, for a place to stay and for subsistence. As a result, workers often develop a complete dependence on farmers. On the other hand, farmers assume that they know what is best for 'their' labour force, and resist 'outside' interference. The general secretary of the National Council of Food and Agricultural Workers Union (NCFAWU) says "farmers treat women as 'girls' and men as 'boys'".

Farmworkers are marginalised and isolated from political processes. Access to information about the law and their rights is extremely limited. While unfair dismissals, retrenchments and beatings are common,

workers are afraid to report the farmer. Advice offices report that when workers attempt to take action, farmers bribe the worker with alcohol.

Organising

Paternalism places enormous constraints on attempts to organise. Union activity in the Eastern Cape is still in its infancy. NGOs estimate that less than 1% of the province's rural labour force is organised.

While the LRA protects workers' right to organise, it does not compel employers to bargain with trade unions.

Farmers use the Trespass Act to deny organisers access. Union officials have to pose as insurance brokers, or hold meetings with workers at night, in the dark, to avoid the farmer.

Most farmers are of the opinion that they have a good relationship with 'their' workers. They are not well informed about the role and functions of trade unions. Their immediate response to any organising effort is to call in consultants and lawyers. They do their best to turn workers against unions. A union organiser complained that "Farmers give wrong information about the unions to workers...they say the union is eating subscription money and that they do nothing for the workers. Workers lose confidence in the union."

Once workers have joined a union, victimisation and intimidation often follow. The branch secretary of the South African Food Retail and Agricultural workers union (SAFRAWU) says farmers "target the shopstewards. The farmers say that they want to rule the farm. When the union gets in, farmers reduce rations." On another farm "workers were paid on the farm on the 25th of each month. Now the farmer wants to pay them in town on the last Saturday of every month." On two farms that the East Cape Agricultural Research Project (ECARP) works with, when workers approached the



Farmworkers' meeting in Grahamstown, June 1997.

farmer to discuss union recognition, the farmers started deducting rent from their wages

Dispute resolution

Will dispute resolution through the CCMA work for the agricultural sector? Clearly, the process of negotiations on the LRA excluded debate and discussion on the experience of farmworkers

The LRA does not accord advice office workers legal status to represent farmworkers at the CCMA They successfully did so in the old Agricultural Labour Court (ALC) The only hope for fair representation has now been removed

Farmers have the financial resources to acquire expert legal advice Although the LRA allows workers to be represented by a co-worker, this has no value to farmworkers precisely because of their weak organisational position and fear of intimidation The fact that the large majority

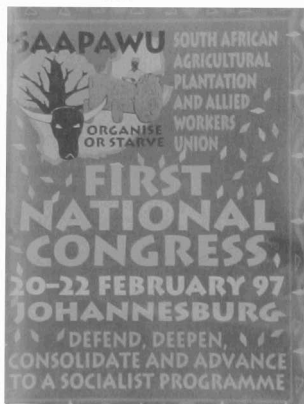
of farmworkers are illiterate raises further problems They are not even able to fill in application forms for cases to be heard in the CCMA The time-frames laid down by the Act are also well nigh impossible for farmworkers to comply with

Disunity

In the Eastern Cape, there are three agricultural trade unions - the South African Agricultural, Plantation and Allied Workers' Union (SAAPAWU), a COSATU affiliate, and two independent unions, NCFAWU, and SAFRAWU

Thusfar, they have concentrated their efforts in the areas close to Port Elizabeth, East London, and Grahamstown Paid up membership is small NCFAWU has organised 200 workers from areas near East London, while SAFRAWU has organised 100 on two farms near to Grahamstown.

The multiplicity of unions has two major implications



- ❑ it sows further confusion among farmworkers, thereby contributing to the slow pace of organising and consolidating membership,
 - ❑ agricultural workers lack a solid background and understanding of trade unions. The existence of different unions encourages the tendency to join one union, and then later join another.
- There appears to be little collaboration between the unions. Rather, there is competition for membership. This confuses workers even more.

Strategies

NGOs working in the field are unsure that the manner in which the unions are structured and the strategies they adopt are always appropriate. Unions deploy one organiser who is responsible for an entire region. Each sub-sector has its own dynamics which organisers need to be

aware of. It is not practical for one organiser to recruit members and attend to labour disputes simultaneously.

The strategy of targeting bigger farms as a means of setting the pace of organising and stimulating membership may have limited success for the sector as a whole. Very few farms employ more than 50 permanent workers. Unions will also find it difficult to separate labour issues from other developmental issues, such as access to housing and land. Because these are tied to employment, mechanisms will have to be developed to address them in tandem with labour issues.

Amidst the gloom and weak organisational capacity, some measure of success has been achieved in conscientising farmworkers about their rights and in facilitating their participation in the development

process. Largely through workshops conducted by NGOs, farmworkers are becoming aware of their legal rights. More and more workers are visiting NGOs to seek information and advice on a range of issues.

The challenge is to build farmworkers' skills to ensure that policies and legislation become a material reality. Discussions and debates between farmers, workers, NGOs, government, and trade unions must be entered into. Immediate interventions are needed to make the new democracy a reality for farmworkers. More intensive research is also needed to inform debates and policy formulations, and to reflect the concerns, needs and difficulties of farmworkers. ★

Iull Naldoo is the director of FICARP. This article is based on interviews with farmworkers, the East Cape Land Committee, SA RAWU, FICARP advice offices and NCLAWU.

Land reform

be-devilling redistribution?

The promised 'green revolution' of rural development through radical redistribution is proving to be a paper trail of entrenching current property rights.

High unemployment and an uniquely unequal distribution of land are the main features of the Eastern Cape. While the demand for land is growing, few land transfers have taken place.

The slow pace of delivery is leading to disillusionment. Government's market based land reforms offer very little opportunity for redress. State subsidies have not been forthcoming. The rural poor are entering a land market heavily biased against them. Landowners demand unequivocal protection of their property rights. Organisations representing rural communities are adamant that this will prevent genuine redress.

It comes as no surprise to find that communities are resorting to land invasion.

Apartheid's legacy

The racial division of farm land and its socio-economic legacy is most acute in the province's Border corridor. Wedged between the old 'white' South Africa and the former Bantustan areas of Transkei and Ciskei, the journey from East London along the narrow corridor stretching into the hinterland of the Eastern Cape reveals apartheid settlement patterns.

Vast tracts of carefully cultivated white commercial land used for stock and vegetable farming web out into the area's

Land reform conjures up visions of state expropriation of vast tracts of land and a new regime of collectivised ownership under rigorous regulation. Malcolm Ray finds that, two years into government's reform effort in the Eastern Cape, the reality is quite different.

remote countryside. Just beyond the horizon lining either side of the corridor is the desolate scene of degraded land, runous shacks, overcrowding and extreme poverty.

Not much has changed since thousands of rural people were herded off their land at the height of forced removals and separate development.

As Barbara Manning, a media worker for the Border Rural Committee in East London, observes: "Dispossession still bares its indelible mark. This is still frontier territory, despite the end of apartheid."

Inequality

On the road to Stutterheim, a former colonial 'frontier' town, a backyard informal settlement in the former Ciskei nestles alongside its affluent white neighbours. Travelling inland from the town, one is

Isidenge

For Isidenge, a squatter settlement in the Border corridor of the Eastern Cape, the experience of land reform is a particularly tragic one.

Vusunzi Mokoena is a teacher at a primary school constructed with mud bricks. He is happy to find an attentive ear. A tireless campaigner for the return of their land, Mokoena has the unenviable task of leading the community out of landless hunger to a place of social and economic security.

Accompanied by members of a steering committee elected to represent the community, Mokoena dissolves into a pensive mood. "Land, you must remember, is a complex and highly emotive issue," he says, pointing to an old woman tilling the open land nearby.

For members of Isidenge, dispossession conveys a palpable sense of loss. It is decades since they fell foul of apartheid.

Mokoena explains that the community developed after refugees from the former homelands of Transkei and Ciskei and workers evicted from surrounding farms settled in this 'temporary' resettlement camp. Although there are no precise figures, at least 1 000 families are squeezed on small plots of land owned by white farmers.

Invasion

Without formal title to the land and under continuous threat of eviction, the community hoped political change would usher in restitution and development. In 1993, in anticipation of this miracle, the community invaded a neighbouring farm, on which they symbolically pegged off sites. "Restitution," Mokoena explains, "is what we were struggling for." But restitution, in terms of government's land reform programme, requires that a community prove its legal

right to make a formal claim.

Mokoena says that, with hindsight, the move was a positive one, forcing a reaction from government and the various stakeholders. Government initially offered a farm called Sunrise to the community, which turned out to be "inappropriate". The farm could not sustain such a large number of people and the project was ditched.

The parties eventually agreed that two privately owned farms be bought for settlement.

Four years on, the problem of paying for the property, which is worth an estimated R2-million, remains. The owners of the two farms are also proving reluctant to sell. Last year the community once again invaded Sunrise farm.

Hidden agenda

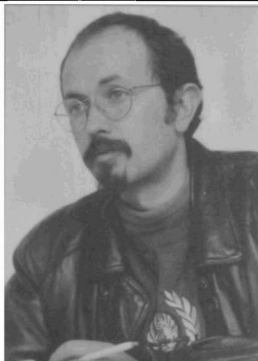
The community now suspects that government's intervention hides a more sinister agenda of pandering to property owners. Mokoena believes government is looking for excuses to avoid the only available option – expropriation. "We see no reason why government can't expropriate the land with compensation to the owners at its market value. One would expect that the end of apartheid would mean the return of our land. After all, the land was stolen from us. Its return is simply our historic birthright."

For the various categories of rural dwellers – from farmworkers to labour tenants and women – who make up the social fabric of the Isidenge community and the majority of the Eastern Cape population – there is an emerging sense that historic rights do not easily translate into land 'restitution'. Isidenge is a small reflection of a larger, more complex problem in the Eastern Cape.

struck by three observations which hold for the Eastern Cape as a whole

- The enormous inequalities in the distribution of wealth and power are (literally) grounded in historically skewed patterns of land ownership. This is represented by the very high concentration of land among white farmers and landless poverty in the former Bantustans. A recent World Bank report concluded that commercial farms (excluding Transkei and Ciskei) total well over 6 500, occupying 10.6-million hectares or 87% of the surface area.
- Population density and unemployment in the Bantustans is extremely high. It is estimated that 70% of the total population in the area are black rural dwellers, more than half of whom 'subsist' in the former Bantustans. Only 11% are employed on white farms. The rural unemployed therefore total more than half of the 'economically active' population (compared with 29% nationally) and are concentrated on less than a third of the land.
- Most disturbing is the social dislocation associated with rural poverty. A study conducted in the Ciskei by the Eastern Cape Socio-Economic Consultation Council last year showed that the average monthly wage per household is R400. Research undertaken by the Eastern Cape Agricultural Research Project shows that some women farmworkers take home as little as R200 per month. The majority of people are concentrated in what Manning aptly describes as apartheid's "rural dust bowls".

Add to this the combined impact of agriculture's rapidly waning importance in the economy (it now contributes less than 4% to GDP), and the negative effects of 'liberalisation' and globalisation on formal employment, and one is left with a



Border Rural Committee director, Ashley Westaway

devastating poverty trap.

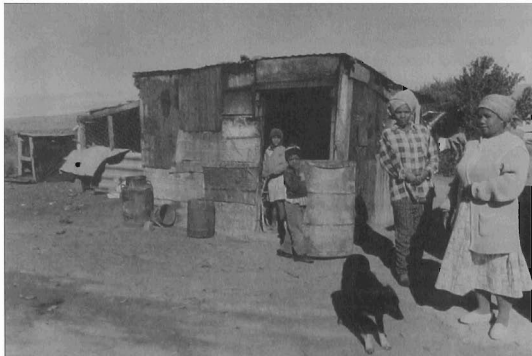
Any effort at redress must necessarily integrate this reality through far-reaching agrarian reform. Will government's land policy improve the lives of the rural poor, or will it have unintended and adverse consequences?

A 'green revolution'?

In 1991 the newly elected government, represented by the Department of Land Affairs (DLA's) Derek Hanekom, announced a new land and agriculture policy framework.

The framework promised a 'green revolution', modelled on the south east Asian experience, that would bring significant changes to the lives of rural people. The policy included both land entitlement and black economic empowerment actions. A forest of legislative proposals have since been tabled for debate.

Broadly, the programme focuses on three



Labour tenants on a rural settlement near Grahamstown.

principle issues:

- *Restitution* for people forcibly removed from their land under apartheid. A Land Claims Commission and Court have been established to enable individuals and communities to lodge claims for land lost due to discriminatory laws since 1913. Compensation at market value will be paid by the state.
- *Redistribution* of 30% of rural land from white (including state-owned) farmland to rural blacks will take place within less than five years. This is intended to increase the share of land owned by black people to 41%, without undermining commercial production on white farms. The programme aims to create 'one million livelihoods', at a cost of R17,5 billion over five years.
- *Tenure reform* aimed at transforming all 'permit based' and subservient forms of land rights into legally enforceable rights of ownership. Where this is not practical, alternative land will be made available.

In the Eastern Cape, most of the programme's redistribution and restitution provisions were firmly in place by early 1996. The pilot projects in the Border-Kel area proved, however, to be a dismal failure. This prompted the East London-based Border Rural Committee (BRC), a lobby group representing rural communities, to declare that "...important policy battles regarding pivotal issues such as the state's intervention in the regulation of the land market, and the extent and scope of state subsidy assistance to marginalised households, (have been) lost."

Be-devilling reform

Government has since drastically reduced its original goal of redistributing 30% of the country's land by the year 2000. The new target is a mere 18,5% by 2007.

The National Land Committee (NLC), attributes the policy shift to government's embracing a "neo-liberal development path". NLC director, Brendan Pierce, says that "the

most important limitation of current policy lies with government's ideological approach to land reform"

Trevor Bell, head of the Institute for Social and Economic Research in Durban, goes further. He explains that government's prescriptions on agriculture are, in fact, World Bank recommendations. He lists these as

- deregulation of marketing
- liberalisation of price control measures, including a change in price fixing,
- a reduction in subsidies to farmers through tax concessions,
- real cuts in direct budgetary expenditure on agriculture as a whole, and the reallocation of such expenditure away from white farmers

The objective is the privatisation and commercialisation of agricultural land. The needs and aspirations of the marginalised, set out in the RDP, have become secondary.

Economist, Merle Lipton, explains that the inherent contradiction in the ANC's land policy is the pretence to still support RDP objectives of meeting redistribution needs while simultaneously abandoning its commitment to nationalisation. This leads to a continuation of the racial distortions in the land market present under apartheid. The constitution reflects this situation. While it supports restitution, the clauses which protect private property means that land redistribution is limited to market-led measures.

The current policy is to attempt to free the land market from the tightly knit regulatory system which protected commercial white farmers under apartheid. The huge co-operative farms which shielded individual white farmers from price fluctuations in the market, will be broken up, forcing many into bankruptcy. This, it is hoped, will open up opportunities for small scale black farmers. Government policy has

swung full-circle from nationalisation to reforming apartheid's legacy by 'demeaning' ownership.

Response

Rural lobby groups are ambivalent about the viability of this programme as a means to push through radical redistribution. In its submission to parliament last year the BRC argued that government's reliance on the land market will "limit reform to a few willing sellers and able buyers. The rural masses would be left out in the cold".

The BRC's main concern is the Bill's proposed mechanism for redistribution. "Rather than direct land transfers, the programme is a green light for endless legal battles resulting from voluntary market transactions between willing buyers and (un)willing sellers. This approach leaves the landless at the mercy of landowners who are protected by constitutionally entrenched property rights and can determine whether to sell or not, usually at a price hike".

Statistics for the Eastern Cape give credence to these concerns. Since 1994, less than 1% of farmland in the province has been transferred. By early last year only ten pilot projects for redistribution were approved by the provincial DIA. Six transfers were processed through the old Provision of Land for Settlement Act (126 of 1993) before its amendment. Ashley Westaway, the director of the BRC, says that the success stories are in fact "remnants of old policy, not products of the Green paper". Moreover, despite a flood of claims for restitution in the province, none has been successful to date.

With the potential benefits of reform narrowed to a new black capitalist class in the ex-Bantustans, Westaway says the effect has been to secure the land holdings of current owners. The poor continue to rely on subsidy grants from the state to purchase

property at extremely high prices; indeed the criteria for redistribution exclude people with access to very low incomes, no collateral and poor organisational capacity.

Farmers strike back

With some rare exceptions, white farmers represented by the Eastern Cape Agricultural Union (ECAU) have resisted any change. They have dismissed farmworkers and evicted tenants ahead of the policy becoming law. At an ECAU provincial conference in Cradock in June farmers spelt out their main concerns.

Threatened by falling profit margins in commercial agriculture and a growing crisis of farm debt due to the collapse of protectionist policies and competitive, 'unstable' world markets, the farmers resolved to strike back.

Johann Greyling, ECAU's deputy president, says present moves by government to "deregulate and liberalise" the land market would in fact "de-agriculturalise" the commercial sector. He says farmers are worried that more attention is paid to "welfarist state grants" to rural families than agricultural production, citing the pilot projects "which are swamped by state grants rather than production possibilities".

Rural organisations argue that the backlash is simply a reaction to attempts to 'deracialise' the land market. This might not be far from the truth, tariff reductions on vegetable and meat open up opportunities for small scale black farmers.

The ECAU is also concerned at the state's "interference in employment relationships between farmers and their workers". Greyling says they are not against unions and the regulation of labour relations on farms. However, farmers' haste to mechanise and reduce their workforces gives a lie to this argument. Forced removals from farms



Eastern Cape Agricultural Union deputy president, Johann Greyling.

are ongoing.

The second main threat to farmers is the expected replacement of seasonal and casual workers with a more permanent workforce based on tenancy rights.

Although the organisation of rural dwellers in the Eastern Cape is still weak and the extent of black small scale farming largely confined to the ex-Bantustans, farmers are not waiting for the inevitable. Weakened by the loss of the old government's patronage, the ECAU is set to mobilise its constituency against the new law.

In the middle

The DLA finds itself caught in the firing line between the conflicting class interests of the IIRC and ECAU.

Lisha Schuster, the DLA spokesperson in Port Elizabeth, says the sustainability of resettlement options and the ability of

communities to use the land productively are key criteria for land transfers. "Before a transfer is approved, an investigation is undertaken into the resource and productive capacity of a piece of land to sustain livelihoods."

Where land is owned by farmers, a process of negotiations must be undertaken where buyers are able and sellers are willing. This is time-consuming and might explain the level of frustration and tension between stakeholders," she says.

However, Westaway and his organisation believe that the drawn-out process and criteria are an excuse to avoid confronting the politically more difficult question of making more land available. "The real issue at stake," he says, "is whether government is willing to admit that the protection of property rights of current landowners is the problem. Avoiding this question is likely to

lead to a futile search for solutions within the present boundaries of the 'bantustans'."

Beyond the market?

The high concentration of commercial land and landlessness in the Eastern Cape must surely make a powerful case for looking at alternative, non-market redistribution options beyond the narrow parameters of the current land reform programme.

Government is sticking to its position that there is no alternative to the market. Westaway admits that eradicating the market altogether is not an alternative at the present moment. Nationalisation is not a realistic policy option.

Is there an alternative? If market led reform is a given principle, what form of state intervention is possible? Westaway is

Local development – an alternative?

The DLA believes the concept of local development could be a workable solution to meeting the needs of rural people and their economic and employment requirements. A project in Hertzog, a rural village in the M'pofu district of the former Ciskei, is put forward as a success story of "communities seizing the development initiative".

Previously owned by white farmers, Hertzog was expropriated by the Ciskei state in the early 1980s. The state was unsuccessful in farming the land. After the 1994 elections rural dwellers in the area seized the moment to launch a development initiative.

The uniqueness of Hertzog lay in the presence of farming skills and abandoned state-owned agricultural land. The community negotiated with government and a commercial bank and built a 'community-public-private partnership' to bring the land back into productive use. The result: an agricultural co-operative and small scale

farming on individual plots of land which today sell their products to local and regional markets.

For the DLA, Hertzog proves the viability of market-driven measures. But is it replicable in other areas? Nel and others have argued that 'locational variables' – that is, conditions particular to the area which may not be present elsewhere, determine whether or not local development will be successful.

A project with similar objectives in the interior of the Eastern Cape tells a different story. Forming part of the DLA's pilot project, Released Area 60 consists of formerly white-owned farms which were transferred to the Ciskei government and subsequently released to landless people from the ex-homeland after 1994.

The difference, however, is that the initiative failed due to the inappropriateness of the area for redistribution and sustainable development purposes.



Port Elizabeth Department of Land Affairs spokesperson, Lisha Schuster.

adamant that the market, left alone, would perpetuate apartheid ownership patterns with a few black land owners emerging as token beneficiaries. He points to two fundamental flaws in current thinking within government:

□ *Supplying demand*

Government's current emphasis on a rights and demand-driven approach presupposes access to land and affordability, both of which are absent. State-led supply-increasing measures are required to create meaningful demand.

□ *Legalising inequality*

The principle of a legal right to land based on restitution is flawed. Using 1913 as a legal benchmark, Westaway says, excludes the mass dispossessions before then. Further, the principle of restitution challenges the legitimacy of current tenure arrangements where white farmers are in possession of legal title.

He calls for the state to intervene in the system of land rights and allocation, using the market as an instrument for redistribution.

'Voluntary expropriation' using market measures is an alternative way of increasing the availability of land and thereby bolstering demand. Foreclosure on bad debts by white farmers and a land tax are ways of forcing farmers to give up ownership in the medium-term.

The long-term aim, Westaway says, is to nationalise land for the "progressive socialisation of agrarian property. Ideally, the market should be eradicated altogether for genuine redistribution to occur." ★

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Thanks to Barbara Manning and Lall Naidoo for their fieldwork, time and effort

The Olympic bid

will workers win?

What would you do with between five and R21-billion? Build hospitals, schools, houses?

We certainly need them. But that's dull, it doesn't fire the imagination, it's not likely to grab the headlines. More important, it won't influence big time financiers, media bosses, top politicians.

Try again. What do we really need? What are our people crying out for? What have all those years of struggle, brutality, injustice been about? Let your mind wander freely ...

You see, that wasn't difficult! The answer pops right out when you relax. It's Olympics 2001! Remember how the Right used to yell that sport and politics don't mix? We'll show them: in our new South Africa, sport is politics.

The Olympic Games, a world wide spectacle from which we were barred. Now, just three years after freedom, we're back running, swimming, shooting with the best. We love our sport, everyone knows that, so what could be more fitting than for us to host the first African Games?

Conscience pricks you to ask: what of the cost? Can we afford to deploy our limited resources for a few weeks of global entertainment?

Forget all that! The Games, we're told, will be a force for economic development. They'll provide wonderful buildings, soaring tourism, they'll put us firmly on the global, super-highway of media electronics. We'll be plugged into the circuits of world finance

If Cape Town succeeds in its bid to host the Olympic Games, the rich will be the main beneficiaries. Howard Harris and Alan Lipman see little benefit for working people.

and power, we'll truly be back in the mainstream.

International status

Every four years hundreds of millions of people are fixed to their TV sets. Where do 'we' stand, how many gold medals? Each time there are more events, competitors, spectacular buildings, more razmataz.

Every four years countries compete to host the spectacle by fawning to those new international personalities, members of the International Olympics Committee (IOC).

So what's the attraction? For Japan (1964) and Germany (1972) the Games were opportunities to display the strengths of their economies and, as significant, to signal their return to the fold of nation states. This, of course, is what we are now urged to do: move beyond our exclusion in 1960, beyond Montreal 1976 when 31 nations withdrew because the IOC refused to exclude New Zealand, whose rugby teams had played the apartheid Springboks. We're told to grab the

opportunity. Africa is the only continent not to have hosted the Games; this is our chance to stake a claim for regional leadership, to become a major African power.

The persuasion machine

Some, who should know better, are eager to strut the world-wide stage, to rub shoulders with sporting greats To hell with the cost. Others are always poised for a financial killing. Most of us would want something more than photo-opportunities for vain leaders and ready profits for the usual gang of bankers, developers and big-wig architects

The persuaders are busy at work. There are, they say, no losers. Everyone wins. There are no costs, just guaranteed investment. Despite the mess of Barcelona in 1992 and Manchester's hugely expensive bid for the year 2000, we're told that the Games are an opportunity for urban regeneration and development, for boosting tourism. And all for free!

Sad architectural jokes

The architectural gymnastics of the Games include spectacular stadiums, new villages for the athletes, glamorous hotels and sweeping highways

World-wide, the media, especially the architectural journals, celebrate. Until the Games move on. Then attention shifts and the local population is left with costly reminders.

Who recalls Montreal 1976, Moscow 1980, Seoul 1988, where are their long term tourist booms? What happened to their grand architectural statements? Now they are debts around the citizens' necks

The bloated size of the Olympic Stadium in Barcelona makes it unsuitable as a place for home events. It has become a massive architectural joke. There is not much laughter from those who must continue to scratch for the money to pay for it

Maybe it's not all negative? When the Games are over, an Olympic village could offer housing for those in serious need. Here too, Barcelona's experience is instructive. Its Olympic village was built in a docks area where some of the city's poorest citizens, mostly stevedores used to live. They were moved out for the new development. They've never returned. Instead, the village accommodates more 'presentable', more respectable people.

Cape Town's winning architectural entry in the recent competition for the Olympic Village on the Culemborg foreshore hangs dismally in the air.

Where are the finances? As we know, the ANC has abandoned state funded housing. That magic provider, private enterprise, finds no returns from social housing. Indeed, the land has yet to be allocated. Most damaging, there is no infrastructure at Culemborg: this alone could make the project far too costly.

Waving the flag

Not slow to grab at what promises to be massive profits, our home-bred conglomerates have leapt on the Olympics band-wagon

Advertising billboards, radio and television, newspapers across the country are thick with promotions by firms eager to "secure international confidence, which is waning, and international capital, which is staying away". Each of them, they assure us, is a "proud supplier to Cape Town's 2001 bid".

Recently, the Editorial Director of one of the larger groups of our monopolised press took an entire page to link patriotism, *via* that fashionable notion 'nation building', to a successful Olympic bid. Cabinet and MPs have given their blessing

The few who publicly question are dismissed and treated with contempt. They, apparently, are not patriots. They are

certainly not sporting folk. They whine on and on about resources for "other priorities, like housing, health and education". They are obviously kill joys. They are certainly not true daughters and sons of this sporting soul.

Who wins?

Once more, working people are being sold a bowl of watered-down nationalist pap, a clutch of shallow promises. Big money is on the loose, wallowing in loyalist pride, in tough-minded, profit-driven sport. Behind the adverts and overblown editorials, there is a straightforward message: what's good for corporate business is good for South Africa. There will, they keep telling us, be investment, capital, opportunities, jobs.

Of course there will be some employment, and probably some training in the construction industry, in service work like hotels and catering, in marginal jobs like museum management. What the Cape peninsula needs is long term, secure opportunities to replace dying industries and an underutilised port. Instead, there will be a short, sharp injection of jobs that will rapidly tail off to limited prospects.

After the shouting of 2004, what will happen to the jobs, who will use the buildings, who will enjoy the sporting business goodies? The people, of course! If you believe that, you'll believe anything that's pumped at you. They – the well-heeled, the cosily comfortable, the peoples' agitators on boards of directors – will have won. They'll collect the loot, they'll be the winners.



Bus shelter in Johannesburg

Finally, a memory jolt: remember how we all – politicians, bosses, workers and the many, many jobless – were busy at nation-building when we cheered our rugby *amabokoboko* in their bid for the World Cup? They won, though only just. Did we? ★

Howard Harris, an active trade unionist who teaches interior architecture in Cardiff, Wales, has visited South Africa and is keenly interested in local architecture.

Alan Hipman, an architect/sociologist who taught at the University of Wales during 27 years of exile from South Africa, now writes on architecture.



NEDLAC debates water services

"The representatives of government, business, labour and communities remain committed to the strengthening of social partnerships and to the promotion of dialogue and negotiation as a way of seeking collective answers to the challenges facing South Africa."

*Nedlac Summit Declaration –
24 May 1997*

The Water Services Bill

The Water Services Bill is currently being negotiated in Nedlac's Development Chamber Negotiations on a water resources bill will take place later in the year

Two years of heavy rain have resulted in flooding of numerous settlements. South Africa's dams are full to bursting. We have at last broken free of the grip of years of drought.

It would be a mistake, however, to imagine that the threat of water shortage has gone away.

South Africa is a dry country, with barely sufficient water to sustain our population. Within a few years our growing economy and population will once again put our water resources under severe stress. Water Affairs and Forestry Minister Kader Asmal has warned "Unless we alter our water use patterns South Africa will run out of water in 30 years."

Access to water supplies is also grossly unequal. Between 12 and 14 million South

Africans have no access at all. Over 20 million people are without proper sanitation. This has harsh consequences, especially for women and children in rural and peri-urban areas. Women sacrifice their time, energy and health collecting water every day. Thousands of children die each year of diseases related to poor sanitation and the lack of clean water.

It is not surprising that securing a safe and conveniently situated supply of water is at the top of many people's list of priorities. Communities can now look to the constitution which guarantees every person the right to 'sufficient water'.

Debate

The Nedlac social partners share the concern that water resources be protected and all South Africans have access to water and sanitation. There are debates, however, about the best way of achieving these goals.

Since the 1994 election, the government has set out to create a new national water policy framework. In April this year, a wide ranging White Paper on a National Water Policy was produced. It focuses on the management of water resources. It proposes that water be treated as a national asset over which the government will act as trustee in the public interest.

A Water Resources Bill giving effect to this vision is presently being drafted and

will be presented to Nedlac later in the year

A more limited but pressing issue is that of regulating water supply and sanitation services. This was dealt with in a White Paper issued in late 1993. This has provided the basis for a Water Services Bill which was published for comment by the government in May and which is now under discussion in the Development Chamber.

The Bill

Deputy Director-General of Water Affairs and Forestry, Mike Muller, explains "The Water Services Bill gives us, for the first time, a national framework for achieving norms and standards for regulating water supply and sanitation services."

The Bill recognises *the right of access of all South Africans* to a basic supply of water and to basic sanitation. What this means in practice is not spelt out. The White Paper sets a target of 25-litres of water per person per day available within two hundred metres of each consumer and one ventilated improved pit toilet (VIP) per household.

The Bill also states that over and above a basic minimum, *consumers must pay for the service*. If they fail to do so their supplies may be cut off.

Municipalities

Municipalities, which will act as *water service authorities*, hold the primary responsibility for ensuring people have access to water. National government will set standards relating to quantity and quality of the service. In areas where there is no local authority able or willing to provide water services, water committees may be set up.

A municipality will either provide water services in its area or enter into a contract with a water service

provider to do so. The service provider must provide water according to standards set out in municipal by-laws. The provider may be a private body, another municipality or a water board.

Water Boards will have the responsibility of supplying water in bulk to municipalities and other water service providers. Water boards will continue to be parastatals but they must conduct their activities so as to be financially viable. The tariffs they charge will be subject to ministerial control.

Water for industrial use must be obtained from a municipality, its designated service provider, or directly from a water board. There is, however, a phasing in period of five years for industrial users who currently obtain water from a source other than the municipality (for example, some mines pump their own water from underground).

Government will provide guidelines for tariffs with regard to both cost recovery and social equity. The tariffs charged may differentiate between different geographic areas and different types of service.

While there is broad support for the objectives of the Bill, a number of issues have been raised. Both labour and the community constituency have questioned the absence of a clear definition of a basic service and whether 25-litres of water is adequate. Fifty litres is being put forward as an alternative.

There is also a fear that failure to pay may lead to individuals and communities being denied their right to water at all. Michael McDonald, an economist at Steel Engineering Industries Federation of South Africa (SEIFSA) asks "Can you cut off water but not infringe someone's constitutional right of access?" A practical mechanism to allow a minimum amount and at the same time ensure that consumers pay, needs to be worked out.





Labour

Labour has also expressed concern that there will be more emphasis on cost recovery than on affordable tariffs. It has suggested that the Bill should clearly commit the government to a free basic supply of water. Then there should be a block tariff system, ie, an amount which increases as the consumer uses more water.

Labour is also concerned that the distinction between water service authority and water service provider is designed to open up a space for private sector involvement. The General Secretary of the TGWU, Randall Howard, explains: "COSATU is clear that a service which is a right should not be privatised. Firstly, it will impact on jobs and secondly on how affordable the service is." It has been suggested that the local authority must explore all possible public sector options for delivering water before looking to an outside service provider. Whoever provides the water, must ensure that the service is both affordable and accessible.

Business

A major concern for business is access to water for industrial use. The Bill states that industries' access to water must be through a water service provider nominated by the local water services authority. Nobody may use industrial water from another source without the approval of the water services authority. Business fears that these clauses may undermine the security of water supply and result in uneconomic water costs.

Take, for example, the mining industry - particularly in the dolomitic areas of the West Rand. It depends on the pumping and use of underground water which has often been developed at considerable capital cost. Measures that inflate the cost of these

supplies could have very damaging results.

Business also fears that if a local authority has a monopoly of water supply, it could result in uneconomically high water tariffs for industry. High tariffs for industry could be used to achieve financial viability or to cross-subsidise another area.

According to the White Paper, the mechanism to appeal against a decision of a water authority which denies a business access to water, is through the minister.

Mike McDonald explains why he sees this as a problem: "Mechanisms for appeal take a long time. Someone could be out of business before a wrong is righted. We need an appeal mechanism that is more timely."

There is general concern about the capacity of local authorities to plan and provide water services. Business is particularly anxious about the impact on industries using large amounts of water in areas of small rural local authorities.

Mike Muller acknowledges the problem: "The first step is to see what we need to do to support local authorities to deliver services."

Despite areas of debate there is general consensus that the Bill is an important step forward in providing all South Africans with access to water.

Demarcation of sectors

The LRA gives Nedlac a crucial role in determining demarcation of sectors for collective bargaining.

Demarcation is an important but sensitive issue. It will determine which companies and groups of companies are grouped together in an industry or sector for bargaining purposes. For example, should there be a bargaining

council for the entire chemical industry or should there be separate councils for pharmaceutical, industrial chemicals and petrochemicals? Should coal, gold and diamond mining fall into the same sector?

Wages and employment conditions vary in different sectors.

Where a company is 'placed' can affect its employment costs. Trade unions are also affected. Labour generally prefers a broader demarcation of sectors to cover an entire industry. Business argues against the traditional classification of industries (primary, secondary and tertiary) which it believes to be too wide. It believes that industries should be classified or demarcated in a way that groups parties with similar interests together.

Nedlac's role

Applications to register new councils or to change the scope of existing ones will be referred to Nedlac along with any objections and comments from the public.

Nedlac's role is to consider the appropriateness of the sector and then demarcate that sector accordingly. If Nedlac fails to agree within a 90-day period, the Minister of Labour must make the demarcation.

As yet, no applications have been tabled at Nedlac by the Department of Labour. A working group in Nedlac is currently developing a set of criteria to determine the appropriateness of proposed demarcations.

Social and economic developments

Did you know that

- The amount of money the government has spent in interest on the national debt over the last six

years has increased by 7,8% a year?

- More than two in every five African people (42%) and an equivalent proportion of coloured people (43%) earn gross monthly incomes of under R1 000?
- The government's community water supply programme has brought piped water to one million people?

It is not easy to keep up with the constant changes taking place in our country. In this rapidly changing environment, we need to be informed about the latest trends and developments in the economy and society.

A Nedlac document, entitled *Social and Economic Developments In South Africa*, provides an overview of key social and economic developments in South Africa in recent years.

Lael Bethlehem, co-ordinator of policy and research at Nedlac, explains "The process at Nedlac is one of negotiation. Negotiations work better when people are informed. The more people are informed by on-going analyses of economic and social trends, the more successful the negotiations that take place within Nedlac are likely to be."

The report is divided into two sections. The first section covers *basic economic literacy* with statistics on growth, employment and equity. It provides a clear and accessible picture of what is happening in terms of economic growth, investment and trade and the distribution of income and services among South Africans.

Minerals processing in the form of metals and chemicals account for a large proportion of exports. In contrast we are heavy importers of mechanical and electrical machinery and motor vehicles. This means that we depend on imports of intermediate goods (parts and other inputs), as well as capital goods (such as



machinery and equipment).

There is also information on the distribution of resources and people's access to running water, schools, electricity, toilets and doctors.

For example, did you know that relatively few households (32%) in South Africa actually have a telephone in the dwelling in which they live and that only 23% of African households and 61% of coloured households have flush toilets?

The second part of the report provides new information on five specific areas which are key to the *reconstruction and development* of our country: government spending, welfare, housing, municipal infrastructure and human resource development.

It shows some interesting trends. For example, government has re-prioritised much of its spending over the last few years. There has been a decline in defence spending, while spending on police, prisons, education, health and welfare has increased.

You will find information on how government spends taxpayers' money; how much housing has been delivered and the kind of training which is currently taking place in the country.

Nedlac believes that the report is a valuable public resource. Bethlehem explains: "A lot of information passes through Nedlac on issues like the economy, government spending and the kind of delivery that is being achieved. The report is a way of giving the public access to that information."

The report is available from Nedlac. The Nedlac secretariat is also available to make verbal presentations of the report.

Issues on the Nedlac agenda

Trade and Industry Chamber

- Public Sector Procurement Policy*

negotiations on the procedure and institutions to deal with government's tendering process.

- Workplace Challenge*: addressing issues related to productivity and competitiveness at the workplace level
 - Competitiveness Co-ordinating Committee*: sub-committee to integrate policy initiatives and programmes linked to competitiveness, for example supply-side measures and the Workplace Challenge.
 - Cluster initiatives*: participating in studies co-ordinated by the Department of Trade and Industry to promote inter-firm linkages and to address weaknesses in industrial clusters.
 - Social Clause*: developing a detailed strategy to promote labour standards internationally, based on Nedlac's framework agreement on the social clause.
 - Social Plan*: negotiation of a series of plans to deal with the consequences for workers of large-scale job losses
- Competition Policy Co-ordinators*
Shan Ramburuth,
e-mail shan@nedlac.org.za
Maud Dlomo,
e-mail maud@nedlac.org.za

Labour Market Chamber

- Basic Conditions of Employment Bill*
- Skills development strategy*
- HIV/AIDS*: A South African Law commission discussion document on legal aspects related to HIV/AIDS
- Demarcation guidelines*: development of criteria for demarcating sectors for collective bargaining purposes.
- Code on retrenchment*



- *Code on picketing*
- *Sexual harassment* consideration of mechanisms for handling cases of sexual harassment
- *Regular reports from various tripartite bodies* for example, the Wage Board and the CCMA
- *Nominations to various tripartite bodies* facilitate nominations of people to bodies such as the Wage Board as well as appointment of Labour Court judges

Co-ordinator Wendy Dobson,
e-mail wendy@nedlac.org.za

Development Chamber

- *Water Laws* the provision of water services and management of water resources
- *Masakhane* initiatives to redesign and revitalise the Masakhane campaign
- *Service Tariffs* framework for pricing of local government services
- *Housing* strategies to deal with the housing backlog and to speed up delivery, in co-operation with the Department of Housing
- *Crime* promoting partnerships at a local level in crime prevention programmes
- *Job Creation* framework on job creation in public works and the construction industry
- *SI Youth Council* facilitating the establishment of a national representative body to give youth a voice in policy negotiations

Co-ordinator Aubrey Lekwane,
e-mail aubrey@nedlac.org.za

Public finance and monetary policy chamber

- *Public Sector Transformation Forum*
- *Savings* focused research on

household savings

- *Budget Process* developing strategies to enhance delivery in areas of primary health care and primary and secondary schooling
- *Investment* looking at socio-economic infrastructure investment (for example, clinics, schools, water, telecommunications and electricity)

Co-ordinator Mahandra Naidoo,
e-mail mahandra@nedlac.org.za

Resources

Publications

- *Nedlac Annual Report 1997* and *Report on Social and Economic Developments In South Africa*
 - Booklet *Overview of the Current Industrial Training System in South Africa*
 - *Nedlac News Update* (3 monthly)
- To get these and other Nedlac publications contact
Mbuso Ngcongco
Tel (011) 482-2511
Fax (011) 482-4650
e-mail Mbuso@nedlac.org.za

Internet

Visit the Nedlac website on the Internet at <http://www.nedlac.org.za>

Seminars

Nedlac is offering education seminars on current social and economic developments in South Africa based on the Nedlac annual social and economic report. If your organisation or union is interested contact Lael Bethlehem at Nedlac
Tel (011) 482-2511
Fax (011) 482-4650
e-mail Lael@nedlac.org.za

This issue of Focus on Nedlac was written by Harriet Perlman of Education and Media Services



JCI

seeking soft outlets?

Allius Ramotlou, a mineworker at Randfontein Estates, remembers the afternoon 11 years ago when he visited the Pumlane training centre in Randfontein for a medical examination. As a new recruit, it was compulsory to undergo the test before commencing work. He was advised of his conditions of employment and sent off to work underground.

One day last month, when Ramotlou went to clock in as usual, his clock-card did not register. Bewildered and anxious to join his shift, he approached his supervisor, who advised him to visit the mine training centre for more information.

After working more than a decade in the blinding darkness and deafening noise of the mine shafts, it would be sensible for Ramotlou to return to the centre for an examination. But his employability is not the reason he was summonsed this time round.

When the medical examination is complete, he enters a separate room clutching a document given to him by officials. A group of NUM shaft stewards skim through the document and tell him what benefits he will get when he leaves the mine.

Paralysed with shock, Ramotlou asks whether his comrades have read the document correctly. There is no mistake, he has been retrenched along with 3 000 other workers and 750 contractors.

Two gold mines owned by mining house, Johannesburg Consolidated Investments (JCI), are retrenching thousands of workers in the wake of the slide in the gold price. Malcolm Ray asks whether gold's 'melt-down' is masking a trend to exploit new pastures in west Africa.

Downsizing

NUM shaft steward, Stephen Tsoenyane, explains that in February this year mine management unilaterally decided to 'downsize' the workforce. It subsequently entered into retrenchment negotiations with the union.

Workers were given no warning of the impending crisis. "We were simply told that the mine is the worst performer in JCI and cannot continue to operate at a loss," Tsoenyane says. This is despite the fact that management and the NUM had previously agreed to explore alternative options to retrenchment should the need arise.

In June, the NUM declared a dispute and threatened strike action. The union argued that employers have a statutory obligation

to give workers at least six months notice before embarking on retrenchments.

A series of negotiations followed. Tsoenyane says, however, that the reason for the retrenchments was hived off the agenda, making it difficult to investigate ways of saving jobs.

Negotiations pivoted around those wishing to take voluntary retrenchment packages and the severance timetable, instead of avoiding job losses. Frustrated union negotiators say retrenchments were clearly a *fait accompli* throughout the talks. They say the company drew them into a "war with JCI" by excluding workers from restructuring plans.

Tsoenyane says this state of affairs has been going on for some time. "The company has been pleading bankruptcy for years without providing us with adequate information. Last year 730 workers were retrenched because management claimed they were unproductive. This year, it is the same thing. When is it going to end?"

Unskilled workers like Ramotlou are the most vulnerable. They are unemployable outside the mine and do not have sufficient benefits to support them. "For 11 years of service, Ramotlou will receive less than R8 000. How is he going to support his wife and two children?"

Crisis

Randfontein Estates is part of a stable of two mines on the West Rand owned by JCI. Situated in one of the richest gold belts in the country, both mines are nevertheless set to embark on 're-engineering strategies' in the coming months in a bid to off-set falling profits. At the other mine at Westonaria around 3 000 workers will be retrenched as part of the restructuring initiative.

Management cites low labour productivity as the crucial factor. JCI spokesperson, Craig Lawrence, says the



Unskilled workers are the most vulnerable

company is forced to 'rationalise' some of its operations to establish optimal production levels. "The company is faced with aging mines with declining ore reserves, placing the mines' future in a financially and operationally precarious position."

According to *The Financial Mail Gold Quarterly report* (May 1997), JCI's taxed profit has fallen by two-thirds after capital expenditure costs. The company's gold division MD, John Browning, refers specifically to "loss-making shafts and low productivity" as the rationale for rationalising operations at the two mines.

Analysts point to an additional, more organic crisis in the industry as a whole. Objective market criteria in determining prices might be a reason for the spate of retrenchments, they argue.

Capital has no colour

When the NUM declared a dispute with JCI, old comrades faced each other across the class line. JCI's new chair, Mzi Khumalo reportedly spent a few years with NUM's deputy general secretary, Gwede Mantashe, on Robben Island during the dark days of apartheid.

The dispute highlighted the contradictions for black capital, which is investing large sums of money in apartheid's bedrock: gold mining. Imagine Mantashe's surprise when his erstwhile comrade decided that thousands of black workers must go. His response: "We expected more heart from someone like Mzi." But capital has no colour. Mantashe soon realised that his old friend is his new class enemy.

Labour's loss

Tumbling gold prices have certainly claimed many casualties, with some mines announcing that they will close soon, as well as plans for massive retrenchments. Analysts estimate that as many as 63 000 jobs are threatened. Fourteen mines could close if the current gold price holds.

Industry sources say gold producers are more vulnerable to the vagaries of the international market. Mining barons are confronted by a market which is oversupplied with gold in the wake of the sale of massive reserves by the Australian central bank and the threatened sale of even larger amounts by countries around the world.

As *The Financial Mail* (11/7/97) notes, the impact of falling prices on gold production is unprecedented because production costs are much higher now. Underlying the issue is the iron law of supply and demand. If central banks, which are the depositories of gold, shed more gold onto the market, it will further reduce demand and reduce prices.

The consequences for gold mines will be

catastrophic. *The Financial Mail's* Brendan Ryan points out that, as South Africa is the largest gold producer in the world, our companies are most exposed to the vicissitudes of the market. South African mines are also deep level mines, which have the highest costs.

The more optimistic of the analysts believe that the crisis is temporary and will eventually 'even out'. They predict that the gold price will recover when supply once again matches demand. This will still entail a great cost in terms of jobs. The stark truth is that the oversupply of gold on the international market will force a number of high cost producers to close before the gold price reaches its threshold.

The question for JCI and other South African producers is how best to survive the current fall-out in gold production?

'Soft' alternatives

JCI and other South African mining giants are reportedly seeking 'soft' alternatives in order to manage the current crisis. The NUM's George Molebatse says the company has adopted a two-pronged strategy: 'hedging', or forward selling its gold before the price hits its threshold and rationalisation and retrenchments.

In effect, this means seeking profitable outlets in countries where future gold output is potentially higher and cheaper to produce. "This has recently been accelerated by several west African countries extending mining rights to foreign investment," he says.

He identifies two major drives in JCI's strategy. The first is new political and economic attitudes in west Africa based on liberalisation and privatisation. The second is new mining technologies that allow previously uneconomic low grade ores to be processed at very low cost. The investment vehicle is usually a joint venture with international mining companies or privatised assets in countries like Mali and



As many as 63 000 jobs are threatened

Ghana The on-off merger between JCI and the London based mining house, Lonrho, is a case in point. The intention was to "externalise JCI's assets, without the constraints of exchange controls" (*Finance Week* 9 July 1997). It is believed JCI's stake in Lonrho would have given it access to a stake in Ashanti - the largest gold investor in west Africa - effectively providing a gateway to new golden pastures.

Second Great Trek

Mineral investment up north is not new to JCI. Sources close to the industry say JCI has been securing fixed assets in west African countries since 1994, coinciding with South Africa's re-entry into the international market.

High cost deep level mines like Westonaria and Randfontein Estates are faced with tough choices: either ensure the future viability of the mine by cutting costs, investing assets outside and improving profit margins and efficiencies, or continue to plunge the company into a high cost low profit squeeze, resulting in complete closure.

Or is there another way out?

'Mining smarter'

Earlier this year, the NUM commissioned geologist Peter Camden Smith to investigate the viability of Randfontein Estates. He found that waste management at the mine has, in large part, contributed to the current financial and operational crisis.

Camden Smith points out that although mine management is "fully justified in its reasoning and its decision to down-size the mine", the crisis could have been better managed. He says that "poor strategic planning in the past has resulted in the present inflexibility of the mine to meet production costs, break out of its marginal status and withstand decreasing gold prices".

He concludes that the life of the mine could be extended beyond the projected date of the year 2000 by an additional 20 years, provided management mines smarter and builds investor confidence in viable projects.

Although restructuring will not guarantee economic survival, the report recommends a "new style of workplace management with

the direct involvement of workers in forum type meetings between the NUM and mine management"

His re-engineering plan includes the following proposals:

- Knowledge Forums and Information Centres to be established so that more pro-active planning can take place.
- Transparency and honesty by management through joint decision making with the union
- NUM should be involved in monitoring planning, with a specific focus on efficiency and development needs
- Teamwork and the empowerment of workers through training mechanisms and affirmative action programmes should be encouraged. This will benefit all workers

Production-linked agreement

The NUM recognises that boosting productivity is the key to the survival of marginal mines. But the options are very narrow.

Room to negotiate wage increases has been undercut by the falling gold price, leaving production linked wage deals the only option to save the industry.

Driven by the spectres of collapse and job loss, the union and the Chamber of Mines last month agreed to productivity-linked wage increases. The agreement, which is the first of its kind in the sector, links wage increases to productivity enhancement for the next two years.

NUM president, James Motlatsi, sees the deal as a trade-off between the Chamber and the union in the interests of increasing gold production. He says the union has reached a point where it has to apply its mind to the crisis facing the industry.

The NUM hopes that this will preserve current levels of employment. However, as one labour analyst pointed out: "In real

terms, the industry would not be increasing investment in wages... It will be distributing a proportionately smaller wage budget among a smaller workforce as a result of downsizing."

Social plan

The NUM has also proposed a social plan for both Westonaria and Randfontein Estates. Molebatse says his union has already floated the idea of a forum between the union and management on the social plan. "We are suggesting that a trust fund be set up whereby moneys that accrue from selling any asset be allocated to needs that are jointly approved by the NUM and management," he says.

He stresses the importance of retraining retrenched workers to enable them to find employment in other areas of economic activity: "Let's face it, we have a dying gold industry and mining houses bent on business economics not social investment. If the gold price does not pick up soon, the next two years could spell disaster for workers. The future employability and social security of mineworkers cannot be underestimated."

Unfortunately hastily contrived plans to restructure and save jobs might be too late. The industry has already seen around 220 000 workers retrenched over the past five years despite the union agreeing to lower-than-inflation wage increases before 1996. The on-going crisis is unlikely to see a spurt of gold output and labour-absorbing growth. Reserves are depleting rapidly and they cannot be resurrected. Sooner or later may come the further demise of the industry and the loss of thousands more jobs. ★

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CWIU debates alliance

Attempts to throw a wrench into the ANC/SACP/COSATU alliance were dampened once again as the 300 delegates to CWIU's 5th national congress in June threw their weight behind the ANC in the build up to the 1999 general election

The union's Wits branch called for the organisational components of the alliance to be broken as it did not see the challenges of working class leadership and socialism being realised under the political hegemony of the ANC-in-government

Although there were no sharply defined lines of political cleavage, the debate on the now age-old question of whether the alliance should continue to be the vehicle through which the interests of workers is politically and organisationally expressed was extremely lively. While the majority of delegates held to the belief that the working class see the ANC as representing their material interests, this did not prevent serious questions being raised

Problems of transition

Delegates were clear that the transition from apartheid to democracy is merely a change from one form of capitalist state to another. The congress noted that

- The ANC's political victory has not given workers political and economic power
- The RDP has been ditched
- The ANC's economic policy is anti-working class
- Alliance leadership is not accountable to workers

by Malcolm Ray

- The mass movement has become bureaucratised
- Workers are spectators in the struggle for transformation

A source within the union says virtually all the deliberations on the nature of the present period pointed to the fact that the ANC has been "weaned off any residual notion of revolutionary change". Rather, the task of workers is to "rubberstamp the smooth transition to a modified capitalist system. This is clearly a political issue and calls for bold political alternatives". Yet, he says, delegates saw the problem as one of "objective and subjective weaknesses that confront the alliance and the ANC in particular."

Workers' Party?

This analysis notwithstanding, the call by the Wits' branch to break the alliance was deemed "premature". Delegates believe that workers are not yet sufficiently disillusioned to sanction such a step.

Musi Buthelez, who was elected General Secretary at the Congress, says delegates were wary about any political alternative "even though the ANC has its problems". He says the question of "how to build an alternative" was not on the agenda because the idea was rejected. "The feeling was that COSATU does not have the capacity to form



A delegate addresses the congress

a new political party. The resolution said that it would be politically dangerous to abandon the ANC."

Strengthening the alliance

Instead, the congress sought organisational solutions. "CWIU will work to strengthen the alliance by ensuring that its structures and leaders are accountable to workers. The future of the alliance will come under review from time to time until the 1999 general elections," the resolution reads.

Not all delegates were happy. A Wits branch delegate retorted: "The fact that a mass party of workers does not exist surely points to the need to build one."

Investment

The CWIU is one of the few COSATU affiliates which does not have an investment arm. The congress also passed a resolution rejecting 'business unionism'. Buthelezi says this is nothing new: "We are aware of the danger of co-optation by the capitalist class and the loss of workers' control over

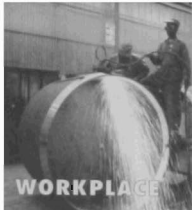
investment capital." It was agreed that CWIU should campaign for the independence of the unions from capital. "The union should manage its resources by fighting for control of its provident fund, not chasing profits"

Other resolutions included the rejection of GEAR and a commitment to fight for the implementation of the RDP. A resolution on women leadership emphasised the politically oppressed and economically exploited position of women workers, both in the workplace and at home. It was noted that women leadership is lacking in the union and society is lacking. Affirmative action measures should be implemented to remedy this situation. A campaign to create an awareness of discrimination against women and to defend women workers from sexual harassment will be given pride of place in the coming months.

Musi Buthelezi was elected General Secretary, Nelson Buthelezi Assistant General Secretary, Wellie Nillino President and Ronald Mofokeng Treasurer. ★

Local government

new burdens, new challenges



Management and trade unions in local authorities face pressures absent in other sectors of the economy

This is due to the distinctive features of this sector. These include

- a workforce made up of a wide range of occupational groups providing an array of distinct services,
- different groups of employees organised into separate unions and bargaining units,
- employees dispersed throughout the local authority's area of jurisdiction, making both management and trade union organisation more difficult,
- councils which are aligned to particular political parties, adding a new dimension to the employment relationship and the management process.

Local authorities are, of course, not all the same. There are major differences between urban and rural local authorities relating to the number of people covered, the range of services provided, the level of financial and other resources, and the occupational diversity of the workforce.

Resources

There are more than 100 local authorities in the Eastern Cape. The legacy of apartheid and the bantustan policy is clearly reflected in their structure and priorities. Authorities in the townships and in the former Transkei and Ciskei are generally in a state of financial crisis: expenses far exceed income.

Labour relations in local authorities present unique challenges to management and unions and also impact on local development. Gilton Klerck presents the findings of his research in the Eastern Cape.

In the rural towns, formerly white and black areas are now administered by a single authority.

In the two major cities the incorporation of surrounding townships was approached in different ways.

The East London Transitional Local Council (TLC) refused to take responsibility for Mdantsane township unless the provincial government guaranteed finances for the next five years. After protracted negotiations, the process of incorporation is set for the near future.

By contrast, Port Elizabeth took over service provision for Motherwell and New Brighton townships soon after the local government elections. At present it is between R80-million and R90-million in the red, due to non-payment of services.

Management blames provincial government for this situation. As one manager put it: "Bisho is in total shambles". Added another: "There is a communication

gap with provincial government. We don't get any response to letters written to them... They are late for meetings, the people who should attend the meetings don't pitch up. They have not even solved the amalgamation of departments with the old Transkei and Ciskei."

Redistribution

Provincial government faces severe constraints in its attempts to redistribute resources more equitably. Controlling and reducing public expenditure must dovetail with a commitment to accountability, democracy, and expanded social services. Balancing efficiency and equality is no easy task.

Yet central and provincial government are far less exposed to popular demands than local government. Local authorities are a prime target for popular discontent. Their clients are also voters and rate-payers. Local government managers walk a tightrope between the political process and service delivery. Although they are not capitalists in the strict sense of the term, in many respects they are compelled to act like 'capitalists' in controlling of the work force, cost efficiency and productivity. At the same time, non-market influences complicate their tasks: the threat of bankruptcy is not so immediate as in private business, levels of output are in part politically determined.

Politics

Management style is strongly influenced by the political complexion of a local authority. As one manager put it "In this sector political considerations take precedence over financial considerations." An expanded role for trade unions depends not only on the managers but also on elected councillors.

The political make up of a local authority is likely to influence the employment policies it adopts. Unions may be able to

influence not only the supply of labour, but also its demand. By raising demands for the extension of services the unions directly encourage the expansion of local government employment. Retrenchments are then opposed in terms of the impact on service delivery.

Management

The personnel function is a relatively recent phenomenon in local government. In most of the smaller towns, the town clerk carries the responsibility for labour relations. This situation is also the result of the history of white 'sweet heart' unions and the suppression of black trade unions under apartheid. In the past, local government managers had very little experience of strikes or genuine collective bargaining.

Changes in labour law, the growth of independent unions, and increasing industrial action beginning in the 1980s provided the impetus for a distinct personnel function.

Local authorities offer a range of diverse services. The management structure is highly fragmented and considerable authority resides with department heads. Council policies are filtered through (mainly white) section supervisors. Personnel managers and supervisors have some degree of independence from the Council. Vague or general Council policies and values have to be translated into practical employment practices.

More recently, managers have seen their sphere of influence severely curtailed under the democratically-elected Councils. Many feel that the managerial process has become too 'political'.

Says one: "I am not going to stand and fight with the councillors on the one side and on the other side fight with the unions. Who am I working for here? I am not going to fight both sides. I have to go with what the Council says."



Grahamstown centre. There is a major difference between urban and rural local authorities

Burdens

Several new burdens have also been placed on the shoulders of the personnel officer - assisting line managers with day-to-day problems, promoting democratic and participatory values, and implementing affirmative action programmes.

Despite their lack of power and resources, these officers are bolstered by the fact that they can appeal to the interests of the public. "We generate our own income and this places constraints on wage increases. If people are not paying for their services the Council has to cut services, cut their staff and they have to cut wages. The public pays for the services. So if workers don't increase their productivity, the public will make the Council take action against us and we must then take action against the workers. The workers are responsible to the ordinary citizens who pay their wages."

On the other hand, the lack of a profit motive makes performance evaluation difficult. It also encourages tighter and more

personal forms of managerial control, which is highly resource intensive and a potential source of conflict and discontent. "We have about 200 disciplinary hearings a year in our organisation. We have got staff that do nothing but go from one disciplinary hearing to the next - all day, every day."

Managers feel that the responsibility of their position is often not recognised or adequately rewarded. "A major strike at, say, Mercedes-Benz is limited to that company. With a strike in East London municipality, the workers can switch off the electricity and throw concrete into the sewer lines (which they have threatened to do many times). Then Mercedes closes down, so does Johnson & Johnson and Nestle - the whole town closes down."

New style

Competitive and financial pressures have encouraged a human relations' discourse among managers. In the urban areas, managers are well versed in the buzz words



Attempts to redistribute resources face severe constraints.

of new management strategies. Notions of 'flexibility' and 'outsourcing' were being promoted in the marketplace of management ideas at precisely the time these managers were first confronted with institutionalised collective bargaining and militant trade unions. This commitment to some form of human resource management must be sustained in a hostile context: relatively high levels of trade union density, centralised wage agreements, employment categories, etc. Managers recognise that enhancing employee commitment is an important step towards greater organisational efficiency and service delivery. However, they believe that this can only be achieved if the unions act 'responsibly', moderate their demands, and reject industrial action as a way of resolving disputes.

Unions

Most local government employees belong to the South African Municipal Workers' Union

(SAMWU) or the Independent Municipal and Allied Trade Union (IMATU). The smaller unions include the South African Public Service Association (SAPSA), the National Education, Health and Allied Workers' Union (NEHAWU) and the South African Municipal Union (SAMU).

Dual membership and the increasing number of black employees in administrative and managerial positions are leading to the erosion of racial distinctions between the unions and the consolidation of occupational divisions. For example, personnel managers in Umtata are increasingly joining IMATU as opposed to SAMWU. The distribution of membership depends on how the local branch is run, the benefits it offers, and whether it is perceived as being dominated by whites.

Union unity faces several obstacles, not least of which is the fact that IMATU members often directly supervise SAMWU members. SAMWU's commitment to harmonising the terms and conditions of

manual workers and clerical staff could increase, rather than reduce, conflict between the unions. The unions also come from different traditions - IMATU subscribes to a narrow defence of members' immediate interests, while SAMWU has shown a willingness to engage in wider social and political struggles and a commitment to 'public service'.

There is also a perception that there are no prospects for white workers. "With the policy of affirmative action appointments there are no promotion prospects for their white members - there is no future and the prospects are bleak. Many whites are leaving on early retirement and morale is poor because of this". These perceptions could lead to the traditionally white unions becoming more militant and ready to engage in industrial action.

Labour relations

None of the managers interviewed questioned the idea that unions have a role to play. They argue, however, that unions should confine their activities to members' immediate interests. They are opposed to the unions using political channels to enhance their bargaining position. "The new TLC is a democratically elected body... A large majority of the councillors are in the ANC or the alliance. They have a very close working relationship with COSATU and as such, at a political level, a lot of things are granted which perhaps previously couldn't be granted. I am quite sure that is why the unions have more clout. If there are things which they ask for which are in excess of what the Council can afford, and I recommend that the Council don't pay it, they will still be influenced by the unions indirectly through other channels. And they will just approve it".

In the past, councillors were rarely concerned with industrial relations matters. Narrow, technical issues dominated Council

debates. More militant trade unions and financial constraints have now forced councillors to consider broader issues. Labour costs - often the single largest item of a Council's expenditure - has definite implications for the quality and quantity of service delivery. The economic and political costs of industrial action compel councillors to play a far more pro-active role in employee relations.

Challenges

This poses both opportunities and threats to the unions. On the one hand, ANC councillors tend to be more uncomfortable with their role as employer. On the other, they are more likely to intervene. This could lead to councillors - in particular those with a trade union background - making decisions which they deem to be in the best interest of organised workers.

The high levels of trade union density should not obscure the organisational problems faced by trade unions: the dispersal of members, problems in maintaining unity among workers, sectional pressures that often place conflicting demands on the leadership, the tradition of 'professionalism' among some groups of employees, and the ever-present danger of fragmentation and co-optation.

Shopsteward structures are generally less developed than comparable sized firms in the private sector, although according to the managers interviewed, there is a stronger tradition of solidarity and accountability among workers in the lower job categories and hence within SAMWU structures. However, the unions have not yet developed a consistent and sustainable policy on the representation of casual workers. As privatisation and the subcontracting of services expand, unions will be forced to confront the issue of workers who are not employed on a permanent basis by the local authority.

Developments in unions at local government level have an important bearing on management strategies. The larger unions, SAMWU in particular, are slowly consolidating their dominant position. The smaller unions are facing a bleak future.

Collective bargaining

Collective bargaining is multi-lateral rather than the bi-lateral process associated with the private sector. Bargaining involves relations between trade unions, management, the council, and provincial/central government.

The Department of Finance in provincial government puts informal pressure on wage agreements by circulars calling for a limited increase and a regard for the state of the economy. These are normally placed before the unions during negotiations. But as a manager observed, "nobody takes too much notice of these circulars."

Local government bargaining units vary along a range of key factors: the diversity of occupational groups covered, the nature of employer and union representation, political affiliation, and the scope of centralised agreements.

Managers identify a 'role confusion' among the new councillors. As one manager put it, "When I sit to negotiate with COSATU, they are on both sides of the table." In the process, the managers believe, the interests of the rate-payers are neglected. SAMWU's attempts to further reduce the number of wage scales are seen as further reducing productivity and hampering the effective delivery of service. It is felt that fewer job grades will lessen incentives for promotion and completely sever the links between performance and reward.

The absence of the threat of bankruptcy weakens management's hand in negotiations and makes it difficult to secure concessions

from the unions. It also protects the workforce by making retrenchment less likely. Manual labourers in local government, especially in the rural areas, earn relatively high wages and enjoy a far higher degree of job security than their private sector counterparts.

In the context of extremely high levels of unemployment, these jobs are highly sought after. It is therefore not surprising that municipal employees are generally older and have been in the same job for much longer than workers in private employment. The wage gap (reported to be 15 to 1) is also much more favourable to blue-collar workers than in most private sector companies.

Constraints

Nonetheless, collective bargaining takes place within a tight financial and budgetary framework. Cash limits provide management with little room to manoeuvre. The managers interviewed were all in favour of linking wage rates more closely to labour market conditions in the province and in their region. "I would prefer provincial collective bargaining because you cannot compare one province with another because some are richer than others. The Eastern Cape is the second poorest province - we cannot afford the same wages as Gauteng."

Centralised agreements would have to be sufficiently flexible to accommodate the vast differences in resources between different local authorities. But smaller towns fear that the big cities will dominate centralised bargaining forums.

At present collective bargaining is in a state of transition: the old Cape province industrial council has disbanded and national bargaining structures are in the process of being set up.

Attempts by managers in East London and Port Elizabeth to set up a regional

employers' association met with some success. Last year wages for the province were negotiated through this informal body, indicating some unions' support for a regional bargaining structure.

Despite the increasing centralisation of wage negotiations and the fact that dismissals and strikes have declined since 1995, workplace bargaining still has considerable scope and raises several problems for the managers. "The main concern in IR is that things are becoming more difficult to manage and operate because everything takes too long to do and it's costly. [For example] the time required off for meetings you know they want one per month for the entire afternoon for the whole staff. And then we have got to take 1 600 employees to the City Hall and that is the whole afternoon gone. It is not becoming as productive as it should. It should be run on a private sector basis of productivity."

Privatisation

The perception that labour costs are 'inflated' will encourage outsourcing. The more successful local government unions are in increasing wages, the more vulnerable they may become to the threat of privatisation.

The greater the differential between local government wage scales and those of the private sector, the more attractive the option of outsourcing becomes. This is reinforced by the common belief among managers that local authorities are overstaffed in clerical and manual job categories. "I believe that a lot of general workers – pick and shovel guys – aren't working and others are lying under trees and so on. There is no doubt that we could cut out a hell of a lot of levels."

All the managers interviewed expressed some degree of support for privatisation. This is grounded in the assumption that market forces are the best means of



Local authorities offer a diverse range of services

increasing productivity and satisfying consumer demands. Since subcontracted workers are often also unorganised workers, this will erode union membership.

However, the private sector's inability to compete effectively for many of the services provided by local governments is a limitation. The less profitable operations are likely to remain in public hands.

Sub-contracting

Where Councils are reluctant, or unable, to introduce privatisation, they may very well resort to the implementation of measures designed to impose proxy market forces. If prevailing terms and conditions are to be retained, could the private sector provide a better service? For most services the answer must be an unequivocal 'no'. The most labour-intensive sectors of local government are normally the prime candidates for privatisation. Savings are secured through a reduction in employment levels, the use of subcontracted labour, and a drop in employment conditions. So-called 'core' employees will be retained in the more capital-intensive sections, while occupational groups such as cleaners (where women predominate) are more susceptible to outsourcing.

Management stands to gain a whole range of measures to increase its control over employees. There will be increased gaps between the wages of managers and employees in privatised companies as wage levels are divorced from public policy commitments and party-political pressure. The impact of trade unions would be reduced as investors would not be attracted to enterprises where the unions are thought to have too much power.

It is manual workers - the majority of SAMWU members - who face the greatest threat. Privatisation makes employment standards more responsive to local labour market conditions and hence open to

variation. The high levels of unemployment in rural towns will result in far greater wage disparities between cities and towns. Workplace issues will be raised to the fore. Intense local conflicts will further complicate attempts to consolidate national bargaining arrangements. Decentralised bargaining will lead to greater fragmentation and sectionalism within the unions. The conflict that will accompany attempts at large-scale privatisation will tarnish the image of many local authorities as 'good' employers.

Change in labour relations in local authorities depends to a large extent on change in management practices and attitudes. If restructuring and improving social services results in wage austerity measures, the chances for more co-operative labour relations are poor. Improved service delivery depends on employee commitment. The unions must be in a position to influence and engage management. The current rhetoric on human resource management - delayering, broad-banding, etc - must be treated with extreme caution. In practice, many of these strategies could translate into a greater emphasis on the individual rather than the collective, and mean more work and more responsibility for fewer workers. ★

Reference

Konnie R 'Local Government: can it deliver?', SA Labour Bulletin, Vol 20, No 6, 1996.

Gilton Klerck is a lecturer in Sociology at Rhodes University.

This article is based on interviews with human resource and industrial relations managers in the major centres of local government in the Eastern Cape. The author acknowledges the financial assistance from Rhodes University and thanks Colm Allan, Fred Hendricks and Derek Mosenthal for conducting interviews.

Blocking transformation

Grove Primary, a school in the Western Cape, took the Minister of Education to court in June in an attempt to block the process of education transformation. The school, which took up the case on behalf of 80 ex-white Model C schools, was contesting rationalisation of education and teacher redeployment. It subsequently won the case.

Background

A programme of rationalisation and teacher redeployment was adopted in the Education Labour Relations Council (ELRC) last year (see *SA Labour Bulletin* Vol 21 No 1, February 1997). The first step was to introduce funding equity between the provinces. This would result in some provinces (like the Western Cape and Gauteng) losing teachers, while others (like the more rural Eastern Cape) would gain. It was agreed that the total number of posts would not, however, be reduced - ie there would be no retrenchments. Teachers declared excess in one institution would be redeployed to where they are needed. A detailed procedure manual was drafted to guide teachers through the plan. Teachers could also opt out of the system by taking a voluntary severance package (VSP).

There have been enormous problems in the implementation of rationalisation. Government has offered VSPs indiscriminately. No posts have been transferred to under resourced schools. Teacher/pupil ratios (set at 40:1 for primary

by *Kate Skinner*

schools and 35:1 in secondary schools) have not been properly implemented. The number of pupils has been divided by the number of teachers (including those in administrative posts with no classes, and teachers then being declared in excess). Actual class sizes have remained high.

It is in this confused and insecure environment that conservative forces have started to mobilise.

The case

The court set aside certain resolutions of the ELRC and sections of the redeployment procedural manual. These resolutions make it obligatory for school governing bodies to employ teachers who have been declared "in excess" at their schools and whose names have been placed on the redeployment list.

Grove Primary argued that its governing body had the legal power to employ whomever it believes is best suited to the job. The school argued that teachers placed on the redeployment list were not necessarily the best teachers for the job. (The criteria used for redeployment relate only to whether educators have been declared "in excess" and not to qualifications or experience.) Grove Primary argued that in April last year, when the resolution on rationalisation was passed, the school was legally defined as a Model C School. This

meant that its governing body had the power to appoint teachers. On 1 January this year, the South African Schools Act came into force. It gave all governing bodies the power to recommend the appointment of teachers, on condition that such recommendation was approved by the provincial education department.

The school therefore argued that its governing body had significant powers over the appointment of teachers and that, in the sense that they restricted these powers, the ELRC resolutions on rationalisation were unlawful.

The defence

Defending the case, government argued that rationalisation is a constitutional imperative and that redeployment is a key component of rationalisation. It argued that agreements signed with the teacher unions on rationalisation were in keeping with the constitution and that they were signed before the Schools' Act came into play. It follows that governing bodies are legally compelled to employ teachers from the redeployment lists. The presiding judge did not agree.

Implications

The implications of this case for the transformation of education are very serious. The rationalisation process has ground to a halt. Teachers declared "in excess" are now forced to compete for vacancies on an open list. If they are not appointed there may be no option but to retrench. SADTU negotiator, Don Pasqualle, says "The original agreements stated clearly that teachers who were declared 'in excess' would be carried until a position was found for them. They would be retained to take up a new position. This process will now fall by the wayside."

The second implication is that racial composition of teaching staff will probably remain unchanged. Ex-Model C schools can

legally employ white teachers, previously-Indian schools governing bodies can legally employ Indian teachers and so on. This undermines one of the key objectives of redeployment - to ensure non-racial teaching staffs. Affirmative action (both in terms of race and gender) will now become impossible unless government is prepared to resort to more clumsy mechanisms such as quota systems.

The case has also undermined collective bargaining as a whole in the education sector. Important issues - such as appointments - have now been excluded from bargaining. The level of bargaining has moved in these instances to individual schools. To succeed in certain transformation projects, the state will now have to bargain with each and every governing body. Since they number approximately 20 000, this will be an impossible task.

A way forward

The state has three options.

- it can appeal the case and hope to receive a different judgement;
- it can change the ELRC resolutions to ensure that they are in line with the new laws; or
- it can amend the law.

SADTU believes strongly that the process of rationalisation has to continue. The union is lobbying for the third option, which would allow the rationalisation resolutions to be implemented. The union believes that a section should be added to the Acts to allow the Minister of Education to take control of teacher appointments in periods of transformation. The state must re-commit itself to the original principles of rationalisation, that is, equity, redress and non-racialism. Resources must be provided to ensure that these principles become a reality. ★

Kate Skinner is the SADTU Media Officer

Facing reality?

NEHAWU's policy conference

NEHAWU's policy conference, which took place at the end of June, was also the occasion of the union's 10th anniversary.

Watching a union which was once regarded as an organisation that would never 'make it' go through the paces of such a conference was a rare treat. COSATU's public service arm has indeed come a long way.

Whilst some important issues were debated and the discussion document which guided a lot of the conference work was a rich political paper, some questions were left unanswered. The conference left the impression of an organisation trying to locate itself, globally, regionally and locally.

Weaknesses

Organisation was not what it could have been. The conference would have been more fruitful had it been stretched over a longer period. There was precious little time for commissions. At some point all the unions will have to acknowledge that preparation is part of empowerment. Worker participation is not only about sending delegates to such an event. Policy discussions in the run up to the meeting should have been extended. Delegates found themselves wading through large piles of documents on the floor!

Despite these problems, discussions were rich and inputs varied.

Restructuring

Around the world the public sector has either been restructured or is undergoing

Phillip Dexter assesses NEHAWU's recent policy conference and lays down certain 'realities' which the union has yet to face.

restructuring according to the neo-liberal orthodox paradigm: less government, a lean state machinery, privatisation, contracting out, commercialisation, less service of a poorer quality, an end to traditional job security.

South Africa has not been unaffected by this agenda. The transition from apartheid and the fact that mainly progressive forces are leading transformation in this country has, however, meant that many of these measures have either not been effected or have been less than successfully implemented. In this sense things are on hold for NEHAWU. It is not clear how long this will continue to be the case.

Debates

Debates at the conference reflected this reality. Whilst the union analyses the role of public sector workers in classical Marxist terms, answers as to how to grapple with the problems were not always spelt out.

For example, the conference discussed contracting out - which is on the increase - without any strategies being finalised. Union

members seem to think that it will not happen and that when it becomes a real problem they will simply fight it.

The Strategic Policy Framework which was presented at the conference is refreshing, simply because it starts from a political position that is unashamedly Marxist, reflects a consistent bias towards the working class and attempts to grapple with the socialist project that the union has long been committed to.

The paper deals critically with the Tripartite Alliance and the National Democratic Revolution (NDR). Left critics of the union may smirk at its apparently orthodox findings: that the alliance should continue and the NDR remain the prime political responsibility of the working class.

The document does not, however, stop there. It embraces a notion of a socialist project and strong working class movement. Gender relations, the problems of senior citizens, disabled people and the youth all find a place in the union's vision.

Role of the state

The conference afforded NEHAWU's membership the opportunity to debate the nature of the South African state. Whilst it is clear that this is a capitalist society with predominantly bourgeois institutions, NEHAWU asserts the need for organs such as unions and civics to form the basis for a workers' democracy. The state is then one tool for development and transformation, amongst many. This will entail transforming the state itself.

Lack of political will is the main factor inhibiting such transformation. The conference found both the ANC and SACP wanting in respect to issues facing workers and the working class more broadly.

Given the experience of the majority of NEHAWU's members at the hands of the previous regime, it is not surprising that the

union analyses the historical experience of black workers as sharply as it does. While the state is seen as central to transformation, the union recognises the dysfunctional machine that has been left to the majority by the former oppressors.

Thankfully, the union does not echo the call for abandoning the state that has begun to emerge more and more from some political quarters. Instead, it puts forward the need to transform the economy through the state and an ever more democratised private sector.

The union is very critical of GEAR and has committed itself to fighting for the reform of this policy.

Organisational issues

The organisational section of the document is very frank. The realignment process that NEHAWU has undergone was, in many respects, driven by the logic of the formation of a single public sector union. While this had some benefits, it has led to some problems.

Structures have become more specialised, with workers being moved from one to another. This has inevitably resulted in some dislocation.

There is some irony in the unions deciding to release members to full-time positions in COSATU, but not being able to resolve the need for more officials to service the union in the regions. More and more personnel are needed to co-ordinate the ever increasing activities of the union movement.

September Commission

The union has clearly benefited from research conducted by the September Commission. The conference adopted some of the commission's recommendations. Not all of the research is available and NEHAWU will need to deal with outstanding issues in the run-up to the COSATU congress.

Negotiations

The conference also adopted a declaration on negotiations in the public service. Critically analysing the government-driven three year agreement for the public service, the controversial voluntary severance package programme, significant government roll-overs, and unfocused reform initiatives in the public service, the union took a hard line

The small difference between government's position and that of progressive unions on salaries gives much hope for a settlement. However, the fact that government could sign an agreement with the former whites-only, mostly reactionary staff associations and leave COSATU unions out in the cold does not auger well for the sector. As government comes to the end of its first term of office, pressure to be seen to have 'delivered' will sharpen the contradictions between it and the unions that have lent it their support

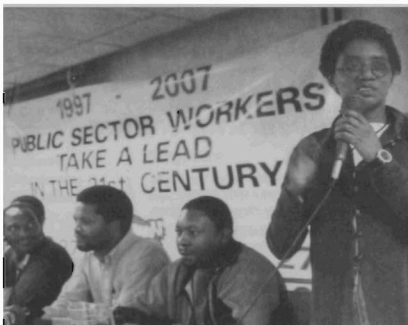
Decisions

Decisions taken by the conference include.

- the need for a gender quota.
- a motion in favour of proper compensation for women who perform unpaid labour;
- support for increasing the social wage and making black economic empowerment about real delivery to the community.

Realities

There are, however, still some harsh realities that the union will have to face



COSATU vice-president, Connie September, addresses the conference.

The retreat of certain sections of the NLM from the philosophy behind the RDP has been embarrassingly quick. Socialism is talked about, but COSATU does not even have a collective investment strategy. This is an example of how the logic of the market is dictating practice in the movement

The notion of a long haul to socialism and the ability to win reforms is often overlooked by the unions. As a result the struggle is romanticised

In reality, we may well be facing a dirty, long, difficult, war of position where the issues of class struggle are constantly drowned in the sea of late imperialism. How will union membership react to this?

The real challenge in this transitional period may be simply to keep the struggle alive. In that case sobriety is in order. There was not a lot of that at the NEHAWU conference! ★

Phillip Dexter is an ANC MP and a former General Secretary of NEHAWU

Survivor-Offender Mediation

the South African context



INDEPENDENT MEDIATION SERVICE OF SOUTH AFRICA

Mediation Notes

IMSSA is embarking on a new area of work called Survivor-Offender Mediation (SOM). The SOM programme was jointly developed by various NGOs and religious and peace groups working in the area of conflict resolution, victim support and offender rehabilitation.

The SOM programme seeks to provide a forum where survivors and perpetrators can engage in safe dialogue to address the legacy of past abuses in South Africa. Through carefully facilitated interpersonal intervention, well-trained mediators will attempt to address the need for personal healing, acceptance of responsibility, reparation and reconciliation.

The programme will link closely with the operation of the Truth and Reconciliation Commission (TRC). It will, however, operate on a broader basis by also serving victims who fall outside the scope of the TRC framework.

It will connect with a wide range of organisations and thus provide a service beyond the lifespan of the TRC.

The SOM programme is supported by at least 20 other organisations, including IMSSA's Community Conflict Resolution Service (CCRS), the Centre for the Study of Violence and Reconciliation (CSVIR), the National Institute for Crime Prevention and Rehabilitation of Offenders (NICRO), the National Peace Accord Trust and the Wilgespruit Fellowship Centre which together form the SOM Network.

by Sonia Bromley, Liaison Officer for the SOM Network.

SOM's roots

The Victim-Offender Mediation (VOM) movement began in Canada in 1973. The concept was the 'brainchild' of a group of religious and community service groups who were determined to provide an alternative to the prevailing adversarial, retributive-oriented criminal justice system that is characteristic of western societies. There are now over 100 programmes in the United States, 25 in Canada, and the concept is also used in various ways in the United Kingdom, New Zealand, Australia and other parts of the world.

VOM embraces a simple yet powerful set of principles

- *Recognising the Injustice* - For a genuine resolution of facts and feelings, it is critical that the perpetrator owns up to the violation or offence that has been committed. In religious or legal terms this is referred to as confession or admission of guilt. In essence, this is the fact-gathering or truth-seeking part of the process.
- *Restoring the Equity* - When a human rights violation has occurred, the dignity of all parties has been destroyed. Dignity can be restored in some way when the perpetrator takes responsibility for the

offence and acknowledges the dehumanising nature and effect of his or her action. The process of VOM also allows a safe space for the victim/survivor to explore forgiveness as a crucial part of the emotional and spiritual healing.

- *Addressing Future Intentions* - Translating confession, acknowledgment of responsibility and forgiveness into concrete commitments and actions is a key stage in the VOM philosophy and practice. At this point, the processes of forgiveness (dealing with the past) and reconciliation (dealing with and preparing for the future) are linked to bring the interaction full circle.

The South African context

In South Africa, many people feel that they were not only victims, but, more importantly, survivors of apartheid abuses. Others believe that they will remain victims until the truth is uncovered and only at that point will they be able to call themselves survivors.

The value of the interaction between the victim and the perpetrator is that this type of encounter can facilitate the beginning of the victim's journey of recovery and healing, and the offender's process of rehabilitation.

It may be worth noting overlaps between the SOM model and some traditional African customs of conflict resolution, healing, reconciliation and methods of reparation.

Both systems

- share the objectives of reconciliation and restoring peace and harmony to the community;
- are deeply committed to upholding human dignity;
- promote a normative process which stresses an individual's obligations, as well as rights;
- consider all offences as human and personal wrongs against another person;

- employ procedures that are simple and relatively informal, yet powerful;
- encourage full participation and ownership in the process, which means that the perpetrator is more likely to accept responsibility, apologise and offer reparations for the violation.

Structure

To ensure the credibility of SOM, a broad-based group of people and organisations are involved. Key participants are players within the legal system, security structures, support groups, counsellors, politicians, the media, traditional African community leadership structures, as well as particular communities that have been affected.

To enable survivors and perpetrators to make voluntary and informed decisions regarding SOM, they must have access to the following:

- Legal support - advice in matters concerning sentencing, appeal processes, alternative dispute mechanisms, and the right to restitution.
- Social support - guidance from 'significant others' such as counsellors, ministers, support groups, and extended family members.
- Resources - information and education, language and interpreting services, meeting locations, transport needs and financial costs.

Where to from here?

In April this year, a Reconciliation Survivor-Offender Mediation Training Skills Workshop was held at IMSSA's head office in Johannesburg. Sixteen members of the SOM Network were trained in mediation skills and a follow-up workshop was scheduled. The training of Network members (whose collective experience covers the fields of law, psychology, social work, counselling, and victim support and rehabilitation) creates a pool of skilled mediators. They are

able to facilitate a process of reconciliation between survivors and perpetrators who are referred to the SOM programme by the TRC or other victim-offender support services.

A funding proposal is in progress. Once financial support is secured, a full-time coordinator will be employed (accommodated by one of the partnership organisations within the SOM Network) to implement all aspects of the programme. The programme will initially focus on Gauteng, as this is where the Network members are currently

based. However, workshops are to be held in Cape Town, Durban and Port Elizabeth to introduce the concept to local NGOs and encourage them to develop similar programmes.

It is the hope of IMSSA, and the SOM Network in general, that through training mediators, accessing funding and an extensive public awareness campaign that SOM will become a credible vehicle advancing the healing, reconciliation and peace in South Africa.

Exciting opportunity for trade unions

In February this year, IMSSA received a grant from the Department of Labour for industrial dispute resolution training programmes. The programme will focus on trade union development as one element in the Department of Labour's 'Strengthening Civil Society' project.

The trade union movement in South Africa has a vital role to play in addressing social inequalities, promoting economic growth and addressing social needs. However, the exodus of union leaders to government and the private sector means trade unions face enormous challenges in building leadership capacity and developing human resources to fulfill this role.

IMSSA has the technical expertise to ensure that trade unions are equipped to handle conflict management and dispute resolution. Our exceptional standard of the training material allows trade unions to draw from our rich experience in meeting their human resource needs. Our training courses target shopstewards and union organisers. The industrial dispute resolution training courses offered by IMSSA are:

Skills training courses

- Negotiation and Dispute Resolution
- Arbitration Skills Training

*By Ridwana Yusuf-Jooma,
IMSSA Education and Training
Department.*

Content courses

- The Labour Relations Act Workshop
- Employee Participation & Workplace Forums
- Understanding Business Finance.

Our training service has been widely publicised in all trade unions. Since February, 107 union officials and 15 shopstewards benefitted from the Arbitration Skills Training Course for the National Union of Metalworkers (NUMSA).

In-house training on arbitration skills was also conducted for the South African Railway and Harbour Workers Union (SARHWU) and the National Union of Mineworkers (NUM) in March and June. A number of individual trade union officials and shopstewards from the Police and Prisons Civil Rights Union (POPCRU), NUM and the Officials Association of South Africa have attended the public courses on the Negotiation and Dispute Resolution Skills Training, the Arbitration Skills Training

Programme and the Labour Relations Act content course

Results

A quantitative analysis of the training conducted for NUMSA participants in the Gauteng region indicates that 43% of the participants felt that the training material was excellent. Another evaluation conducted for NUM indicates that 73% of the participants felt that the training material was excellent. These evaluations show that learning has taken place and skills were acquired that would empower the officials and shopstewards to effectively face the challenges in the labour movement.

Co-operation

IMSSA, together with the Centre for Applied Legal Studies (CALS), has prepared an Arbitration Skills Training Programme for the Development Institute for Training, Support and Education for Labour (DITSELA). DITSELA was created by COSATU and FEDUSA. It aims to build capacity within the labour movement by providing training programmes to trade unions.

In July, four training events were

conducted, two in Johannesburg, one in Cape Town and one in Durban. Another four have been scheduled for August. Trade unions approaching IMSSA for training will, therefore, have a choice between the DITSELA course and IMSSA's Arbitration Programme. The primary difference between the two is that the DITSELA programme focuses on unfair dismissals for misconduct, and it concentrates on the arbitration process at the Commission for Conciliation, Mediation and Arbitration (CCMA).

In order for the new labour legislation to be effective, trade unions need to develop their capacity as strong negotiating partners. The industrial relations environment requires the major bargaining partners to pose practical and flexible conflict management skills.

Trade unions, and the training opportunities provided by IMSSA will enable trade unions to effectively carry the labour movement into the new and exciting labour relations arena.

To make a difference and be a part of this, contact Ridwana Yusuf Jooma or Kboisa Xinindlu of the IMSSA Education and Training Department at (011) 482-2390



IMSSA OFFICES

Johannesburg

P O Box 91082, Auckland Park, 2006
1st Floor, 1 Park Road, Richmond
Tel: (011) 482 2390/1
Fax: (011) 726-6846

Cape Town

P O Box 15920, Vlaeberg, 8001
2nd Floor, Rozenhof Office,
20 Kloof Street, Cape Town.
Tel: (021) 22-1016/7
Fax: (021) 22-1030

Durban

7th Floor, Standard Bank Centre,
96 First Avenue, Greyville, 4001
Tel: (031) 309-4315
Fax: (031) 309-4318

Port Elizabeth

P O box 23492, Port Elizabeth, 6000
Silver Oaks Building, Cnr Bagshaw &
Main Streets, North End, Port Elizabeth
Tel: (041) 573-083/4
Fax: (041) 573-096/7

COSATU fires fresh shots

COSATU held its annual Policy Conference from 15 to 17 May. Whilst the most publicised decision was to embark on strike action against aspects of the Basic Conditions of Employment Bill, a number of other resolutions reflect labour's increasing anger and uncertainty about the direction of government's macro-economic and social policy.

COSATU and its affiliates have been extremely vocal in their criticism of GEAR. Labour has not, however, developed a coherent response. The hurriedly produced *Social Equity* document which was unveiled early last year failed to provide detailed policy alternatives.

The 250 delegates to the conference focussed on:

- the apartheid wage gap
- workplace restructuring
- collective bargaining strategies
- regulating minimum wages
- the social wage (social security, health, housing, transport, retirement funds and municipal infrastructure)
- employment creation

There was little disagreement on the central focus of discussion - how to ensure that basic social democratic rights are advanced and maintained.

While socialism is still on the agenda, it is clear that it remains a slogan, rather than a set of alternative policies. It would seem that the best option on offer at the moment is Keynesian social democracy and that even

by *Devan Pillay*

this is too radical for labour's allies in government.

Declaration

In the end, COSATU adopted a wide-ranging declaration that stands in stark contrast to existing government policy - except, perhaps, in the area of health, where the federation resolved to support Health Minister, Nkosazana Zuma, in her efforts to build a national health system and to fight the monopolistic drug companies who keep prices high.

Wage gap

While some progress has been made in narrowing the wage gap in the public sector to an eventual target of 12:1, the real 'grave train' is in the private sector, where the gap is as high as 100:1. Delegates resolved to launch a campaign to reduce the gap to 8:1 over the next decade. The first step is to oblige companies to reveal salary information. COSATU proposes to use the Employment Equity Act to achieve this.

Minimum wage

Given the substantial differences between sectors, it is impossible to set a figure that is not so high that it becomes impossible to implement, but not so low as to make it meaningless. Delegates resolved to

campaign for minimum wages for farm and domestic workers

Privatisation

The conference expressed its disquiet at attempts to privatise water and electricity and called on affiliates in the public sector to develop alternative proposals

The privatisation of the transport sector provoked much debate. While consensus was easily reached on the need to reject government moves to privatise large sections of the transport industry and to campaign for a state-owned public transport system, delegates were divided over the need to maintain private taxis. The taxi industry has been marred by horrendous violence, as mafia type owners compete for routes.

Some delegates called for taxis to be brought under public ownership. The TGWU, which is involved in talks with government and taxi associations, is clearly nervous about such a proposition. The union urged the conference rather to support government's efforts to regulate the industry. It was decided that the TGWU will circulate a discussion paper for further debate.

Housing

The conference also expressed concern about the lack of housing delivery to the poor. It rejected market-based subsidies for private ownership and called for rented accommodation which poor people can afford. It urged government to force investors to dedicate 5% of their assets to housing, to lower interest rates and to support a campaign for housing brigades.

Investment

Unions have become increasingly involved in investment initiatives over the last few years. The conference warned against union involvement in speculative ventures and called for investment which provides jobs and social services. It was also decided that

affiliates should seek greater representation on the boards of control of retirement funds.

Loyal opposition

Organised labour and its allies know that they are treading a fine line between loyal opposition to the ANC-in-government and action that could threaten the very existence of the Tripartite Alliance. There is, however, very little danger of the alliance breaking in the near future. The ANC realises that when it goes to the polls it cannot do without organised labour. Labour is still hopeful of exerting influence over the ANC.

That is why the ANC conference this December is so important for labour. COSATU is confident that ANC members and many MPs support its rejection of GEAR and the need to revive the RDP as a cornerstone of government policy. The important thing is to adopt measures that will bind government ministers to party decisions and to elect leaders who will ensure that this happens.

COSATU is also well aware that part of the reason why it is losing the ideological battle is the inability of the Left to come up with detailed policy alternatives, particularly at the level of macro-economic policy. In this sense, the policy conference was a missed opportunity. There was no time for affiliates to debate policy proposals prior to the conference. While labour's commitment to a social-democratic development path has been reaffirmed, much remains to be done to counter the sophisticated proposals emanating from consultants in government departments and the business sector.

Nevertheless, the first shots against neo-liberal currents within government have been fired. We can expect more as the year progresses. ★

Devan Pillay is the head of research at the National Union of Mineworkers

The right balance

the Green Paper on skills development

Salim Vally (*SA Labour Bulletin* Vol 21 No 3, June 1997) dismisses the government's Green Paper on skills development as demand-led (that is, market driven) and, ultimately, neo-liberal in orientation.

Vally's problem is that he presents an ultra-left critique of the Green Paper without providing any realistic alternative. This article develops a social democratic alternative by outlining the major features of what is called 'supply-side' restructuring.

The Green Paper is a classic example of supply-side restructuring. It is an approach which prioritises the role of the state in the economy, especially in establishing the institutional, infrastructural and interlocking policy requirements which are needed to underpin both equitable social development and successful incorporation within the global economy.

The apartheid legacy

The impact of apartheid's racist policies on black education and training in the period 1948 to the late 1970s is well documented. What is less well known is that equally problematic reforms were introduced in the 1980s which represented a shift away from the 'Verwoerdian' race-based thinking of the 1960s to a framework based more on free market principles. The key change was the transfer of control of apprenticeship training from the Department of Manpower to accredited Industry Training Boards. This left the boards free to meet the training

Andre Kraak responds to Salim Vally's critique of the Green Paper in the last issue of the Bulletin. He argues for a social democratic alternative, based on 'supply-side' restructuring.

needs of industry in the way they saw fit (an approach termed 'voluntarism') without any state intervention.

This market-led model gave capital substantial powers to decide on the extent and nature of vocational training, the organisation of work, new technology and investment in Research and Development (R&D). The recession of the 1980s saw capital slash already dimly low training and R&D budgets as part of their cost-cutting measures. This short term and highly voluntarist approach, with its heavy reliance on the 'good intentions' of capital, has not enabled South African companies to compete on global markets.

A supply-side perspective

A supply-side approach focusses on:

- the 'social foundations' (institutional structures and social policies) which underpin economic performance;
- 'integrative' and 'complementary' policy making;

- balancing free market policies with supply-side measures

In the 1980s a vast international literature on supply-side restructuring emerged. This was largely in response to the rise of neo-liberalism. Neo-liberalism emphasises the role of the market, reduces the powers of the state and excludes from key decision-making all other interest groups (such as trade unions) who would otherwise 'interfere' with the 'natural' functioning of the free market. This economic wisdom attained a powerful hegemony throughout the capitalist world in the 1980s and 1990s, and has triumphed with the collapse of the socialist-command economies of the former Soviet Bloc territories.

By the mid-1980s a number of leading world scholars were beginning to put forward an alternative economic philosophy. They argued that the world economic crisis should not be seen as a crisis of state intervention in the market economy, but rather as the exhaustion of mass production and the Keynesian state. The solution does not lie in restricting state involvement but rather in the establishment of a new set of social conditions required by the new production system - they termed it 'flexible specialisation'. The state has a key role to play in this system.

The 'social foundations of production' are all the institutions and regulations which make up the capitalist production system. The state and the representative structures of organised business and labour are the central institutions.

Different economies have different institutions, affecting the way the market functions. In some countries, institutional arrangements and governmental legislation which limit the market mechanism and give the state and organised labour a role in economic development have acted as catalysts for growth and global competitiveness - contrary to neo-liberal

orthodoxy. This is because the market is unable to provide all of the inputs necessary for success - especially those factors of production which cannot be acquired through private property rights. These inputs are termed 'collective factor inputs'. They are the non market, non price, collective goods which are becoming increasingly important in the new global economy. Examples are the need for industrial peace, co-operative work relations and multi-skilling. Those countries with the 'thickest' set of regulatory institutions which address the need for these inputs have been more successful in establishing the conditions for renewed growth in the 1980s and 1990s than those countries which emphasize market deregulation and 'thinner' institutional arrangements.

Complementary policies

The neo-liberal framework downplays the role of the state as a complex, multi-faceted regulatory instrument. Consequently, education and training reforms often rely on single innovations copied as 'role-models' from various free market success stories. For example, in the early 1980s the Thatcher government attempted to transplant the successful vocational training policies of West Germany into the British context. The cultural, historical and institutional basis of the West German system could not, however, be transplanted. The result was a dismal failure.

Raising the skills levels of workers is fruitless unless there are changes in the design of work and in the use of new technology. A company must be able to organise work processes in a way that encourages continual innovation. It makes no sense to raise the competencies and expectations of a production worker if he or she is then given a narrowly defined job that consists of a series of repetitive tasks. The state's contribution in regulating the full

package of policy measures required across a wide range of social institutions is critical.

Supply-side restructuring is also concerned with the *interaction* which occurs between institutional structures - for example, the complementary impact labour market and work organisation reforms have on economic growth if introduced in parallel with improvements in skilling. Complementary policies act as the 'glue' of the social system.

It is important to note that interlocking policy measures can act in opposite directions - to reinforce a low-skill, uncompetitive or a high-skill, highly competitive economy. The network of institutions and social policies which perpetuate a low-skill economy include:

- a lack of long-term human resource planning;
- an emphasis on low cost, low-skill products,
- the absence of a successful export-oriented, competitive manufacturing strategy,
- minimal state intervention in education and training and labour markets;
- a financial system driven by the rules of the stock market. Quarterly dividends, short-term gains and quick profits are the priorities. Long term investments in human resources and long-term growth in productive assets are neglected,
- lack of co-operation between state, capital and labour;
- unco-ordinated state policies on



Changes in the design of work are essential.

economic growth, industrial relations and education and training;

- a divisive qualifications structure which limits mobility between education and training institutions, thereby hindering continuous skills upgrading

Given such a scenario, single reforms (such as increased investment in education and training) would not be sufficient to break the self-reinforcing character of a low-skill economy. Real change requires a reversal of most of these conditions to produce a new 'high-skills' economy.

Balancing act

Supply-side restructuring balances free-market policies with institutional and infrastructural measures. International experience shows that the market can establish the necessary 'responsiveness' to employer skill requirements and the constantly changing skill needs of industry. However, this does not exclude the need for supply-side measures.

A good example of the need for balancing market and state is the interrelationship between internal and

external forms of labour market organisation. Internal labour markets are enterprise based, market-driven structures organised around particular workplaces. Jobs above entry level are generally filled by internal promotion. Skills are gained internally and qualifications are secondary. External labour markets are state regulated structures comprising all labour market institutions such as training boards, stakeholder organisations and the training system which are bound together by a national qualifications system.

The success of internal or external labour markets depends on the coherence of the institutional environment in which they operate. Successful external labour markets depend on the existence of a strong institutional environment. For example, the success of the external labour market in Germany is largely due to its highly legitimate apprenticeship system and a set of supportive institutions. These include the 'dual system' of education and training, a highly organised network of chambers of commerce and industry committed to high quality generic skills training in a wide spectrum of occupations and co-determination rules which protect occupational categories and act to incorporate capital's 'social partners' in a highly regulated system.

The second feature of economically successful external labour markets is that they do not substitute for internal labour markets, but in fact co-exist with them. The internal labour market links what would otherwise be isolated occupations. In the German case, internal labour markets play a crucial role in linking one occupation with another along the span of qualifications. This is also the case with the Swedish labour market, which is predominantly an external labour market, but with highly subsidised in-plant training and well established internal paths of progression.

These examples emphasise the importance of the institutional environment within which successful education and training systems operate, and the co-existence of internal and external labour markets (or public and private forms of labour market regulation). They point to the need to combine both private and public efforts in education and training. This contrasts sharply with the market led approach, which dogmatically emphasises the withdrawal of the state from involvement in the economy, the contracting out of training, and employer voluntarism (the bosses will decide when to train).

A *balanced* education and training system is one which is state regulated but which subsidises extensive enterprise-based training in pursuit of the twin aims of meeting current employer skill demands, while simultaneously making provision for an uncertain but high-skill future. This will mean that enterprise-based training is fused with the development of future education and training capability. Such a broad challenge cannot be met by the market. It requires an appropriate combination of market forces and state efforts.

The Green Paper

The Green Paper is strongly influenced by supply-side principles. This is shown by its commitment to formulating policies in all spheres, its conscious attempt to balance 'demand led' enterprise training with capacity-building supply-side measures and the recommendations which seek to bridge the divide between a core and a marginalised society.

Policy

The Green Paper makes continuous reference to the need for the integration of human resource development policies with other socio-economic programmes. For

example, it refers to the connection between public/private sector training and small and micro-enterprise initiatives, job creation schemes and sustainable forms of income generation and between industrial restructuring, labour market reform and educational provision, especially Adult Basic Education and Training (ABET). It argues that the broader industrial and labour market context within which firms operate also impacts on their willingness to alter their approach to skills formation. 'Reward' systems, the level of competition and the rate of investment in new technology all impact on the response of employers and employees to training. A new industry learning culture will require policy co-ordination across education and training, labour market, science and technology and industrial policies, with a view to creating a favourable set of incentives for companies to make the shift to a higher-skill mentality.

Demand-led training

At the heart of the Green Paper is a demand-led enterprise training policy which is underpinned by appropriate supply-side measures. A demand-led model is essential, according to the Green Paper, to develop greater responsiveness to employer skill needs. This does not, however, mean that "the supply-side of the system should be disregarded or neglected, but rather that it be improved within the context of demand-led training".

Key supply-side measures proposed in the Green Paper include:

- **Providing structured 'learnerships'**
This involves the substantial expansion of entry-level training in many more occupations than those traditionally covered by apprenticeships
- **Being proactive in terms of creating new skill demands**
"Simply focussing on an efficient training provider system that slavishly follows

industry skill demands is insufficient to achieve this shift to a new skills profile. Old occupational and skill categories no longer hold and firms are required to become more proactive in consciously using skill creation as a vehicle for achieving competitive advantage. To achieve this there will need to be a paradigm shift in which the actual demand for skills within firms and industry changes."

The Green Paper sees a critical role for government in supporting this shift. This includes establishing Sectoral Education and Training Organisations (SETOs) in each industrial sector to create structures linking government, industry and enterprises together in a joint venture to promote continuous skills formation

- **Long-term planning of skill priorities in strategic industries**
Another key role for government is to provide strategic information on new industry growth points, declining industrial sectors and the consequent skills priorities and labour market changes that will arise in the medium to long term.
- **Acquiring state influence through the levy-grant funding scheme**
The proposed levy-grant funding scheme (a tax of 1,5% of payroll) provides the state with critical influence over the economy and in the formation of skills which it previously did not have. Government can use the 80% grant allocated to industry to influence training. The Green Paper proposes that such training should meet certain criteria and fall within four specific categories: well structured and high-quality enterprise-based training; support schemes for small and micro-enterprise training; support for the development of annual training plans and the promotion

of higher entry level skills through learnership schemes. The 20% of the scheme allocated to the National Skills Fund (NSF) enables the state to strategically intervene in the economy by prioritising training in strategic industry programmes, training aimed at vulnerable social groups and the infrastructural development of the provider market

❑ Market failure and protection for vulnerable groups

The Green Paper is aware of the acute social costs of the market. Its proposals for revamped 'Employment Services' and the establishment of an NSF are designed to introduce some form of social safety net when dramatic shifts in the market trigger severe social dislocation. Specific mechanisms proposed include the training of vulnerable groups, retrenchment 'social plans', and state assistance in the formulation of self-help community 'development plans'

❑ Upgrading the training provider market

This is a classic case of finding the right balance between a competitive and high quality training provider market, and ensuring that investment in training "incorporates a longer term view of education and training needs in the economy and society". The state's role would be to use incentives, funding and tender criteria to ensure quality, responsiveness, cost effectiveness and high-quality infrastructural development

❑ Partnerships

These are envisaged in a number of areas across the relevant state departments (for example, Education, Labour, and Trade and Industry), between the public and private sectors, and between the state, capital and labour. Partnerships between all these constituencies would entail

joint control over the *Skills Development Strategy* and shared cost arrangements

Underpinning the whole strategy is the concept of market failure and the short term horizons of South African capital which necessitate a supply side strategy. The Green Paper notes that effective skills development cannot be driven solely by short term, market-led imperatives. The creation of a high-quality training system requires "a stable infrastructure to both support a competitive training market and to provide more technically advanced capabilities which have long lead times and require substantial investments in plant, equipment and technology" - qualities not delivered in the short term through market considerations alone. "Medium term planning is required to meet the higher-level skill demands of the economy which take



The absence of an export strategy will perpetuate a low-skill economy

time to develop...while training systems are becoming more responsive to industry's immediate skills needs, it is important to maintain and develop 'supply-side' capacity through institutions which enjoy a reasonable level of stable funding."

Bridging the divide

Training systems in most industrialised economies tend to be biased towards formal sector skill needs to the detriment of the peripheral sectors of society. The Green Paper displays a consistent concern for the plight of the most vulnerable groups in South Africa - the rural poor (especially women), youth, informal sector workers, the unemployed, and people with disabilities. It highlights the weaknesses of previous Department of Manpower programmes aimed at these groups and commits itself to support people "to enter regular employment or to sustain micro-level income generating activities, to support the establishment of viable small and micro enterprises, to increase access to entry-level education and training in order that the people who are the most vulnerable in the labour market are able to enter and successfully remain in employment/self employment."

The Green Paper is concerned with establishing *effective policy linkages* between the training of disadvantaged groups and basic education, between training and industry skills needs, between training and income generating activities and between training and a much broader package of institutional and financial support for small business development.

The joint resources of the revamped 'one-stop shop' Employment Services and the NSF will also be made available to assist the most vulnerable communities by, for example, initiating small business training, assisting in the drawing up of self help community development plans and the introduction of retrenchment 'social plans'.

Recipe for success?

The key features of a supply-side approach to education and training are the acceptance of the economic importance of institutions and regulatory frameworks in a market economy and a concern for the social foundations and social ramifications of economic growth. In a global economy dominated by capitalism, supply-side politics provide the only real alternative to neo-liberalism.

The articles by Salim Vally are informed by an orthodox, ultra-left scepticism of all forms of capitalist restructuring. They do not take up the political challenge of defining real alternatives.

This does not mean that there are no misgivings about the Green Paper. Indeed, its proposals will need to overcome a number of obstacles which may very well dampen and dilute its supply-side commitments. These include:

□ **The supply-side measures may be insufficient**

It is not yet clear whether the measures proposed are sufficient to bring about the desired shift from a 'low-skill' to a 'high-skill' economy. Establishing the correct balance between demand-led and supply-side measures is critical.

□ **Real change is dependent on the political will of the ANC**

Progressive elements within government will need to work hard to hold back the opposition strategies being developed by capital and some sectors of the new government who have adopted a purely market led interpretation of GEAR. Opposition may also arise from inter-departmental rivalry and territorialism. The Green Paper is totally silent on the need for a single, unified system of education and training. Inter-departmental rivalry may force the Department of Labour to retreat from its commitment to an integrated system and



Old skill categories no longer hold

adopt the more traditional task of managing narrow industrial skills development

- **Transforming the 'old guard'**
A further concern is the ability of the 5 500-strong staff employed by the Department of Labour to rise to the new challenges posed by the Green Paper. Staff will need to transcend their old bureaucratic mindsets to fulfil the proactive supply-side roles envisaged in the new framework.
- **Silence on workplace restructuring**
By failing to link skills formation to the restructuring of workplace grading systems and job design, the Department has failed to establish perhaps the most important 'complementarity' needed in the context of a highly competitive global economy: that between a more highly skilled labour force and broadened jobs that require multi-skilled labour. If jobs remain narrow and segmented as they are currently, investment in training will have no impact on productivity and

economic performance

Notwithstanding these reservations, the Green Paper is a remarkable document if compared with the former government's market-led attempt at reform. The Department of Labour is clearly leading the way in terms of its commitment to co-determinist, supply-side principles. ★

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Andre Kraak is a Senior Lecturer in the School of Government at the University of the Western Cape

The Green Paper

a 'balance' that favours the right?

In his haste to label and caricature, Andre Kraak has not bothered to engage with the points raised in my article.

To recap, my article (*SA Labour Bulletin* Vol 21 No 3, June 1997) was largely a summary of the main institutional and funding mechanisms proposed in the Green Paper. I then raised concerns about the low funding levy; the contested notion of skills; assumptions around international competitiveness; the distinction between developing skills for employability and actually achieving employment; labour flexibility and the relationship between education and training and economic growth. The article concluded that "the dilemma for the proponents of skills development and other policy initiatives is how to situate social development within a market dependent macro-economic framework."

GEAR

Kraak himself has misgivings about whether the skills strategy will succeed. At the end of his article, he asks whether the supply-side measures are sufficient and raises doubts about the political will of the ANC and "some sectors of the new government who have adopted a purely market-led interpretation of GEAR." This curious last statement provides the key to the contradictions in his article. Can there be any interpretation of GEAR other than its market led orientation?

GEAR is premised on, subordinated to

Salim Vally rejects the idea that reforming capitalism will ever meet the needs of the majority. He calls for education and training that provides the basis for genuine transformation.

and completely dependent on market forces and the private sector for the delivery of services, job creation and economic growth. Social development depends on winning markets and exporting goods. Education and training must meet narrow industrial ends to ensure an internationally competitive economy. Calls by the union movement to redress historical imbalances and eliminate inequalities, through a policy of 'growth through redistribution' have been replaced by the trickle-down version of an export-orientated 'growth first, redistribution later' strategy.

Effects

Scarcely one year after its release, the destructive effects of GEAR and its attendant homegrown structural adjustment programme have begun to be felt. Government predicted that GEAR would create 126 000 jobs in 1996. In fact, we have suffered a real loss of 100 000 jobs. The easing of trade and tariff barriers has

devastated the lives of tens of thousands of workers in the electronic, clothing, textile and leather sectors. Companies continue to shed jobs. Creeping privatisation will increase unemployment. The reliance on banks to deliver housing has been a dismal failure. The state has resorted, as one contributor to the *Bulletin* put it, to building "put latrines in the veld". The effects of budget cuts on education and health are becoming apparent. GEAR's only beneficiaries are local and foreign capital, who have been rewarded with tax holidays, depreciation provisions and the easing of exchange controls.

Deferring to competitiveness

GEAR explicitly calls for a skills strategy to promote international competitiveness by focussing on the growth sectors of the economy. The Green Paper defers to this aim.

In turn, Kraak's defence of the Green Paper pivots around the mechanisms and institutional policies which are required for both "equitable social development and successful incorporation within the global economy". He glibly accepts these goals as complementary.

A nation's competitive advantage in the global economy is often based on workers' disadvantage. The kind of training which would foster more democratic forms of work organisation and greater worker control will not necessarily be the same as that which would increase competitiveness. Kraak's flexible specialisation model requires a peripheral workforce of contract labourers, part-time workers and homeworkers. These workers (the majority of whom are female and young) labour under generally insecure and unsatisfactory conditions. Balancing free market policies with 'supply-side' measures (or replacing neo-liberalism with social-democracy) will not meet the social needs of the majority. It

is not possible to do so within the constraints imposed by GEAR and the workings of the global economy.

Supply-side measures

Kraak claims that the Green Paper balances free market policies with supply-side measures. Is this, in fact, the case?

The Green Paper states that one of the primary principles underpinning the new system is that it is "demand led" with particular emphasis on the new skills and competencies *needed by enterprises* to support rising productivity and competitiveness (p. 2, my emphasis). While reference is made to meeting the needs of "target" groups (defined as youth, rural people, women, the unemployed and the disabled) the mechanisms required to achieve this are not set out.

The very groups these apparent 'supply-side' measures are meant to benefit have come out in strong criticism of the Green Paper. The Nedlac community constituency, which represents civics, rural development organisations, women and disabled people says that "the demand led character of the SDS (Skills Development Strategy) may be inappropriate, given both the lack of economic transformation to date and the 'jobless growth' phenomenon that appears to be so intractable in the private sector" (Jack, 1997). It expresses "profound disappointment" in the Green Paper and suggests that the supply-side measures be approached "with much greater ingenuity". It emphasises that training should be owned by the community and not industry, in order to build on grassroots knowledge.

The concept of 'social development' is not explained in the Green Paper. Where it is referred to, it is linked to 'economic growth' (p. 60). This fits neatly into GEAR's assumption that growth leads automatically to the increased well-being of the population. This trickle-down notion

prioritises skills which boost productivity and competitiveness, but undervalues or neglects those developmental skills necessary to sustain significant numbers of people outside the formal economy. These are the very skills which make the country not only materially, but also culturally prosperous.

Structures

The structures set out in the Green Paper privilege the requirements of the formal industrial sector. The primary function of the Research and Strategic Planning Unit (RSPU), for example, is "to be clearly aligned with the overall economic and development strategy of the government" (p 21). The unit's specific functions are to "establish broad labour market trends in the country and identify the implications of these trends for skills development on a regular basis" (p 21) and "to assist industries and firms to integrate skills development more effectively into their broader competitive strategies" (p 23). There is no mention of the informational needs and requirements of target groups or a 'balance' with 'supply-side' needs in the entire chapter on the RSPU.

Learnerships

Learnerships, which the Green Paper puts forward as the major vehicle to address skill development needs, prioritise the formal sector and demand-led training. While small enterprises and, one assumes, the informal sector can provide the work experience component of learnerships, they can only do so if "they form groups of training companies" (p 27). As Samson points out, it is doubtful whether these 'survivalist' enterprises will be able to fulfil these conditions. In any case, such an arrangement will only be allowed if the training provided meets the "requirements of industry" (p 35). As the work experience component of the learnership is crucial to accreditation, and

this is likely to be achieved largely through formal industry, most of the 'target' groups will be excluded from even reaching the entry level of the system.

Developmental skills

The Green Paper is silent on those skills vital for social development which will not serve the cause of international competitiveness. Examples are child-care and community organising – skills which the community constituency calls 'people-centred' or 'caring' as opposed to industry-led skills. In its submission to the Department of Labour, the Joint Enrichment Project (JEP) refers to a number of skills specifically aimed at alienated township youth. JEP questions whether industry-led learnerships can accommodate these skills and whether learnerships will be sufficient to provide for the large numbers of the unemployed. They argue that skills can be learned in a variety of environments and that other training programmes should co-exist with learnerships.

The unemployed

The Green Paper's provisions for unemployed workers are paltry and unclear. Public works programmes have not shown a consistent commitment to training, leading to short-term and 'one-off' employment. Since government is relying heavily on this programme to alleviate unemployment, this is an issue which the skills development strategy should address with more clarity. Workers on public works programmes and, indeed, trainees in general, are paid very low wages. The Nedlac community constituency is calling for a living wage to prevent divisions amongst workers, the lowering of standards and downward pressures on wages.

GEAR's preference, which is supported by the Green Paper, is for a 'two-tier' labour force, where trainees are paid well below

prevailing industry rates. This should be cause for major concern. Companies might well be prepared to support school leavers and young workers while they go through learnerships, but once they qualify and are entitled to higher wages they are likely to be retrenched. The fact that half the unemployed in Germany have passed through that country's apprenticeship system is not noted by Kraak. Nor does he register the additional fact that the 'dual-system' in Germany can only be understood against the background of a diversified general education system and at least a century of universal schooling.

Other deficiencies in the Green Paper relate to the lack of measures to correct discrimination against

women and disabled people, and the barriers that communities face in terms of merely getting access to training because of the lack of child-care facilities and transport. Measures to combat the general 'stigmatisation' of workers by age, sex and 'race' are not discussed in the Green Paper.

Freedom of choice?

While the proposed new employment services and their functions indeed offer tangible pointers to supply-side measures, a fundamental flaw escapes Kraak. This is contained in the first working principle: "The individual's right to freedom of career choice and freely chosen employment within the constraints and realities of the



Women labour under insecure conditions.

labour market" (p. 10). These 'constraints and realities' - the consequence of apartheid-capitalism - are accepted as given. Historically, they have been used to discriminate against black people, women, disabled people and people without formal literacy and numeracy. The Green Paper contains no reference to challenging and eliminating these realities. Current unequal economic structures and social relations are perpetuated and reinforced. The notion of 'freedom of career choice and employment' is reduced to a myth.

This sheds light on the crux of the entire Green Paper which hinges on a particular concept of skills development. Firstly, it channels workers to the immediate labour

market requirements of employers. Secondly, it transfers the responsibility of unemployment to individual deficiencies, implying that lack of employment is a reflection of a person's skills level and abilities instead of an intrinsic weakness of the economic structure and how employment is distributed.

Funding

The funding proposal will only benefit industry. Eighty percent of the total revenue collected will be devoted to enterprise-based training. Only 20% will go to the National Skills Fund responsible for target groups. Even then, this amount will have to be shared with strategic industry programmes and education and training providers. Given the resources required for redress and social development, this is totally inadequate.

The 1,5% levy on payroll is already well below the international norm of 4% to 7%, yet employers want to reduce it further! COSATU is calling for a 4% levy on payroll. The Nedlac community constituency is arguing for a 5% levy. It suggests that "there are many outstanding suggestions for government to better implement capacity-building programmes in government projects (such as public works), which have so far been given little more than lip service. Government should also be committing a generous proportion of each development project (not merely payroll expense) to communities for training and skills development."

Rolling back

Kraak's examples of social democratic experiments do not consider the historical and concrete conditions in which these developed. The Swedish industrial sector was able to supply the rest of Europe, which had been devastated after the World War, with its products and so was able to

implement social welfare measures. In any case, social democratic measures are being dismantled or have failed to live up to their claims in many countries. Worker gains are being rolled back and reversed. Eighty five years ago Rosa Luxemburg warned of the 'labour of Sisyphus'. The reformist boulder was, in her view, forever rolling back, pushed down the hill by every change in the market, by aggressive, confident governments and employers taking back what in a period of weakness they were forced to concede.

Sympathetic presence in the corridors of power and positions within the institutions of the state cannot make such reforms permanent and irreversible and keep the boulder rolling upwards. This does not mean we should not struggle for reforms and alternatives. But these must strengthen the marginalised and curb the logic of the market, not accommodate it.

Competitiveness

Kraak's analytical framework accepts uncritically the need to adapt to international competition and the world market. World trade is neither free nor fair. South Africa will not survive global competition. It is disadvantaged in terms of geographic access to large markets. Even if we take the 'low wage' route, opportunities are extremely limited.

This does not mean we should reject all trade with the outside world, but that external relationships must be subjected to the requirements of internal development. In a previous issue of the *Bulletin* (Vol 19 No 3, July 1995), Sam Gindin poses an alternative vision to the ideology of competitiveness. "Competitiveness focusses on companies. The democratic development of our capabilities (DIDOC) begins with workers, their communities and activities. So, for example, in considering an auto strategy, the former asks how to strengthen

companies so that they can challenge other companies. DDOC asks how we can develop capacities within our community, so we can use our skills, produce necessary products and develop capacities to deal with change.

The DDOC approach leads to recommending research and development centres that study how we might replace imports or auto parts, or convert component plants as part of a restructuring plan, or diversify certain facilities into other sectors. These centres might be linked to community institutions (like universities) with management and labour input. In some cases, they might organise collaboration between a number of companies in a community to develop new strengths that they did not have individually.

Rather than merely subsidising companies - since they could reject the strategy or, at some future point, simply leave with our research - the point would be to build institutions that are ours, are rooted in the community, address broad

productive needs and are based on criteria that do not start and end with company needs and goals."

This is precisely the role the RSPU could play.

Flexibility

Kraak offers mass production through rigid assembly line processes (Fordism and his preferred model) - flexible specialisation involving technologically sophisticated production by skilled workers for niche markets - as our only choices. The author, Ben Fine, rejects this argument. He points out that there is no rigid distinction between the two systems. Another writer, Griff Foley, points out that flexible specialisation invents a world of lean, mean, technologically advanced growth economies competing with each other in a perfect global market. He calls this an "ideological myth", which masks "the actual dynamics of the reorganisation of the global political economy which is the extraction of more of the surplus of workers' labour and the



People-centred skills like child-care are ignored

further accumulation of capital."

Flexible production leads to new forms of labour market segmentation with a smaller core of relatively highly paid and skilled 'permanent' workers and a periphery of lowly paid and insecure casual and temporary workers. This system may well be a lead to greater global economic competitiveness, but it provides no relief to the under and unemployed - in fact, it exacerbates the problem of unemployment

Kraak also argues for a balance between the market and state intervention. This is false and irrelevant. GEAR favours local and international market forces. Kraak's social democratic model puts forward the state as a "social partner" - some kind of referee which guides and regulates industrial development and the labour market. The real role of government is to tie labour to the logic of export-oriented competitiveness, fiscal discipline, privatisation and the lowering of employment standards, as recent negotiations in Nedlac have shown

Alternatives

A skills development strategy should never balance demand-led with supply-side measures, but should aim precisely to curb the logic of the market. The role of the state is not to manage capitalism better for the capitalist class or to give it a human face.

Kraak's alternative is not merely a tactical accommodation to capitalism; it is a strategic opting for capitalism. It is no alternative to the system which produces poverty and inequality.

The way Kraak constructs his debate excludes the possibility of real alternatives. His dogma - that there is no alternative but to bow to the 'laws of capital markets' (as if there are natural economic laws akin to the law of gravity!) - prevents the search for real alternatives.

Reforming capitalism will never meet the

needs of the majority. Real alternatives start with recognition that the primary obstacle to a just society is capitalism itself!

Alternatives to the provisions of the Green Paper must be developed within a different strategic framework and for quite different reasons from those of the social democrats

Previously, the labour movement privileged social justice issues over technocratic and economic strategies. Now, these are too often dismissed as orthodox, obsolete and unrealistic. In South Africa today, we need a realism that does not merely manage what exists, but visualises and acts on strategies for genuine transformation

Writing on adult education and capitalist reorganisation, Foley poses an unavoidable choice: "Do we adult educators choose to work with and for capital by accommodating ourselves to...the language and techniques of a workplace restructuring which is so clearly driven by the interests of capital? Or do we take the far more difficult path of striving to develop forms of education which really do serve the interests of working people? ...those who misinterpret the dynamics of capitalism collude in its reproduction." ★

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Sally Vally is a researcher at the Education Policy Unit (EPU) at Wits University

A step to the left

worker struggles in Europe

Amood of optimism is sweeping Europe after the Labour Party victory in Britain and the victory of the Socialists in France. The Left is also expected to come to the fore in the next elections in Germany.

What can European workers expect to gain from these changes?

Unemployment

Official unemployment within the European Union (EU) is over 20-million. 9.3% of men are said to be unemployed, and 12.3% of women. This excludes 30-million people, who are not officially registered as unemployed.

Unemployment has doubled twice since the 1970s. Prior to the oil crisis of this period, employment creation was a primary policy objective. Since then it has been assumed that jobs will flow from policies designed to promote stability and competitiveness. The truth is that these policies have not led to job creation.

Social security

Given the social security arrangements in most European countries, increasing unemployment has placed a burden on public finances, with massive social costs. The response of the EU has been to slash social spending.

The policy which has had the single most important influence is the insistence that any EU member state which wants to join the single European currency (to come into

Right wing governments are on the retreat in Europe.

Expectations for economic growth and social development are high. Jane Barrett asks whether parliamentary change will bring positive results for workers.

effect in 1999) must cut its budget deficit to no more than 3% of GDP. The easiest way to do this is to cut social and welfare spending. Spending on health services, pensions, education and welfare benefits are under attack across Europe. It is predicted that the currency squeeze could add ten million people to the unemployment figures.

At the same time, companies across the continent are changing their focus and methods of production. Take-overs are common. In the car industry alone, these changes (including a shift to the small car market) could lead to the loss of 70 000 jobs. In Germany, the possible merger between two of the largest companies, Krupp and Thyssen, could lead to the loss of 10 000 jobs. Employers have started to trade jobs for wage cuts and changes in work practices. In Germany the chemical trade union IG Chemie has been pushed to agree

The European Union

The EU currently has 15 member states. It was set up to facilitate trade between member states, and, more importantly, the movement of capital and production.

The EU evolved at the same time that production became more and more multinational. The breaking down of barriers and the reduction of the powers of national governments has become increasingly important to capital.

The need for solidarity between workers across national boundaries has also become increasingly important. What is happening in Europe is important for trade union movements elsewhere in the world. Regional trade blocs are emerging all over the world – Mercosur in Central and North America, SADC in southern Africa, and Ecowas in west Africa to name but a few. There may be important lessons to be learnt from Europe.

The Union is governed by a number of institutions. Members of the European Parliament are elected within each member state. However, the parliament has limited powers. The key institution is the Council of Ministers, which is comprised of delegates appointed by member states. The Council of Ministers effectively makes all the important decisions in the EU. The European Commission has the right to initiate legislation, and monitors its implementation.

There is a Court of Justice which ensures that European law is observed and a Court of Auditors which monitors the financial management of the Union. There are two advisory bodies (the Economic and Social Committee, and the Committee of the Regions) as well as a European investment Bank.

The EU has been heavily criticised by the trade union movement and left-wing parties for its undemocratic nature. Democratisation of the Union is a demand which runs in tandem with the demand for employment creating economic policies.

To address labour's concerns, the EU has adopted the 'Social Chapter' in terms of which agreement is to be reached between member states on social and trade union issues.

There have been two agreements to date – on unpaid parental leave and on the rights of part-time workers. In terms of the latter, member states are expected to pass national legislation which requires that part-time workers have legal rights to match those of full-time workers.

The Social Chapter also requires all multinational companies employing over 1 500 workers to set up European based works' councils for the purpose of consultation over any proposed changes in employment and work practice.

to a wage cut of up to 10% during economic downturns in return for job security

Response

Workers have not remained passive. This year has seen massive demonstrations across the continent – some national in character and some co-ordinated by the European Trade Union Congress (ETUC). 28 May was targeted as a European Day of Action for Employment by many trade unions as a buildup to an Inter-

Governmental Conference in Amsterdam on 1-4 June.

- In Italy, the trade union confederations launched a campaign for jobs in February. On 22 March 300 000 workers took to the streets of Rome to protest against unemployment. On May Day a massive rock concert for jobs was staged. On 28 May workers staged sit-ins outside various government offices and employers' organisations.
- In France, the CFDT launched a

campaign demanding the creation of 400 000 jobs for young people. In March, Renault workers from across Europe went on strike. They sent representatives to the Paris headquarters of the company to protest against the non-negotiated closure of its Belgian plant. Running up to the June parliamentary elections the main federations jointly organised massive rallies around the country to focus on jobs. These actions gave weight to the Socialist's campaign manifesto, which criticised the 'Euro'currency requirements and proposed a 35 hour week without loss of pay. In coalition with the Communists, the Greens, and two other left-wing parties, the Socialists were able to form a strong majority government.

- In Belgium, 70 000 demonstrators met in Brussels on 16 March to call for fair taxation in Europe to encourage

employment, social development policies and quality public services. The demonstration was fuelled by impending closure of the Renault plant. On 26 and 27 May workplace meetings were held in all sectors, and on 28 May 10 000 workers, many of whom had come from other European countries, created a human chain around three buildings of the European Union.

- In Greece, rallies and demonstrations for jobs were staged in the four major cities on 28 May.
- In Hungary, workers downed tools in most major industries in order to conduct workplace meetings on job creation.
- In Norway, a conference took place on 28 May to discuss employment priorities.
- In Germany, a series of rolling actions culminated in a Jobs Summit in mid April.



Pic: Andrew Watt/Labour Research, June 1997

British workers have been less active in the campaign for jobs.

and a rally on 23 May. On 2 March thousands of German miners occupied the capital city, Bonn, in protest at the threat to jobs posed by government's proposal to cut subsidies. Despite various agreements at industry and enterprise level to maintain jobs in exchange for benefit cuts, the demand for a shorter working week as a means of creating employment remains strong.

- May Day was the focus in Denmark, followed by local actions on 28 May, when young workers lead debates on employment in government training centres.
- In Spain, mass rallies were held in 17 regions on 28 May, and a national rally took place in Madrid.
- In Sweden, teachers agreed to pay attention to social and employment problems.
- In Poland, a major rally for jobs was held on 11 April
- In Britain, a conference on employment was held on 28 May. Generally speaking, British workers have been less active in the mass campaigns for jobs than their European counterparts. This may be because they have faced a long and slow squeeze on social services by successive Conservative governments. However, the trade union movement has committed itself to a mass recruitment drive in an effort to protect and extend worker rights. The TUC has adopted a 'New Unionism' project which targets certain groups within the 16-million unorganised workers. Young workers are an important target.

Breaking barriers

On 14 June, 30 000 people who had marched through Europe from 30 different countries, converged on Amsterdam. They were joined by Dutch workers in their

march around the city. Government ministers were holding a conference in the city at the time. Workers held their own conference and sent a clear message to their governments: we are pro European unity, but against the policies of the politicians in power.

The trade unions want to break the barriers built on fear of the unknown, by building solidarity across national boundaries. The official trade union position, expressed through the European Trade Union Confederation (ETUC), is somewhat softer than the position expressed by many activists within the movement. The ETUC accepts a European monetary union, but argues that it must be complemented by economic and employment objectives. The creation of a single currency must be part of an overall economic policy.

The ETUC wants positive measures across Europe to facilitate economic recovery - policies which boost investment. Active labour market policies, including the reduction of working hours, should be implemented, and a strong and efficient public service maintained. Action must be taken to prevent competition between European countries based on 'tax dumping' (ie attraction of investment through offering tax concessions which are to the detriment of local social conditions).

Will the level of mobilisation achieved this year be sustained in years to come? Will the balance of European interests and policies shift at all with labour parties in power in two of the most important economies in Europe - Britain and France. Only time will tell. ★

Jane Barrett is a researcher in the Maritime section of the International Transport Workers' Federation based in London, a former general secretary of the TGWU and a member of the Labour Bulletin Editorial Board. This article is written in her personal capacity.

"We are all in this together"

Sierra Leone is a small west African state which has been embroiled in a long standing and bloody civil war between military leaders and the Revolutionary United Front (RUF). After six years of intense conflict, during which two-thirds of the population were displaced, elections were held in February 1996. Both the military and the rebels opposed the elections.

A civilian coalition government was formed under the leadership of President Tejan Kabbah. The government immediately began trying to cement a peace accord between the warring factions. While it won widespread approval among the people, the process soon ran into trouble. It became increasingly clear that both the military establishment and the rebels did not want an accord to materialise. Furthermore, both factions felt threatened by a new third force in the form of local civil defense militias who were drawn from and accountable to local communities ravaged by the war.

On 25 May, a seemingly unholy alliance of the military and the RUF joined forces to execute a coup. The President was forced to flee into exile. What followed in the capital city of Freetown was front page news for a few days, and then almost completely ignored by the media. Coverage focussed on the evacuation of European expatriates. The experiences of local people and organisations of civil society were ignored. The role of the trade unions, religious organisations, civil and human rights organisations and the women's movement

Worker organisations are playing a leading role in the struggle for democracy in Sierra Leone. Stephen Faulkner interviews a member of the Sierra Leone Labour Congress.

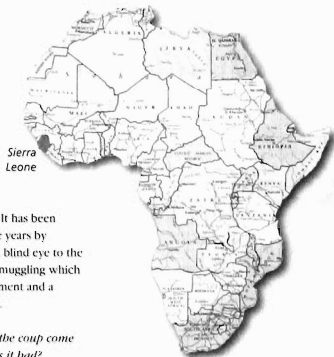
have been grossly under reported, despite the fact that they are playing a central role in the campaign to reject the current military junta.

This interview is intended to correct this imbalance, and to provide an insight into the courageous and inspiring role played by workers' organisations in the struggle for democracy in Sierra Leone. For security reasons, the comrade providing the answers cannot be named.

Labour Bulletin: Tell us about the Sierra Leone Labour Congress (SLC), and about Sierra Leone.

Answer: The SLLC is a trade union national centre like COSATU. It has 22 affiliates, covering around 400 000 workers across the country. It has been able to survive as an independent trade union organisation despite one party rule, and military government. Right now, it is the largest single democratic organisation of civil society.

As for Sierra Leone. It is considered by the World Health Organisation to be among the most impoverished countries in the world. However that is not the full story. The country is very rich in diamonds and gold, bauxite and rutile. It has been ruthlessly exploited over the years by multinationals who turned a blind eye to the outrageous levels of illegal smuggling which propped up corrupt government and a succession of military rulers.



Labour Bulletin: *How did the coup come about and what impact has it had?*

Answer: For many years, the people in the rural communities, who have been in the firing line of the so-called 'rebels war' have said that it was virtually impossible to distinguish the soldiers and the rebels. In fact, they called them 'sobels'. Both factions were benefiting materially from the continuance of war. The people were caught in the middle. So the fusion of their forces has not been much of a surprise.

The first thing they did was to storm the prison in Freetown to free their comrades who were awaiting trial for crimes against the people. Then they embarked upon a bloody and brutal looting spree across the capital, which has not stopped since. Of the 600 who were released, all were given guns and told to help themselves. The looting has been devastating. Workplaces have been needlessly ransacked. Homes and small shops have been stripped and wrecked. Vehicles have been commandeered at gun point, and gangs of drunken and aggressive young militia have abused, and in some

cases murdered, anyone who tried to reason with them. The military authorities, led by one of those who sprung from prison, simply turned a blind eye.

Labour Bulletin: *What has been the response of the trade unions?*

Answer: The SLLC called for and sustained a mass stayaway from work despite threats from the regime that all workers who do not report for work will be immediately dismissed. After five weeks, our action is absolutely solid, and we are confident it will remain so until our demands have been met. We have formed an alliance with all other sections of civil society including the religious councils, women's organisations, petty traders, students, professional bodies.

Labour Bulletin: *What are your main demands? How do you view the mainly*

Nigerian FCOMOG forces that have sworn to topple the regime?

Answer: We have called for all measures to be applied to get rid of this illegal regime, including military intervention if necessary. The overthrow of the civilian government represents a criminal act. It must be put right before peace can be restored. We know that we speak with the overwhelming support of the people of Sierra Leone. The masses are tired of war and military rule. They took great risks to stand and vote for a civilian government. All their hope is invested in that prospect. The very thought of being governed by this current junta is repugnant, and will not be tolerated.

Our other demands include the need to revisit the peace accord, to put in place a comprehensive programme to demilitarise our society, and to find peaceful means to resolve differences. We have young boys and girls who can strip and clean an MK 47 in minutes, but they cannot read or write or play any constructive role in the society.

The popular campaign to oust this regime is gathering pace. We have been surprised at the tenacity of our own people. There are incredible stories circulating of workers refusing to be forced to work at gun point. Nothing is moving in Freetown, and nothing will do so until this regime hands over to those who were elected.

Labour Bulletin: What lessons have you drawn from this struggle so far?

Answer: We have to recognise the centrality of the working class in any activity to defeat the military regime. We have been threatened and some of our people have been physically abused, but at the moment our capacity to organise and mobilise our people has been our greatest safeguard

against further repression.

Alliances based on clear demands and what I would call an ultra-democratic way of working is essential to maintain unity. We have to begin now to think proactively about the type and form of government we need. Many of the politicians who were elected last year did not waste any time in supporting the military. We have to make sure that whoever represents us in the government is accountable, that all business is done transparently, and that the trade union movement is not relegated to a back seat. The workers' movement is in the forefront of defending democracy. We must be in the forefront of making sure that it works. That includes ensuring that the wealth of the nation that we produce is equitably distributed. Exploitation has to stop.

Labour Bulletin: You have received messages of support from all over the world. What else can be done?

Answer: The support we've received is very heartening and encourages us to carry on even when the situation is looking very grim. What we need now is three things. First, we want all workers' organisations to pressurise their own governments to reject the advances of this regime.

We want to ensure that this regime is totally isolated. Secondly, we want our friends to think about what material help they can give us to rebuild our movement when this crisis comes to an end.

Thirdly, we want to give back to the movement outside of our country; all the wonderful solidarity we have received from them. We are truly in this together. ★

Stephen Faulkner is the education officer of the Commonwealth Trade Union Council (CTUC). He writes in his personal capacity.

Hours of work and productivity

By Gideon Skhosana, General Manager, Productivity Awareness, NPI

In western Europe, the last four decades have witnessed a continuing trend towards shorter working hours.

Workers in most European countries work 40 or less hours a week. The reduction in hours was achieved, in most cases, through a series of stages. Austria, for example, moved from 45 hours in 1968 to 43 hours in 1970. By 1975, the working week had been reduced to 40 hours. A similar pattern is evident in Belgium. It is very important to note that the rise in productivity and real incomes in these countries created the demand and condition for reduction in hours.

South Africa

Here at home, hours of work have come under the spotlight as part of the negotiations around basic conditions of employment. Indeed, one of the sticking points in the negotiations is labour's demand for a 40-hour week and business' refusal to contemplate such a demand.

A point which has been overlooked in the negotiations is that many South

Africans already work less than 45 hours a week. According to the statistics, about 49% of employees work between 40 and 41 hours a week. The bulk of employees work between 36 and 40 hours a week.

The other point to be made from these figures is that, rather than trying to set a yardstick across all sectors, a better approach would be to set sector-specific hours of work. Finally, we also need to create and maintain a credible database on work-week statistics.

The link to productivity

Almost any number of hours of work is achievable, on condition that there is a commensurate productivity improvement to sustain it. All efforts should be directed towards achieving the required level of productivity to sustain whatever hours are targeted.

Compromises

Working time arrangements are fundamental to the organisation of each worker's life. They are often based on

October Household Survey weekly hours - all employees (1994)

Hours	Total	Women	Men	Total	Women	Men
1-20	138 540	72 724	65 816	2%	3%	1%
21-35	746 356	360 275	386 081	9%	13%	7%
36-40	3 047 640	1 194 090	1 853 550	38%	43%	35%
41-46	1 972 890	642 920	1 329 970	25%	23%	25%
47-50	1 093 904	276 264	817 640	14%	10%	16%
50+	1 021 304	241 714	779 590	13%	9%	15%
Total	8 020 634	2 787 987	5 232 647	100%	100%	100%

Note. The survey was gazetted on 23 February 1996

cultural assumptions and social customs. It is not surprising, then, that changes are often controversial. This is especially true because many recent innovations have been introduced for purely economic reasons.

Investment in plant and equipment are based on calculations of return that assume long, if not continuous, operating hours. In some cases workers are confronted with a choice between work schedules they do not like and the loss of their job. Employers are also faced with difficult choices. In an increasingly competitive global environment, optimising capital utilisation is one of the necessary prerequisites for productivity improvement and competitiveness. Continuous operations are a must.

Compromises on working time which offer advantages to both employers and workers must be reached. Essential to this endeavour is to achieve a capability to evaluate the various arguments which currently challenge the logic of existing work arrangements.

What is the nature of this challenge? What are the arguments for change?

The sources are many and varied, reflecting not only the breadth of the subject (ranging from questions of school leaving age to retirement, and from optimum length of shifts to the benefits of sabbatical leave), but also the interrelation of working time and other aspects of the social system such as marriage, maternity, child care, education and community activity.

Whilst the sources of criticism of existing patterns are varied, a common theme is the call for a greater degree of choice and flexibility in working time arrangement, so as to reflect the growing diversity of the contemporary work force.

In the first place, it must be recognised that the starting positions of workers and employers are far apart.

Workers insist that inconvenient

schedules should be voluntary. Weekend and night work should be avoided. Economic justifications alone should never be sufficient reason to introduce schedules that could be harmful to the health of workers or disruptive to their family and social life.

Employers emphasise the exigencies of production, the need to improve productivity and competitiveness, the pressure of global competition and the fluctuations in activity that need to be taken into account.

Compromises are made more difficult by disagreements about who should control the degree of flexibility.

Recommendations

In seeking solutions, the Norwegian experience might offer some pointers.

The reduction of hours was a continuing issue between labour and management in Norway. In 1985, an agreement was reached between workers and managers to cut hours to 37.5. This would be implemented over three years. At the same time, a 20-member task team was appointed to evaluate how this would affect competitiveness. The group was asked to suggest ways of increasing productivity to compensate for the loss in production hours.

The NPI has made some calculations using figures from the CSS and the Reserve Bank. We arrived at the conclusion that to achieve a 40-hour week, assuming no overtime, would need an average increase in productivity of at least 8.1%.

Having established the targeted productivity level, the social partners need to develop plans to achieve this level. Human resource training and skilling would form part of the plan. Everyone would benefit. Arguing about hours is putting the cart before the horse. The argument should be about the level of productivity and how it will be achieved to sustain any length of the work week.

In the public service

NEHAWU's official history was launched at the 10th anniversary celebrations of the union

The progressive labour movement has a rich and bittersweet history. NEHAWU has done what all unions must do, record our history so that we are reminded of where we come from in order to go forward.

The book depicts the history of the union from the early 1980s to the present. It is very useful reading, especially for readers who are not familiar with public sector trade unionism. It is essential reading for NEHAWU members who want to know the history of their union.

Outline

The book is divided into different sections which deal with watershed periods in the history of the union.

The first section reads a bit like the constitution of the union. The scope, membership, constitutional structures and the branches of the union are set out. While this is a useful tool for members who are not familiar with union structures, this would have been better at the end of the book. Where it is, it distracts the reader from continuing. If it was at the end, it would allow the reader to take a journey from the past into the present.

History

The next five chapters deal with the historical development of NEHAWU and raise the watershed moments in the life of

Patricia Appolis reviews

NEHAWU - the unfinished story.

the union

Chapter 1 celebrates the organisational history of South African workers in general. The writers manage to condense 150 years into five pages, starting with the industrialisation of South Africa and the formation of workers' organisation. The chapter raises an interesting debate about the registration of trade unions during the 1980s. The position of NEHAWU's predecessors on this issue played an important role in the organisational development of the union.

The chapter would have been richer if it had properly explored the different perspectives on this issue, which contributed to the split into two trade union 'camps'.

This chapter also covers the manner in which the public sector was organised during the apartheid era. The importance of organising the public sector is raised and is closely tied in with NEHAWU's political perspective on the public sector. The union sees the public sector "... as a key area of struggle as organising workers could crack the apartheid state" (p 8).

The next chapter is devoted to the history of NEHAWU. The union was launched in 1987 after the merger between

the South African Allied Workers Union (SAAWU), Health and Allied Workers' Union (HAWU) and the General and Allied Workers' Union (GAWU)

SAAWU and GAWU emerged from a split in the Black Allied Workers' Union (BAWU), while HAWU was formed as the result of a decision by the National Federation of Workers to form industrial unions. All three unions had similar images. They were known as political, community or UDF aligned unions. They linked workplace struggles to the struggle against apartheid.

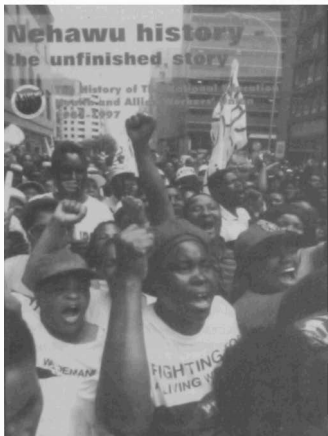
NEHAWU has maintained these links. At the end of the book, union president, Vusi Nhlapo, says that "The biggest challenge facing NEHAWU is building further links with the communities it serves – public sector unions, by their very nature, must be community based unions. This is because they serve the public" (p 88).

Chapter 3 deals with the merger between the unions in 1987. At that time NEHAWU had just 5 000 members. The only problem at this time was the Health Workers Union (HWU) which did not come from the 'Congress' tradition.

The education sector of NEHAWU was boosted by the integration of TGWU membership at universities and technikons. Public service unions in the former 'homelands' also joined NEHAWU.

Strikes

Essentially Chapter 4 and 5 look at the way the union dealt with organisational issues such as "should health workers strike?" Key points in the union's history are the strikes



of 1990 and 1991 and the 1992 national strike.

These strikes provided the major catalyst for growth. Membership almost doubled in 1993 – from 24 000 to 44 058 and grew even further to 120 000 by 1995. The process of political change led to previously unorganised workers joining the union. A sense of settling scores with apartheid encouraged workers to take strike action. A good example of this is the 1990 strike in QwaQwa.

An important feature of the 1992 strike was the successful involvement of communities through community organisations.

An interesting issue that arose out of these strikes is the question of organising nurses. The union faced an uphill battle, caused by the nature of this profession.

While NEHAWU has made great strides in organising nurses (through employing a national nurses' organiser) and can today boast of 45 000 nurses as members, nurses continue to join other organisations. There is still no consensus within COSATU itself about which is the most appropriate organisation for nurses to join, as debate in the pages of the *Bulletin* has shown.

At work and home

A welcome feature of the book is that a whole chapter is dedicated to gender issues and how the union has taken these up. The writers have also attempted to integrate gender issues into the whole book. A number of women were interviewed to illustrate the role that they have played in the union. This is a refreshing break from the usual type of history, where men are the ones who relate their stories.

Sixty two percent of NEHAWU members are women, yet, until recently, the leadership of the union, like others in COSATU, was male dominated. Unlike other unions, NEHAWU took a very progressive step to remedy the situation. They adopted a quota system, which states that 50% of leadership positions at all levels of the union have to be occupied by women. While this has worked very effectively at branch level, it has not been implemented in national leadership. One hopes that NEHAWU sorts this out, and that they play a vital role at this year's COSATU Congress in getting other unions to follow their example.

Other areas where the union has promoted gender equality is the provision of child care at meetings.

NEHAWU is located in a sector where serious inroads can be made to promote gender equality. Issues such as promoting women's health issues and child care are two examples of change that can be brought about in the public sector - which will bring about change in society as a

whole.

An area that is not raised in the book is the union's plans for collective bargaining on gender issues.

Oral history

The book makes very good use of oral history. Workers and union officials who were and still are part of the union relate their stories.

While it is very refreshing to hear the voices of people on the ground, this method sometimes leads to problems. A lot of opinions are given, without any definite conclusions being reached on important issues.

Public service

Public services are services to the community. What happens in the public service will have an impact on the community.

While this is a recurrent theme in the book, it must be asked whether NEHAWU has appreciated this point sufficiently. The book does not deal adequately with privatisation and its implications for public service delivery.

This may well be a consequence of the tension between support for the ANC government and the ANC as employer. Government's macro-economic strategy, GEAR, with its emphasis on a lean state, can only intensify this tension. It will be interesting to see how NEHAWU deals with this question. ★

NEHAWU - the unfinished story - the history of the National Education, Health and Allied Workers' Union 1987 - 1997, was produced for NEHAWU by Umanyano Media Service. Copies are available from the union for R30. Tel (011) 337-8516/7/8/9

Patricia Appolls is the SAGCAWU National Gender Co-ordinator

"Against the stream"

"I was born in 1964 in Ratanda, Heidelberg. I'm the eldest in my family with two brothers and two sisters. Both my parents were workers, my mother a domestic, my father a railway worker.

I attended school at Ratanda primary. From standard seven to matric, I studied at Makabonale High in Qwa Qwa. There were no real political struggles at the time, except for the 1976 student uprising. Students from Soweto ran into trouble in Qwa Qwa because the authorities were suspicious of anyone from Johannesburg.

Political awakening

1976 was the year of my political awakening. As a loose student organisation in Qwa Qwa, our struggles were around bread and butter issues related to student grievances. My first engagement with active struggle was when I participated in a student demonstration against the school principal who refused to accept us. We managed to have him removed. That gave me a sense of what the masses could achieve united and armed with a political will.

Whenever I visited my mother in Johannesburg, I saw two different worlds: black people lived in township shacks while white people lived in mansions.

My mother earned barely enough to clothe and feed us. We ate and wore leftovers from the boss's children. The attitude of the people my mother worked for was patriarchal and down-right racist. She lived

Norman Mokoena, COSATU acting Regional Secretary in Mpumalanga, talks to Malcolm Ray and William Matlala.

in the maid's quarters and could not drink from the same cups as her employers. We were not allowed in the mansion!

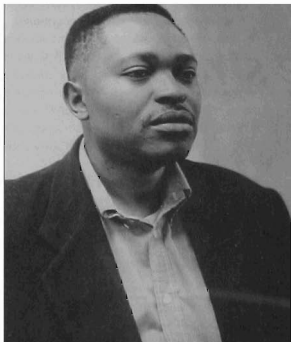
It was my father's involvement in the unions that made me see the system for what it is. He was a member of SARIWU. I remember the influence his participation in a strike had on me. I'm grateful for that.

Small beginnings

In 1983 I started work as a cleaner for Checkers in Heidelberg. After six months I was elected as a shop steward by CCAWUSA members at the store. I was also part of SANCO and the struggles against the black local authorities and rent increases. Workers, many of whom lived in my community, knew this and wanted someone with an understanding of the struggle to lead them.

CCAWUSA was a young independent union faced with the challenge of building a strong workers' organisation. We were working with predominantly old people who did not have a sense of class consciousness.

As a shop steward my first task was to instill a trade union consciousness among



my comrades by building confidence in workers to fight for basic workers' rights. That was not easy.

A giant is born

We persisted and established a cadre of activists in the store. We went out to other stores to recruit for CCAWUSA which eventually became a force to be reckoned with. Many unions were the off-spring of CCAWUSA before COSATU's formation

We began to organise Checkers on the East Rand and built a very powerful shopstewards' movement. Between 30% and 40% of CCAWUSA's BECs were from Checkers. From small beginnings, we emerged as a giant.

With the birth of COSATU in 1985 the emphasis of the struggle shifted from bread and butter issues to a fight to politically define COSATU. I did not come from a Congress tradition. I interpreted COSATU's birth as the embryo of a workers' party that would occupy centre stage in the struggle. However, the labour movement was, and

would continue to be, a mouthpiece for the ANC in exile.

Witch hunts

In 1988 I was elected as a treasurer in the Johannesburg branch of CCAWUSA. There was a lot of confusion. Leading comrades in the union head office were bent on silencing the branch and witch hunting comrades like myself who thought differently from them. Whilst some people genuinely had good intentions of wanting to build worker unity, others had political agendas.

During this period, SACCWU was born out of a merger between a range of independent unions. Within COSATU, we were fighting for a new LRA, a living wage and so on. Politically, the issue was whether we should have a one-stage or two-stage approach to the socialist

revolution. I held the position that revolution does not stop at stages. Socialism is a permanent and uninterrupted struggle. I believed that the class struggle would be set back if we fought for a reformed capitalist democracy first.

Against the stream

I came to a socialist consciousness through reading Marxism in a reading group in the '80s as a member of an independent socialist organisation. Because we were not aligned to the ANC we were marginalised. I received threats from union members in my community. My socialist convictions were stronger than threats.

In the late '80s SACCWU was at the forefront of strike activity. Much of my time was taken up at the barricades, co-ordinating strike action not just within SACCWU but within COSATU as a whole.

Faction fight

The Johannesburg branch of SACCWU took a position at one of our congresses not

to adopt the Freedom Charter Two factions developed around the issue We split and had an absurd situation where there were two SACCAWUs in COSATU This destabilised the organisation we struggled to build

Eventually, COSATU intervened and appointed a commission of enquiry to investigate the problem After the second appeal, the factions got together again But SACCAWU has never been strong because of the losses during that period

Politically, the reunification of SACCAWU was a patchwork of compromises which were difficult to manage in one organisation Democracy was a myth in the sense that different views were not entertained Organisationally, the two factions forged their own structures which fused when we patched things up Overall, the reunification was a farce because our opponents eventually purged our best activists

Dismissal

Checkers ran into financial problems and was bought out by Shoprite, which was notorious for union bashing The bosses targeted key union leaders, starting with shopstewards We warned our head office what was going on Unfortunately, our branch could not take up campaigns, because it was marginalised by the head office. Head office did nothing

We went on strike in Heidelberg because one white woman insulted a black worker Workers were dismissed The condition for their reinstatement was that I should not be reinstated If I had insisted on going back I would have compromised the jobs of all the workers We were too weak to fight so I accepted In 1993 I took a job at the Labour Research Service.

Defeat in victory

By 1994 the political situation had changed dramatically There was a general attack

against workers and a wave of demoralisation amongst socialists The election victory of the ANC was the beginning of the consolidation of a new form of capitalism, one that allowed black people to make big profits and exploit workers

The fact that people who said they were socialists are now in government hammering the unions is a vindication of our position Those who previously called for a 40-hour working week are now resisting COSATU's demands These are the people who said that the uninterrupted fight for socialism back then was out of the question

Power relations in society have not changed In that sense the settlement in 1994 was a defeat for workers

Socialism – the future?

I don't think I'll see socialism in my lifetime I'll always be a socialist I will continue to fight against the stream to advance the struggle for a socialist future. But given the compromise nature of the political settlement, things are more blurred and muddled today There is very little work being done around the question of socialism, despite COSATU's claim to support it

I'm still in the unions, but as an official Things have changed since my days as a shopsteward when I directly represented workers One is forced to adapt to the current situation What alternative is there?

In the future, I see myself contributing to the worker struggle in a research capacity

Home life

I have a wife and three children My wife is an independent working woman I want to raise my children with the values and ideas I still hold dear and hope that they will continue the struggle for a workers' government * ★

glossary

Acronyms

ANC	African National Congress
BEC	Branch Executive Committee
BCEA	Basic Conditions of Employment Act
CBO	Community Based Organisation
CCMA	Commission for Conciliation, Mediation and Arbitration
CEC	Central Executive Committee
COSATU	Congress of South African Trade Unions
EPZ	Export Processing Zones
EU	European Union
GATT	General Agreement on Trade and Tariffs
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution Strategy
IFP	Inkhatha Freedom Party
ILO	International Labour Organisation
IMSSA	Independent Mediation Service of South Africa
LRA	Labour Relations Act
MP	Member of Parliament
NALEDI	National Labour and Economic Development Institute
NACTU	National Council of Trade Unions
NEC	National Executive Committee
NEDLAC	National Economic Development and Labour Council
NGO	Non-governmental Organisation
NP	National Party
OAU	Organisation of African Unity
RDP	Reconstruction and Development Programme
SACP	South African Communist Party
SMME	Small, Medium and Micro Enterprise
THVC	Transkei Bophuthatswana Venda Ciskei
UIF	Unemployment Insurance Fund
WTO	World Trade Organisation

COSATU-affiliated unions

CAWU	Construction and Allied Workers' Union
CWIU	Chemical Workers' Industrial Union
CWU	Communication Workers' Union
FAWU	Food and Allied Workers' Union
NEHAWU	National Education, Health and Allied Workers' Union
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
PPWAWU	Paper, Printing, Wood and Allied Workers' Union
SACCAWU	South African Commercial, Catering and Allied Workers' Union
SACTWU	South African Clothing and Textile Workers' Union
SADTU	South African Democratic Teachers Union
SAMWU	South African Municipal Workers' Union
SARHAWU	South African Railways and Harbour Workers' Union
TGWU	Transport and General Workers' Union

Managing Editor

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Submit your CV with the names and contact numbers of two referees to:

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JOHANNESBURG 2000

Closing date: 30 September 1997

Report back on our programmes

Applying the Labour Relations Act

The programme on Applying the LRA has been completed. Six 9-day programmes have been run around the country. Attendance at the courses totalled 632. The participants were a mixture of union staff and shopstewards. Women formed only 14% of participants – an issue we need to seriously look at. The materials have been distributed to all the affiliates of COSATU and FEDUSA. These consist of five Facilitator Guides and Participants' Workbooks; a video and a computer disk. The federations and unions are now expected to use the materials to run their own programmes, adopting the materials to their particular needs.

Arbitrations skills

This programme advertised in the last *Bulletin* has taken off. Four courses have been run and four more are scheduled for August. Ditsela, Imssa and Cals are working in partnership on this project. All courses are fully booked. Ditsela will announce dates for a second round of courses in the near future.

The programme for participants does not end with the four day course. All participants on the courses will now observe and analyse an arbitration at the CCMA. Thereafter, they will be assisted to prepare for their first arbitration.

New programmes for 1997

A series of experimental pilot courses will be run from August to November:

- *Union Office Bearer Course* (for National and Regional Worker Office Bearers from affiliates)
- *Information Skills for Union Negotiators*
- *Working for the Union – A Foundation Course for Unionists* (for new union staff)
- *Trade Union Management* (for elected secretaries and union staff in 'management' positions)
- *Educator Course* (for union officials responsible for running programmes in the union)
- *An Introduction to Economics for Union Negotiators*
- *Advanced Legal Skills – An Introduction* (for union staff with experience in labour law issues)
- *Negotiating Strategy and Tactics* (for unionists with experience in negotiating at Nedlac and national industry levels)

Contact your Union or Federation for further details. A brochure is also available.

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