

SOUTH AFRICAN

# LABOUR BULLETIN

Volume 22 Number 6 December 1998

BA  
331  
05  
SOU



## Year of fire

UNIVERSITY OF CAMBODIA  
LIBRARY

SHELF No: BA 331.05.504

ACCESSION No: S. 74/183.







Deanne Collins  
 Editor

1998 has been an eventful year for South Africa as a whole, and for labour in particular. There was a marked upsurge in industrial action this year. With unemployment rising to frightening levels, this was also the year of the much-awaited Presidential Jobs Summit. The months leading up to the summit saw a flurry of activity, as interest groups prepared their positions and demands.

This issue of the *Bulletin* focuses on the events and trends of 1998. Jeremy Baskin and Renée Grawitsky provide an in-depth analysis of the year's strike action. They disagree with those who argue that the strikes were primarily political and seek answers in economic considerations. They also provide policy pointers that could avoid a repeat performance in the future.

Etiene Vlok reports on decisions taken at the Jobs Summit. We also reproduce two important documents – labour's submissions to the summit and its submissions to a parliamentary portfolio committee on women and jobs.

1998 also witnessed continued conflict between the Alliance partners over GEAR. While this was bated at the Jobs Summit, the tensions remain. At a recent Alliance Summit, it was agreed that there is a need to rethink on economic policy-making.

Will GEAR's failed policies be ditched? This does not appear to be on the agenda. Yet, as a group of Naledi researchers argue in this issue, we need to begin to build a workable, post-GEAR consensus if we are to address poverty and inequality.

One of the stumbling blocks to successful

economic policy is the heavy burden of debt. South Africa is carrying. Jubilee 2000 is an international campaign that is based on the notion of reasserting the good of the community over inequalities and concentrations of wealth. In practical terms, this translates into wiping out the money owed by the countries of the South to Northern countries. In South Africa, where most of our debt is internal, it involves reviewing repayment. In this issue, we carry a report on Jubilee 2000.

The editorial board and staff of the *Bulletin* wish our readers, sponsors and advertisers everything of the best for 1999.

**Due to the escalation in postal (20%) and printing (10%) costs, we will be increasing our subscription rates by 10% in January. The new rates appear in this issue. International rates remain unchanged.**

Published by Umayano Publications cc 89 0059523 • ISSN 0377-5429 • 50 St Georges Street, Be'evue East, Johannesburg 2193 • PO Box 3351, Johannesburg 2000 South Africa • Phone: (011) 487-1603 • Fax: (011) 487-1508 • e-mail: sab@icon.co.za • Editor: Deanne Collins • Manager/Writer: Eberne Vlok • Subscriptions and Marketing: Sa'yi Fricham and Rugaya Rees • Administrator: Jacque Dutoit • Design and Production: Warren Parker and Diane Stuart • Printed by: Natal Witness Printing and Publishing Company, Pietermaritzburg • Published since 1974

**EDITORIAL BOARD** • Cape Town: Dave Lewis, Howard Gabriels, Johann Masele • Durban: An Sitas, Ashwin Desai, Imraan Valodia • Johannesburg: Deanne Collins, Lael Bethlehem, Sakhela Buhlungu, Avri Joffe, Eddie Webster, Karl von Holtz, Bethuel Masekumele, Phil Bonner • Eastern Cape: Roger Southall • International: Gay Seidman (USA), Jane Barmey (UK), Rob Lambert (Australia) • Associate Editors: Vusi Ntshapo, Tanya van Meels, Connie September



**SOUTH AFRICAN**  
**LABOUR**  
**BULLETIN**

**Volume 22 Number 6 December 1998**

**Editorial notes** ..... 1

**REDEYE** ..... 4

**Inflation figures** ..... 5

**Feature**  
Year of fire  
industrial action in 1998  
*Jeremy Baskin and Renée Grawitsky* ..... 6

**Briefing**  
SATAWU  
*Mojalefa Musi* ..... 14



**Features**

**After GEAR**  
changing economic policy  
*Claire Horton, Fiona Tregenna and Thami Ngungwana* ..... 16

**Ditsela**  
building worker education  
*Chris Banner* ..... 23

**Jobs and houses**  
the Jobs Summit  
*Etienne Vlok* ..... 26

**Documents**

**The Labour Audit** ... 31

**Women and the Jobs Summit** ..... 43

**Focus on Nedlac** ..... 46

**Briefing**  
Lobbying bears fruit  
*Fatima Hassan* ..... 50

**SA Labour Bulletin** would like to thank the following organisations for their generous support:

- Friedrich Ebert Stiftung (FES) • Entraide et Fraternelle (Belgium) • Liberty Life Foundation
- Strengthening Civil Society Fund, the Department of Labour

**Feature**

'We want a union'  
finding a home for domestic workers  
*Rob Rees* . . . . . 52

**Briefing**

Jubilee 2000  
*Mike Pothier* . . . . . 58

**Feature**

Labour research  
getting it done, getting it right  
*Glenn Adler, Jeremy Daphne  
and Pavi Naidoo* . . . . . 60

**Workplace**

Doing time  
working hours on the gold mines  
*Pete Lewis* . . . . . 66

**Debates**

Globalisation  
can unions resist?  
*Rob Lambert* . . . . . 72



Conflict partnership  
the German model of industrial relations  
*Wolfgang Schroeder* . . . . . 78

**International**

Union rights  
the African situation  
*Alfred Mafuleka* . . . . . 84

**International briefing**

Victory for Zimbabwean workers?  
*Lucien van der Walt* . . . . . 89

**NPI column** . . . . . 91

**Profile**

Unionism of the heart  
*Richard Mtshali*  
*Etienne Vlok and William Matlala* . . . . . 93

**Glossary** . . . . . 96



*Cover: NUMSA members on strike*

*Pic: William Matlala*

**All photographs by William Matlala unless otherwise indicated.**

*The views expressed by contributors are not necessarily those of the editorial board of Umnyano Publications*

## Privilege and poverty

### READ PRIVILEGED

While labour points fingers at GEAR, Gensec Asset Management's Jan Laubscher has come up with a unique answer as to why we are not achieving economic growth targets – South Africa is just too democratic!

What can the learned Laubscher mean by this startling statement? Quoting US Nobel-prize laureate, Robert Barro, he says the aspects of democracy which retard economic growth are: '...the tendency to enact rich-to-poor redistribution...in systems of majority voting...and the possible enhanced role of interest groups...'

For interest groups, says Laubscher, one should read 'labour'. REDEYE suspects that for Laubscher and his ilk, one should read 'privileged and unwilling to share'.

### SILK AND CHAMPAGNE

Privilege, it seems, is not restricted to the owners of capital. REDEYE remembers the days when the height of luxury for those in the 'struggle' was a half bottle of J&B on pay day.

With 'liberation' many 'comrades' moved into the corridors of power. The talk at dinner parties turned to the best four-by-four to drive to

### Sandton Square on a Saturday

It seems, however, that the depths of indulgence have yet to be plumbed. A friend of REDEYE's, who attended a recent conference organised by the Human Rights Commission, reports that the talk at the table where she was seated for lunch was about which international airlines offer the best free pajamas!

### STATE SUPPORT

The 'comrades' and our government could do well to take a leaf out the book of Fidel Castro. Squashing rumours of his untold wealth, the Cuban leader told reporters recently that his monthly salary is the princely sum of \$25. He added that he does 'not go hungry...(the state) feeds me and provides medical attention. I lack nothing'.



Women Community Press, Dublin



## Inflation monitor: August 1998

Area	Consumer Price Index	Annual rate of inflation (% increase over 1 year)
	August	August
Cape Peninsula	127,1	1,6%
Port Elizabeth	126,2	1,8%
East London	128,9	1,6%
Kimberley	127,9	1,3%
Pietermaritzburg	125,3	1,5%
Durban	127,9	1,7%
Pretoria	126,6	1,5%
Witwatersrand	126,5	1,8%
Klerksdorp	123,4	1,9%
Free State Gold Fields	121,7	0,9%
Bloemfontein	127,3	1,6%
<b>SOUTH AFRICA</b>	<b>126,7</b>	<b>1,7%</b>

Source: Statistics South Africa

**CENTRE FOR  
BUSINESS  
MANAGEMENT**

**UNISA**
**UNIVERSITY OF  
SOUTH AFRICA**
**COURSE IN LABOUR RELATIONS  
MANAGEMENT**
*Two modules*

- Labour Relations Management:  
A macro perspective
  - Role players in industrial relations
  - Collective bargaining
  - The South African LRA
  - Trade unions and employers organisations
- Labour Relations Management:  
A micro perspective
  - A systems approach to labour relations
  - Worker participation and communication
  - Conflict management and negotiations
  - Managing industrial action

**Registration requirements**

Senior certificate or experience

Duration: 6 months

Final registration dates: 15/06/98 &amp; 15/01/99

**PROGRAMME IN HUMAN RESOURCE  
MANAGEMENT**
*Four modules*

- The Human Resource Function
- Industrial Relations
- Training and Development
- Human Relations

**Registration requirements:**

Senior certificate or experience

Duration: 12 months

Final registration date: 28/02/1999

**ADVANCED PROGRAMME IN HUMAN  
RESOURCE MANAGEMENT**
*Four modules*

- Strategic Human Resource Management and International Human Resource Management
- Organisational Behaviour and Renewal
- Research Methodology
- Research Project in Human Resource Management

**Registration requirements**

A certificate in Human Resource

Management from Unisa or an equivalent

qualification

Duration: 18 months

Final registration date: 28/02/1999

**FOR FURTHER DETAILS CONTACT**

 Tel: (012) 429-4566/4212-4924 Fax: (012) 429-3456/3463/3455/3458 • Home page: <http://www.unisa.ac.za/cbm.htm>

# Year of fire

## *industrial action in 1998*

**T**here was a marked upsurge in industrial action during 1998. A sector-by-sector survey concludes that 2 825 709 working days were lost during the period to end October. We can expect to have lost three million working days by year end.

The impact in terms of lost production and earnings is almost impossible to calculate. These are sometimes made up post-strike, through overtime and increased output drives. However, some losses may increase post-strike and the damage suffered is long-term if jobs or market share are lost.

### **Sectoral impact**

It is important not to overstate the extent of industrial action. Most sectors experienced little or no action. A number saw moderate levels of action and four saw extensive action.

Major, well-publicised strike action took place in private security, goods transport, motor, auto assembly, chemicals, fabric knitting, footwear, some retailers, dairies and some universities. In other sectors, specific firms were affected or relatively minor actions occurred.

### **Duration**

The duration of industrial action was frequently long - with some major strikes lasting between two and five weeks. The major sectoral actions were frequently

---

*A report by Jeremy Baskin and Renée Grawitsky analyses the reasons for the upsurge in industrial action this year and recommend measures to smooth the path of future bargaining rounds.*

---

protracted, as were a number of isolated strikes, such as those at HL Hall (seven weeks), certain dairies (six weeks and ongoing), Dilokeng Chrome (three months) and Edgars.

There were also a number of planned short actions - largely demonstrations or sympathy strikes. Those in communications, metals and energy are examples.

### **Strikes and lockouts**

The industrial action consisted almost entirely of strike action. The strikes were almost all procedural. There was no evidence of any offensive lockouts, with the arguable exception of Stuttafords. A number of defensive lockouts - in response to strike action - took place, notably in the chemical industry.

### **Triggers and issues**

The strike wave revolved almost entirely around the issue of wages. All the big

sectoral strikes concerned wage bargaining, as did the key strikes in the sectors without industry level bargaining

### Settlement levels

The settlements reached were almost all above 6% and below 10%. The average settlement range was about 8%. This amounts to a small real wage increase, given the August inflation rate of 7,6%.

Some minimum wage rates and work categories received bigger increases

The lowest settlement was 4,5% on minimums, less on actuals, and at least one instance of a wage freeze. The highest increases rarely hit double digits.

Exceptions included 9% to 11% increases at Telkom and Sapos, 12% in parts of construction and 13% in road transport.

Other notable features were

- fairly basic agreements, which covered very few non wage matters,
- employers took a 'hard line' - there was very little movement on their part once a strike had begun,
- there were widespread employer threats to replace labour and reduce their workforces,
- very few agreements accommodated the impending BCEA;
- agency shop agreements featured in a number of settlements

### Violence and damage

There were a number of serious incidents of violence and damage to property. An estimated 11 or 12 people lost their lives during the strikes and an unknown number of strikers, non-strikers and replacement labour (scabs) were injured.

There was serious damage to property in a number of strikes. In the chemical industry there were arson attacks at a number of plants and against vehicles. A group of workers destroyed the conference centre at Eskom. Security firms

were widely used by employers and the SA Police Service was called in on a number of occasions. There were a number of assaults on strikers. The Labour Court was inundated with urgent applications for interdicts from employers and other affected parties.

Why have there been so many strikes this year? At one level, this question is easily answered. While there has been an increase in days lost - approximately four times more than last year - this peak is still below the levels of the pre-transition period.

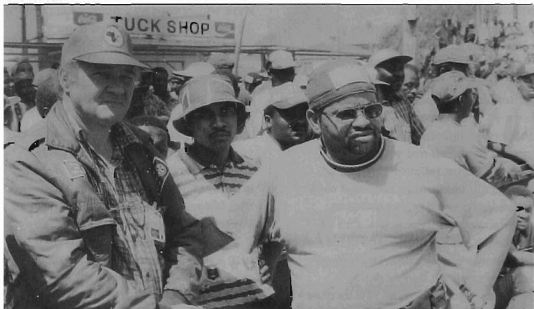
The strikes have been highly visible. The high levels of violence also makes them more noticeable. They also took place against the background of last year's strike activity being at the lowest level in decades.

It is too early to say whether the sharp upturn in strike activity marks a blip on the chart of an otherwise longer-term downwards trend, or whether we are seeing the beginning of a move back to historically high levels. The former is probably the case, but this cannot be said with a high degree of confidence.

There have been high expectations that the new LRA, and the operations of the CCMA, would lead to a reduction in industrial conflict. In this regard, any upsurge is disappointing.

However, just as it was premature to wax lyrical about the sharp decline in industrial action last year, excessive gloom about this year is also premature. Strikes are a necessary lubricant of industrial relations in a democratic society with a market economy. Finally, the fact that almost all strikes this year concerned wage issues suggests that many other rights-based issues - such as grievances, dismissals or retrenchments - which, in the past, would have led to strikes, are now being solved at the CCMA and elsewhere.

One should always be cautious about analysing strikes and collective bargaining



NUMSA rally, 22 September 1998.

issues while they are still 'hot'. Nevertheless, a few cautious observations may be made in an attempt to understand some key dynamics and factors associated with the latest bargaining and strike round.

### Politically motivated?

Press reports have suggested that the strike wave was, at least in part, politically motivated. It was argued that the unions are expressing dissatisfaction with government 'non-delivery' and that COSATU unions knew that they would find it difficult to strike next year (because of the elections). Analyst Steven Friedman has argued that the latest strike wave has been exacerbated by the political rift between COSATU and the ANC (*Business Day*, 19/10/98).

It is certainly true that many of the strikes were accompanied by sloganeering against government policy. One or two strikes even had anti-privatisation components in their demands (teachers, municipal workers and Eskom). There may have been underlying sentiments amongst workers of government not

meeting their expectations.

It is also true that some union leaders feel marginalised and ignored by government and that a sub-text of 'we'll show them who has a mass base' is sometimes present. There was also a sense amongst employers that government would not judge them harshly if they took a hard line against union demands.

There is, however, little substantial evidence to support the argument that the strikes were political. The overwhelming sense is of narrowly economic and short-term demands, even if they took place in a context of some political dissatisfaction.

### Inflation

The crucial, and perhaps underrated factor, is the inflationary dynamic that prevailed at the time.

In South Africa, wage rates adjust to changes in the inflation rate relatively quickly in respect of more skilled and professional employees, with a longer time-lag for less-skilled workers. Ordinary workers tend to compare the rand amount

on offer (rather than the percentage) with that received in previous years.

Employers generally measure their wage offers in terms of cost to company and benchmark the increase against the prevailing Consumer Price Index (CPI). Although there was no direct evidence of collusion, there was certainly a sense, after the transport and security strikes, that employers wanted to keep increases close to the CPI and avoid double-digit settlements.

The CPI fell sharply during the negotiation period. In 1997 overall inflation ran at 8.6%. In January 1998, the year-on-year rate was 5.6%. It remained lower than this right through until June, reaching a record low of 5% in April, before starting to climb again in July and August.

In short, inflation fell more than inflationary expectations. This tightened the range in which settlements were possible and may have contributed towards tipping a number of bargaining disputes into industrial action.

### Global constraints

Global pressures meant that employers in manufacturing had to be highly cost-conscious, with declining possibilities of passing on cost increases to consumers. Fiscal constraints played a similar role in the public sector.

In the circumstances, it is not surprising that bargaining focused on such a narrow range, and that employers were relatively immovable once strike action commenced.

In one case (auto), the settlement reached was arguably less costly to the employers than their pre-strike offer. In other cases, settlement was reached after only minimal concessions by the employer, and after unions saw diminishing returns in continuing the action. The strikes in security and

transport were the only ones that produced relatively high wage increases.

### Causes

'What caused the strike wave?' is a difficult question to answer, and often not a useful question to ask. In general, the strikes were caused by economic considerations. Workers wanted more than employers were offering.

The other contributory factors included

- *Sector-specific or enterprise-specific issues* Security workers, for example, embarked on a desperate effort to put some basic conditions (provident fund and annual bonus) in place.
- *Power play – key strikes, notably security, chemical and motor, had strong power play elements* The unions felt a need to mobilise and show their strength to employers. In the chemical strike, this power play was as much related to the rivalry between the CWIU and SACWU.
- *Imitation on the part of both employers and unions* This involved a sense of a 'year of action' among unionists and a determination to 'face down' unions amongst employers.
- *High levels of militancy and determination to act amongst much of the union movement's middle layers*
- *Pressure on union leaders to 'deliver'* This applies particularly to leaders who have not yet established themselves firmly and where 'succession' issues and leadership challenges still prevail.
- *Poor negotiation management* Some of the pre-strike negotiations were not handled as well as they could have been. In some cases, bargaining deadlocked prematurely. Weaknesses

amongst negotiators on both sides of the table, and even amongst conciliators, contributed to protracted action.

### Employment pressures

Employers who were interviewed repeatedly expressed the view that they intended to cut jobs further after the strikes, that they had seen that they could do with less workers, and so on.

It is always difficult to analyse such responses, and to work out whether job cuts relate to industrial action, or would have happened anyway.

A number of conciliators interviewed suggested, however, that retrenchment threats were made more often in private than in public, and were rarely used as an explicit threat during negotiations. This is disturbing. It suggests that the level of industrial action does contribute to employer perceptions of the costs and hassle of employing people, and this adds to the low labour-absorption rate of the economy.

### A vicious circle

This suggests that we are in danger of entering a vicious circle, especially if protracted industrial action leads only to marginal differences in settlement levels.

Sluggish or negative employment growth means that those in employment have to support increasing numbers in the household. In some households, where no one has a job (or at least a relatively 'good' job) one can expect an increasing tendency to take any job, whether low-paid, unregistered or as a 'scab', simply to improve household income. In households with a wage earner in a better paid, unionised job, the tendency will be to use bargaining power to maintain household income, at least in the short-term.

The second strategy makes short-term sense for union members, but is

unsustainable in the longer term. It is likely to contribute, even if only partly, to further declines in employment levels or to further sub-contracting and outsourcing.

In the auto and motor sectors, a strange consequence emerges. It is increasingly difficult for auto assemblers to pass cost increases on to their customers. What they are doing is squeezing suppliers, in this case, component manufacturers.

To some extent, then, the gains and actions of auto workers become the constraints of component workers. The auto strike – and even the solidarity strike by auto workers in support of their lower-paid comrades in motor and components – becomes a double edged sword. It increases pressure on the components employers at the same time as it reduces their room to make concessions to their employees. This poses major strategic challenges to the union movement if it hopes to retain both 'rich' and 'poor' workers in one union, let alone if it hopes to overcome such distinctions.

### Replacement labour

The violence that marred some of the strikes highlighted two issues: the use of replacement labour and the decision-making process when calling strikes.

At the heart of the LRA lies a negotiated trade-off. Workers who embark on a procedural strike are protected against dismissal. By being absent, they inflict economic damage on the employer through lost production. Typically, they do not expect to be paid when on strike.

Employers, in turn, can try to continue production using non-strikers or replacement labour (scabs). Only in the (rare) case of an offensive lockout is it illegal to use scabs.

A number of observers suggested that this trade-off was often either not known or not accepted at shopfloor level. The



*CWIU members on strike, 5 August 1998.*

intense battle over strike rules and picketing during the CWIU strike arose from this problem. In practice, in the security and transport strikes, the use of replacements and non strikers was not tolerated by those on strike.

It can be expected that, over time, especially if an education campaign is launched, there will be greater knowledge of the 'no dismissal replacement labour' trade-off. In the coming years, we can also expect unions to campaign for amendments to this aspect of the LRA, and for employers to vigorously resist this.

There is clearly a need for more work to be done in respect of strike rules.

### **Balloting**

A noticeable feature of the strike wave was the declining incidence of pre-strike ballots. In the major strikes, members were not balloted. The CWIU was a notable exception, although it did not ballot on the employers' final offer.

Balloting is no longer obligatory in terms of the new LRA. Some unionists argued it was logistically difficult to ballot in sectors like security and petrol service

stations. By not balloting, however, unions were in breach of their own constitutions. A lack of balloting is not good for the unions. It discards an important democratic instrument, reduces the necessity to mobilise effectively and contributes to increased levels of violence, as strikes must then be enforced on non participants.

### **Multi-unionism**

Multi union and multi-employer talks are increasing in frequency, with more negotiations being conducted at sector or industry level.

In most cases, there have been relatively high levels of co-operation between unions. Sometimes, the party unions have only broken ranks at the final settlement stage. In the footwear sector, however, the major union, the National Union of Leather Workers (NULW), settled, leaving SACTWU in dispute. In the public sector, the established unions, the PSA and HOSPERSA, broke ranks with key COSATU affiliates, NEHAWU and SADTU.

The most serious problem occurred in chemicals, where co-operation between the CWIU and SACWU is historically poor.

It is probably desirable to work out, either by agreement or through jurisprudence, clearer rules of the game for multi-union bargaining or minority union dissension.

### Agency shops

A significant feature of this year's bargaining round is the dramatic increase in agency shop agreements. This will have a number of longer-term effects on the industrial relations environment:

- *It will increase union income.* The public sector unions, for example, are expected to receive about R200-million each year in monies deducted from non-unionists in the public service.
- *It will lead to an increase in union membership,* with many workers calculating that, if they are paying fees, they might as well become members.
- *It will lead to pressures on unions to account for these funds in terms of the LRA.* This will open union finances as a whole to public scrutiny.
- *It will result in the expectation that unions account to the workforce as a whole* for bargaining deals reached and for decisions to embark on industrial action

### Sympathy strikes

A very significant feature of recent industrial action is the use of the new LRA's sympathy strike provisions.

The rules related to sympathy strikes are still relatively undefined. A bid by auto assemblers to get an intended sympathy strike declared illegal was rejected in the Labour Court, largely on technical grounds. In a number of instances, NUMSA was challenged by employers on the grounds that their business had no possible links with the motor sector. In most instances, the union advised its members that sympathy action would be unprocedural.

Employers are looking for a limited

interpretation of sympathy strike action, while unions think the law is 'too restrictive'.

Who won? At one level, no one 'wins' in a strike, since the parties must still live with one another after the strike and, in general, both suffer economic losses.

Has the balance of power shifted post-strike?

The security and transport strikes led to significant longer-term economic gains for union members. The chemical, motor and auto strikes yielded few gains for members, certainly none in proportion to the extent of these actions. Unions in these sectors argue that they made organisational gains. At the narrow economic level, however, it is hard to see the motor settlement - 4,5% increase in minimums for low-paid petrol pump attendants and even less for those earning above the minimums - as adequate compensation for a bitter, five-week long strike.

Employer representatives are generally satisfied that they 'held firm' and managed, on the whole, to maintain production. Non-strike settlements were, on average, no lower than strike settlements.

At the public level, the violence was widely condemned. The strikes provided ammunition for union critics in the media and opposition political parties. Lack of ANC and government support for the strike action was a notable feature.

### The CCMA

Was there anything more that could have been done to make the strikes shorter, less violent, or help avoid them altogether? What role did the CCMA play?

The dominance of wage-related strikes and the almost total absence of rights-based matters leading to strikes suggests that the new LRA is taking rights disputes out of contention and resolving them through the CCMA and other mechanisms.



Industrial action was overwhelmingly procedural. This suggests respect for the LRA. The parties seem to be broadly satisfied with the CCMA's role in handling mutual interest disputes. There are concerns, however, that the quality of the commissioners is not always good enough for major disputes and that efforts to resolve these disputes are not always robust enough.

There is a problem when the parties treat the CCMA process simply as a legal hurdle *en route* to a pre-determined outcome – the holding of a procedural strike.

A number of the strikes seem to have been unnecessarily long. However, the CCMA played a major role in diffusing tensions associated with violence in the security and chemical strikes. In the Western Cape, it went from plant to plant to facilitate agreement over strike rules.

## Recommendations

There are two public policy recommendations that could be considered as mechanisms for the better management of bargaining and industrial action and which might, in particular, reduce levels of violence. These are:

### □ *A more proactive approach by the CCMA*

While mutual interest disputes make up only a small proportion of disputes referred to the CCMA, the importance of resolving these disputes is clearly a major public interest matter. A more proactive approach might involve:

- ❖ identifying the 40 to 50 key bargaining events and tracking these prior to any dispute being declared,
- ❖ tracking bargaining intentions at the earliest stage by personal interaction with key players,
- ❖ identifying the scene-setting bargains

### □ *A more robust approach to conciliation of disputes. This includes insisting on bona fide efforts by the parties to settle in the conciliation phase*

- ❖ placing particular emphasis, if the dispute is unresolved, on the development of workable strike rules,
- ❖ conducting preventative work regarding strike rules and picketing,
- ❖ having a Rapid Deployment Force able to intervene effectively in disputes in which conflict threatens to get out of hand

## Nedlac

There would also seem to be a role for Nedlac in facilitating a common approach to collective bargaining and industrial action. This might involve:

- commissioning an annual analysis of bargaining and strikes for release at the end of every year,
- holding a high-level meeting of key union and federation negotiators/leaders and their employer counterparts in January each year to reflect on this analysis and highlight areas of common approach for the coming year. Particular issues which might merit discussion include picketing and strike and replacement labour rules, a common approach to violence and ways to facilitate balloting around final employer offers. ★

*Jeremy Baskin is a freelance public analyst. This article is based on a much more detailed survey and analysis conducted by himself and Renée Graulsky. The report was commissioned by the ILO Swiss Project for the Department of Labour, but should not be taken to reflect their views. The full research report can be obtained from the ILO (012) 341-2170 or the Department of Labour (communications section).*

## SATAWU

The South African Transport and Allied Workers' Union (SATAWU) will hold its launching congress in December. The new union is a merger of the Black Transnet Allied Trade Union (BLATU), a NACTU affiliate, the Transnet Allied Trade Union (TATU), which is non-aligned, and the South African Railway and Harbour Workers' Union (SARHWU), which is affiliated to COSATU.

### Triggers

The merger process was triggered by agreements reached in the Transnet Bargaining Council, which laid down thresholds for union eligibility to participation in the bargaining council and co-determination forums. The three agreements are:

- a 15% membership presence in Transnet;
- representation of 'critical grades' (which implies that unions must also represent skilled and semi-skilled grades throughout all the Transnet divisions);
- decentralisation of bargaining to cater for the privatisation of some of Transnet's key business divisions, like SAA and Autonet.

This triggered an alignment process of small and big unions. SALSTAFF and the Workers' Union of South Africa, which are both affiliated to FEDUSA, merged. The Technical Workers' Union is involved in

by *Mojalefa Must*

---

talks with this new union. With the exception of the South African Footplate Staff Association (SAFSA), and a small group in Natal (DELATUSA), all the other unions organising at Transnet are part of SATAWU. The other considerations that gave rise to the mergers were:

- *Ongoing competition for membership.* The larger a union's membership, the more leverage it has in collective bargaining and rights contained within the LRA.
- *The political weight a majority union commands within a parastatal such as Transnet.* The union with the most pull will be able to influence policy and strategy development

### Membership

TATU, which is based mainly in the Western Cape and KwaZulu-Natal amongst Indian and coloured workers, brings in a membership of 1 324. BLATU, which organises mainly in Gauteng, Northern Province and KwaZulu-Natal has 6 324 members.

SARHWU has always enjoyed the majority membership within Transnet. Membership has dropped from 37 000 to 35 000, as a result of retrenchments. The union's members are, however, mainly

### African workers

Membership at Apron Services and the Airports Company, stands at around 2 000

### Congress

The SATAWU merger was facilitated by a programme of action that was approved by the NICs of the three unions. These culminated in a joint NIC. A programme for merger has now been adopted. SATAWU has been registered, but final decisions on a range of issues such as assets and liabilities, investment and investment policy will only be taken at the union's launching congress in December. Until this time, the unions will operate in parallel.

The regional structures of the new union will be established before the launching congress. The new union will have six regions: Gauteng, Northern Province, Eastern Cape, KwaZulu Natal, Central (Free State and Northern Cape) and Western Cape.

Policy debates and discussions at the congress will centre on

- ☐ international affiliation and foreign policy,
- ☐ building the Left and socialism,
- ☐ investment codes and investment policy,
- ☐ economic policy, restructuring and privatisation,
- ☐ union human resources development,
- ☐ gender and building the women's movement

### TGWU and the merger

COSATU's policy of 'one industry, one country, one federation' has not yet been



realised in the transport industry

In principle, it has been decided to form one transport union. TGWU has been involved in discussions with SATAWU. It has been agreed that there will be a two-phase merger: the unions in Transnet will come together in SATAWU. A merger with TGWU is planned for May 1999.

SATAWU and TGWU have set up an organisational development process task team. Ditsela is the convenor of this team. This exercise is designed to help both unions to plan systematically for and manage, on both the micro and macro level, negative and positive changes that come with the merger.

### Affiliation

There is general agreement that the complete union (SATAWU and TGWU) will affiliate to COSATU. The name, which will be formally adopted at the December congress, could be extended to the second merger next year. ★

---

*Mojalefa Musi is the National Rail Co-ordinator at SARIWU. He writes in his personal capacity.*

# After GEAR

## *changing economic policy*

1998 has not been a good year for the global economy, especially for so-called 'emerging market economies' of which South Africa is one. These countries have borne the brunt of a global slow down and contraction. The working class has paid the price in the form of increased unemployment and reduced standards of living.

Many analysts have argued that South Africa has weathered the storm comparatively well. They attribute this mainly to government's economic policies. They argue that government has got the 'fundamentals' right

These arguments beg the question: what are these fundamentals, and are they the right ones to focus on? Investment bankers typically focus on fiscal deficits, government expenditure as a proportion of GDP, taxation rates, etc. We argue that poverty alleviation, job creation and equality are among the important fundamentals

Like any other economy, the South African economy is influenced both by factors within government's control, and by external factors upon which we have little impact. This latter set of factors refers primarily to changes in the global economy which, in turn, have substantial national effects, such as reduced markets for exports, changes in the value of the currency, inflows and outflows of capital, and so on.

*Claire Horton, Fiona Tregenna and Thami Ngungwana argue that poverty and inequality in South Africa can only be addressed through major changes in economic policy!*

---

Although South Africa has little control over, for example, changes in East Asia, what we *can* regulate to an extent is the impact of such 'external' situations on our own economy. We need to avoid a scenario where domestic policy measures – such as exchange control liberalisation – make us more vulnerable to global instability, which, in turn, further restricts our domestic policy alternatives. Our policies should, rather, aim to maximise our space for pursuing developmental policy approaches.

### **Economic indicators**

#### *Unemployment*

One of the key fundamentals by which the South African economy should be judged is its ability to create jobs. There is little doubt that we have failed dismally in this regard. According to the South African Reserve Bank, total employment now

stands at 1981 levels. Using the expanded definition of unemployment, the unemployment rate has increased from 31,5% in 1994 to 37,6% in 1997.

The ability of the economy to absorb new entrants into the labour market has been steadily declining. The labour absorption rate, that is, the percentage of the working age population that is employed, fell from around 46% in 1990 to 38% in 1994 and to 34% in 1997.

The table below shows employment trends for two periods - 1990 to 1998 and 1996 to 1998.

### Employment changes\* in the non-agricultural formal business sector

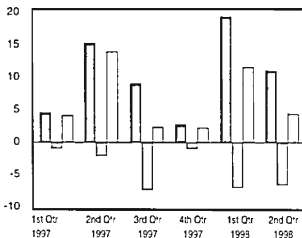
Sector	% change in employment 1990 to 1998	% change in employment 1996 to 1998
Mining & quarrying	-38,8	-24,8
Manufacturing	-10,9	-6,7
Construction	-22,7	-1,0
Trade & accommodation	-13,5	-9,6
Finance & insurance	+17,2	+1,4
Community, personal, social services (including government)	**	-0,8

(Source: Statistics South Africa. Calculations based on Series Po 200, Po 271 and *Unemployment and Employment in South Africa, 1998*.)

\* Calculations are based on June employment levels.

\*\* A longer time comparison has not been done because of the inclusion of TBVC states and changes in definition.

### Net capital movements, not related to reserves, 1997/98



(Source: South African Reserve Bank, *Quarterly Bulletin*, Sept. 1998)

The only sector that has shown increases in recent years is the finance and insurance sector. Between June 1994 and June 1997, there was a slight increase in employment (approximately 0,5%) within the community, social and personal services sector (including government). Since June 1997, there has, however, been a downward trend in employment in this sector. Due to budget cuts, it is likely that this sector will face continuing job losses. Mining and quarrying, in particular, have suffered substantial job losses.

### Capital flows

The graph above shows net capital movements, not related to reserves, for 1997 and the first two quarters of 1998.

In 1997 there was a net inflow of long-term capital of R30-billion and a net outflow of short-term capital of R10-billion. The inflow consisted mainly of portfolio investments, especially non-resident purchases of bonds and shares on the domestic market. Unlike foreign direct investment, these portfolio investments are prone to market sentiment and are

consequently far less stable. The turmoil in international markets saw a sharp decrease in foreign investment in emerging economies such as South Africa. As a consequence, the inflow of long-term capital fell from R18,2-billion in the first quarter to R10,6-billion in the second quarter of 1998.

Short-term capital outflows for the first two quarters of 1998 amounted to R13,3-billion compared with R9,8-billion for the whole of 1997. The effect of the slow down in long-term capital inflows, together with increasing short-term capital outflows, saw net total capital investment decrease from R11,2-billion to R4,3-billion over the first two quarters of 1998. This represents a 60% drop in net capital inflow to South Africa.

#### Exchange rate

1998 saw a repeat of the exchange rate turmoil experienced in 1996. In both instances, the rand depreciated by more

than 20% against a weighted average of key exchange rates (the US dollar, British pound, German mark and Japanese yen). Interest rates increased in an effort to protect the value of the rand. The rand has recently shown signs of recovery. However, exchange rate volatility is damaging to the economy, as it makes planning difficult.

#### Gross Domestic Product

The international crisis has had a negative effect on economic growth, investment and consumption. GDP for 1998 is expected to be between 0,5% and 0,2%. GEAR predicted a 3% increase.

#### Inflation

Inflation is expected to rise from a low of 5% in April to 9,7% by year-end.

#### Policy issues

Economic policy issues impact on growth and socio-economic transformation. The

### Assessment of some key Department of Trade and Industries programmes (1997)

Project	No of firms participating	Jobs created	Exports (R-m)	Investment (R-m)
<b>Tax Holiday Scheme:</b> aims to encourage new investment in manufacturing according to regional labour intensity and sectoral criteria	35	3 534	n/a	837
<b>Spacial Development Initiatives:</b> aim to bolster private sector investment through public investment in infrastructure and the identification of viable projects across national boundaries	29	10 000	n/a	17 000
<b>Small/medium Manufacturing Development Programme:</b> encourage new investment in SME manufacturing companies and facilitate job creation	223	7 086	n/a	512
<b>Export Marketing &amp; Investment Assistance Scheme:</b> aims to partially compensate exporters for costs incurred in developing new export markets	242	714	66,2	n/a
<b>Export Credit &amp; Foreign Investment Reinsurance:</b> provides export credit loans and insurance	n/a	17 000	n/a	6 000

(Source: *Industrial Policy and Programmes in South Africa*, Department of Trade and Industry, April 1998)

Department of Trade and Industry (DTI), reviewed a number of its policy measures during 1998, including broad industrial policy and competition policy. Other policy issues include black economic empowerment and the Presidential Jobs Summit.

### *Industrial policy*

Many of the DTI's programmes focus on investment support and trade facilitation. These programmes have principally been guided by government's focus on export orientation.

It is vital that the new industrial support measures are able to transform the economy and ensure a development path that is consistent with overcoming inequality and addressing the social deficit. This requires an active industrial policy that targets and supports the development of more labour-intensive manufacturing and encourages value-added labour beneficiation. Up-stream and down-stream linkages must be nurtured.

Given the problem of job loss in the manufacturing sector, it is important that government programmes actively contribute to job creation, preserve existing jobs and assist in overcoming inequality. Other criteria, such as increased exports, are important insofar as they contribute to meeting these objectives. While it may be too early to properly assess many of these programmes, their initial impact on employment can be examined.

The following table on the opposite page provides a brief assessment of some of DTI's incentive measures.

As with all official statistics, these figures should be treated with caution.

### *Competition policy*

A new competition policy was negotiated in 1998 through Nedlac. Competition policy is



P. CROSS/RODNEYAN AD

*Thabo Mbeki.*

important in that it allows for the regulation of the corporate environment. The new policy has a number of positive aspects:

- it has a greater developmental orientation,
- it is more integrated with other policy objectives,
- it is sensitive to job losses in regulating mergers and acquisitions,
- there is some degree of ministerial intervention.

In general, the new policy is more workable and comprehensive than previous policies.

Labour was calling, however, for an approach which focuses not only on behavioural transgressions by companies but also on problematic structural concentrations. It also wanted involuntary divestiture to be strengthened as a remedy.

The unions were arguing for a stronger role for the state in ensuring that competition policy is used effectively in

achieving broader developmental objectives.

1999 will hopefully see the setting up of new competition policy institutions. It will be important to monitor the impact of the new regulations on corporate structure and conduct.

### **Black economic empowerment**

For the majority of South Africans, economic transformation has been very slow in coming. Forty-six percent of South Africans (mostly black people, women and rural communities) live in poverty. The top 20% of the South African population accounts for 70% of national expenditure, whereas the bottom 20% accounts for 1%.

Changing current social relations requires a broad, systematic transformation of ownership patterns, together with proactive policies and programmes that are targeted at communities and individuals who have been historically disadvantaged.

Black economic empowerment has become synonymous with share acquisitions and the rise of black capital on the Johannesburg Stock Exchange. The recent share price collapse points to the fragility of this type of empowerment.

The National Empowerment Fund (NEF) is one of the mechanisms driving black economic empowerment. While changing racial ownership patterns is an important issue, it is important that poor South Africans are able to derive real gains from the NEF's investments.

Meaningful black economic empowerment must focus on:

- sustainable employment creation;
- improved labour standards;
- organisational transformation within big companies;
- development of viable SMMEs;

- meaningful shareholding and management control in big companies;
- skills development and training;
- poverty alleviation targeted at the most vulnerable, for example rural women;
- transforming ownership in a way that redistributes both wealth and income as widely as possible.

### **The Jobs Summit**

The Jobs Summit brought the plight of joblessness to the fore. In its proposals, labour argued against a limited project approach. It called for a strongly interventionist government, promoting productive investments in socio-economic development and a focus on labour-intensive industries such as housing.

The summit conceded that there are differences amongst the social partners over macro-economic policy and its potential effects. Many of the areas where agreement could not be reached, particularly between government and labour, were underpinned by these differences. At the heart of this debate lies the question: should macro-economic policy be *adjusted*, particularly in the light of current global conditions, or should it be fundamentally rewritten? Areas of action range from the macro economy, to national programmes, to very specific programmes and pilot projects.

Some of the *agreements* between the parties on programmes and measures to promote job creation include:

- industrial policy measures and programmes to address unemployment and increase investment; such as a 'buy South Africa' campaign, sector summits, small business promotion and SMME mentorship schemes;
- enhanced housing delivery and an increase in rental stock;
- human resource development, focusing on training, and education programmes;



- special programmes and targeted groups - such as youth brigades, student community service, programmes targeting women and people with disabilities, working for water

The summit should not be seen as a panacea for South Africa's unemployment problems. It has, however, opened up the macro-economic debate and set in motion projects and programmes with very tangible job creation effects.

### After GEAR

The extent to which we are able to shift away from failed orthodoxies, will have a significant impact on the economic indicators we find ourselves analysing at this time next year. As the recent Alliance Summit agreed, 'the present crisis is also a paradigm crisis for the simplistic "one-size fits all" structures of the so-called "Washington Consensus" Worldwide, and amongst a broad spectrum of leading economists there is an acknowledgement that there is a need for fresh thinking, new leadership and greater flexibility in economic policy-making.'

While noting the significance of recent observations from the likes of Joseph Stiglitz, George Soros, Tony Blair and Paul Krugman, we should also be wary of uncritically taking on board their newfound enlightenment around the shortcomings of neo-liberal orthodoxies.

We need to move beyond the pro/anti-GEAR debate and begin to build a workable, post-GEAR consensus. In order to avoid being an empty shell, however,



*Waiting for a job, Germiston, 1998.*

such a consensus would have to acknowledge the need for fundamental policy changes in certain areas. There is always a trade-off between the costs of changing policy in the course of its implementation, and the costs of sticking with destructive practices. Evidence suggests that, for some time now, the latter costs have far outweighed the former.

In a recent address to the NAFSOC congress, Deputy President Thabo Mbeki, criticised the 'business confidence index', arguing that it does not reflect black business confidence. This begs the question: whose confidence in the economy counts? Even if black business's opinions were incorporated into this index, to what extent should it be used as a barometer of public opinion on the state of the economy?

If we want to use confidence indices to get a sense of responses to current policies and anticipate future economic developments, we also need to construct a 'labour confidence index', or a 'people's confidence index'. Such barometers could use measures like employment rates, job security, the size of the wage gap and

broader measures of inequality and improvements in human development indicators.

Big business may be comfortable with current macro-economic policies, but it is unlikely that any macro-economic policy can enjoy credibility and the confidence of labour and society at large unless it is generated through a participatory process and is directed at meeting basic needs.

The Alliance Summit has laid the basis for moving towards a post-GEAR consensus on macro-economic policy.

It has been agreed that macro-economic policy needs to be based on the following cornerstones:

- major structural transformation of the apartheid economy;
- alignment of macro-economic policy with reconstruction and development objectives, to address the social deficit;
- fiscal discipline, sustainability, and relative predictability;
- the possible implementation of contra-cyclical measures;
- relaxation of macro-economic targets to divert resources towards growth, development, and sustainable transformation.

The extent to which these tenets lead to substantive policy shifts remains to be seen, and will largely determine the extent to which the economy moves onto a more developmental path. Agreements and processes arising out of the Jobs Summit will also be important in opening up economic policies to greater debate and amendment.

### Looking ahead

Some of the specific areas of economic policy which we should watch for possible change in the coming period include:

- a shift in the funding of the Government Employees' Pension Fund such that a greater proportion of it is

funded on a 'Pay As You Go' basis;

- some strengthening of exchange controls, or at least greater regulation of capital flows;
- a degree of relaxation of deficit targets to allow more flexibility in government spending;
- greater regulation of some portion of the funds of the retirement and long-term life assurance industries, to encourage investment in productive, job-creating activities;
- a possible lowering of interest rates (through the Reserve Bank facilitating a reduction in the repo rate), in the context of a closer alignment of monetary policy to industrial and developmental policies;
- in general, a greater sensitivity of all aspects of government economic policy to their job creation implications.

Shifts in economic policies do not only need to be negotiated at 'peak' level. The sectoral summits which were agreed on at the Jobs Summit can play a crucial role in meso-level industrial transformation. Workplace forums can have a significant impact on enterprise democratisation and job creation/protection.

The South African economy faces serious structural problems. Unless the problems are addressed we will continue to live with inequality and poverty.

The market alone cannot solve these problems. It is clear that bold and proactive changes to many of our policies are needed. This is not change for its own sake, but change which is specifically directed at objectives such as increased employment, redistribution of wealth and income, and the democratisation of the South African economy. ★

---

*The authors are researchers at Naledi.*

# Ditsela

## *building worker education*

In 1997 Ditsela held its first Educator Conference. The theme of the conference was 'building a worker education movement'. The conference focused on trade union education vision, principles, systems and structures which would unite the efforts of educators in the union movement and Labour Service Organisations (LSOs).

Although it was not a decision making conference, it developed consensus around issues. It was able to agree on a set of recommendations for the federations to consider and to guide Ditsela and the LSOs.

The theme of Ditsela's 1998 conference, which was held in Johannesburg from 16 to 19 September, was 'New ways of seeing - new ways of doing'. This conference was very different in its focus and form. It concentrated on the educators':

- perspectives and ideas on union education in the context of changes and challenges locally and internationally;
- ideas, methods and creative approaches in their work.

The highlights of the conference were:

- 'new ways of seeing' workshops, which encouraged participation and openness in writing, thinking and debating challenges in and around union education,
- 'new ways of doing' workshops, where participants had the opportunity to

---

### *Chris Bonner reports on the second Ditsela Educator Conference.*

---

discuss the limits and possibilities of various methods and mediums for union education, and to produce and make a presentation using these methods;

- an interactive exhibition of the work of educators, unions, federations, Ditsela, LSOs and others involved in trade union education

The conference opening was attended by delegates and a number of guests and guest speakers.

There were international guests from Korea, Nigeria, the Commonwealth Trade Union Congress (CTUC), the US, Namibia, Zambia and Zimbabwe. Some of the international guests made presentations in a session on international challenges and trade union education.

In her speech, COSATU Deputy President Connie September, emphasised that Ditsela is based on the belief that we need to deliver union education to the union movement as a whole. The federations have different cultures, but this did not stop the building of Ditsela, despite the withdrawal of NACTU.

Both September and Dennis George, the

FEDUSA assistant general secretary, raised the issue of accreditation of Ditsela courses.

The Director General of the Department of Labour Siphon Pityana, said that the Department 'would like to see ourselves developing a partnership with Ditsela and other labour service organisations'. He re-emphasised the Department's commitment to the education of workers and trade unionists.

Pinkie Mbowane of the Gender Commission said that we do not need a special time to deal with gender issues. She raised the problem of the lack of integration of gender issues into education.

### 'Ways of seeing'

In the 'new ways of seeing' workshops, each group had a number of papers to consider, written mainly by educators from the unions and LSOs. The papers were on key ideas and issues facing trade union education in a context of change and new challenges.

### Challenges for union education

The aim of this workshop was to identify the key political challenges facing union education and to begin a dialogue and debate amongst union educators that will extend beyond the conference.

Participants discussed the enormous challenges that we are facing on the political, economic, social and international fronts. Trade union education has to reflect on and respond to this change.

There was extensive discussion on the question of dealing with differences and uniting workers. Some of the issues that need discussion are gender, disability, an ageing workforce, and literacy. We need to consider unorganised workers and how to draw them in to our educational initiatives.

A key question that arose is how to deal with political differences between

federations, and the role that Ditsela can play in assisting the federations to accommodate each other and unite workers.

### Systems and accreditation

The aim of this workshop was to review progress in developing a unified recognition system for trade union education and to explore different approaches, ideas and strategies.

The group noted that it is important to emphasise that the purpose of union education is to build a strong labour movement and to maintain the fundamental principle of collective bargaining.

Three accreditation possibilities were raised:

- internal accreditation/recognition;
- accreditation *via* the NQF;
- agreements with tertiary institutions.

It was recommended that Ditsela launch pilot projects to test accreditation agreements or approaches. We also need to explore how unions can benefit from the skills levy.

### Organisation and education

This workshop aimed to understand the shifts in union education in relation to a changing environment and to generate discussion around union education being more than just education/training courses. It also aimed to deepen our understanding of organisational development.

The current experience is that education and training is seen as the solution to whatever difficulties and problems are being experienced. The group agreed that we must build education as a functional method that is aimed at informing the development of healthy and effective organisations. Ditsela should deepen understanding of organisational development in the union movement.

### **Integrating union education**

This workshop considered areas of trade union education and groups of unionists who seem to be 'marginalised'

It tried to identify ways in which union education could be more accessible to women, youth, the unemployed, workers with disabilities and workers in the rural areas and outside the main urban centres

The group agreed that we should avoid patronising marginalised groups. We must consult with their organisations. Our efforts to engage should not be confined to education, but include all other facets of the life of the union, like campaigns and organising

### **'New ways of doing'**

The workshops aimed to get participants to reflect on the methodologies we chose through using them. Participants explored and experimented with producing videos, audio tapes, dramas and wall newspapers. These methods can assist in facilitating dialogue, emphasising empowerment and bringing to the fore the voice/experience/views of workers

Participants explored ways of using

#### **□ Theatre**

It was agreed that theatre can be a useful technique for generating discussion. It might assist in developing a broader and more empowering approach to education and organisation. It was suggested that Ditsela set up a union theatre group

#### **□ Video**

The key issues that were raised in this workshop include the accessibility of this medium for union educators and participants, the time it takes to produce a video and the need to understand the target group and the training context. The workshop recommended that Ditsela consider

a training programme on the use of video for educational purposes

#### **□ Audio tape**

For participants who had not used audio tapes, the key problems were lack of exposure, lack of access to infrastructure, lack of time and concerns about the quality of sound. Many benefits were also identified. It was agreed that audio tapes can be a useful medium, in conjunction with other forms, for example, written work. It was also agreed that unions need to build stronger links with community radio stations

#### **□ Posters and wall newspapers**

The workshop experimented with the production of wall newspapers as an educational tool. It was agreed that these forms of media, which were widely used in previous years, have a lot to offer and that they should be revived

On the last day of the conference, participants heard a report back on progress that has been made in building a worker education movement. Solid building blocks have been laid. There is a lot of potential. The conference also discussed a paper developed by the LSO network and Ditsela on funding trade union education

The conference did not produce consolidated resolutions or recommendations. However, an enormous number of ideas, suggestions and materials were generated. These will hopefully provide participants and their organisations with directly useful inputs into their theoretical and practical work. It is up to unions and educators to take these forward, with the clear intention of expanding on our vision for trade union education and building the worker education movement. ★

---

*Chris Bonner is the director of Ditsela*

# Jobs and houses

## *the Jobs Summit*

**T**he Jobs Summit started clearly and in tune, but faded away slowly as it got to the second part.

This is not a reference to the proceedings, but the singing of the national anthem. COSATU's Mbhazima Shilowa put in the first note (does this mean that the theory that labour is running the country is true?) As his microphone was on, everyone could hear him sing the first verse wonderfully. However, he then had to finish what he started. During the second verse, he became virtually inaudible. Luckily, this did not set the tone for the rest of the day.

The summit, held on 30 October, was the culmination of months of planning and negotiations. Each constituency - the community sector, labour, business and government - presented proposals on how South Africa could fight unemployment and create jobs. The proposals were debated at Nedlac. After compromises and changes, a final declaration was signed by each constituency. The negotiations carried on until the early hours of the morning of the summit.

### **The summit**

The Minister of Trade and Industry, Alec Erwin, addressed the summit on behalf of the government. When former Minister of Labour Tito Mboweni moved to the Reserve Bank, Erwin took over the

---

*There were differences of opinion amongst the constituencies before, during and, no doubt, after the Jobs Summit. The summit was, however, a serious attempt to find solutions to pressing economic problems. Bulletin staffer, Etienne Vlok attended the summit.*

---

organising of the summit. He has been commended for the role he played in keeping the constituencies at the negotiating table and getting them to hammer out a declaration of agreements and programmes.

In his speech, Erwin noted that 'we have probed deep into the workings of this economy and asked questions of how it creates employment and found that it has a scant regard of the weak and marginalised'. He said the summit was really for the very poor, rural people, youth, women and people with disabilities. Although some reforms have increased the quality of life of South Africans, in the end 'it is the performance of the economy and its ability to generate employment' that will determine quality of life.

Erwin praised the other three constituencies for their willingness to negotiate and compromise. His message, which was echoed by many other speakers, was that jobs would not start raining down immediately after the summit. It will take time for the different programmes and plans of action to be implemented and to start creating jobs.

Business representative, Dorian Wharton Hood, said that the Jobs Summit had 'succeeded in its aim'. For business, the most positive outcome of the summit was 'the forging of a foundation for new partnerships between stakeholders that has deepened understanding and started to frame common goals'. However, he criticised the final declaration for not paying enough attention to the 'rigidities' of the labour market legislation.

Then it was the turn of the community sector's Ruth Dengu. She urged the other constituencies to ensure that the post-summit process - the implementation and the review of programmes, and the review summit scheduled for next year and the sectoral summits - is successful. The community sector will play the role of watchdog to ensure that the marginalised receive skills and jobs. One suspects that this is the role they played throughout the negotiations leading up to the summit.

COSATU President John Gomomo, said the summit was initially in danger of becoming a 'labour market flexibility summit'. Labour was disappointed that no agreement could be reached on a moratorium on all retrenchments and a basic income grant for the unemployed. However, it still signed the declaration.

Shilowa outlined labour's proposal for a 'one-day output for jobs' programme. He asked all South Africans - from CEOs to workers - to donate a day's wages to job creation. This money will be paid into a fund set up by labour. Organised labour

has earmarked 3 March 1999 as the day on which all workers will make their contribution. The other constituencies have given their backing to this proposal.

### Commissions

The summit then moved into six different commissions:

- realising human potential
- special employment programmes
- infrastructure and housing
- integrated provincial projects
- trade and industry
- tourism.

In each commission, report backs were given on the most important programmes and decisions.

### Infrastructure and housing

The commission started with reports from the departments of Water Affairs and Forestry, Provincial Affairs and Constitutional Development, Public Enterprises and Housing.

Some departments disappointed, as they only reported on the work they had done in the past year. There was no mention of the impact of the summit on their departments. They later explained that time did not allow the negotiators to focus on all departments. They decided to focus on housing, as it could be a large employment creator.

### Housing project

The Department of Housing presented the housing project. The project aims to increase the rate of housing delivery and to provide jobs. Andre Lamprecht of business remarked that the housing project will pull the other government departments in. When houses are built water and electricity need to be supplied and roads need to be built.

Many of the programmes included in the summit declaration had existed before.

the summit. An exception is the National Presidential Lead Project (NPLP) on housing. Reneé Grawitsky of *Business Day* describes it as a clear shift in policy.

According to the declaration it 'aims to pilot affordable mass housing delivery'. This project, together with tourism and small business development, are the most important generators of employment.

Mpumali Nxumalo of the Department of Housing admits that there is currently a lag in the delivery of houses compared with other infrastructure. The Department hopes that this project will not only create jobs, but will also increase the speed of delivery.

The NPLP aims to build between 50 000 and 150 000 houses for low-income families before 2001. The actual number of houses built will depend on the finances available. Approximately 75% of these houses will be permanent rental stock, while the rest will be privately owned through loans financed through the Gateway mechanism.

The declaration states that when the NPLP awards tenders it should include labour intensive constructive methods. The project should employ the most needy workers (women, youth and the disabled) within the specific communities. During the projects, training and skills development will take place to ensure that the workers in the projects can find jobs after its completion.

The declaration stipulates that workers that are currently 'under existing permanent collective bargaining agreements shall not have their job security, wages or labour standards jeopardised'. It does not mention the workers that the project will employ in the future.

The construction sector has a very bad reputation concerning labour standards and job security. Will the NPLP improve

### Sigcau's slip

During the Department of Public Enterprises' briefing, Minister Stella Sigcau remarked that cheap electricity helped the mines survive. It only took Zwelinzima Vavi a second to pounce on this: 'That is why Eskom should stay with the government and not be privatised!' Sigcau had her hands full trying to undo what she had said.

standards, or will these be further compromised?

The declaration also calls for the project to establish residential areas with a mix of income groups. This will be done by building different units in the same area. This will ensure that economic development and job creation take place. The social partners want to ensure that at least 10% of the houses are built with physically disabled occupants in mind.

The declaration stipulates that most of the NPLP developments will be in Spatial Development Initiatives (SDIs). There will be at least four mass housing developments in SDIs.

The NPLP will be the responsibility of a public sector, non-profit, national agency. This will oversee the projects and determine how and by whom the rental units will be managed. This is especially important as collecting the rent of about 110 000 houses could be a problem. Nxumalo said that they must still research the management of the rental housing

### Finance

A question surrounding the housing project is how it will be financed. Nxumalo says that the NPLP will run on a non-profit basis and use state land where possible. It will also reduce costs through delivery at scale. The four social partners will jointly develop a financing mechanism. The government will





*COSATU President John Gomomo addresses the summit.*

contribute R750-million over the next two years. Business will contribute R1,3 billion to finance the rental stock and R500-million to finance private owners.

By 28 February 1999 the NPLP working group must submit a final proposal on outstanding issues regarding the project. Hopefully, building of new houses and employment of the unemployed will take place soon after that.

### Excluded

Not everyone was happy with what was happening. Outside Gallagher Estate, where the summit was held, the United Democratic Movement (UDM) handed out pamphlets complaining about 'the partisan nature of the political component of the Jobs Summit'. They were unhappy that they had not been invited.

The Malamulela Social Movement for the Unemployed also held protests outside because they had been excluded.

### Programmes

Aside from housing, the following programmes were agreed on:

- ☐ special employment programmes – Working for water, Land Care campaign, Clean and Green Cities campaign, Rural Water Supply and Sanitation and Community Public Works Programmes.
- ☐ integrated Provincial Projects in greater St Lucia, greater Algoa Bay and the Wild Coast;
- ☐ labour market – a social plan to deal with retrenchments which will be based on the Gold Summit Accord and a special focus on the youth, women and disabled,
- ☐ a 'Buy South Africa' campaign to promote local products;
- ☐ small business promotion through better access to finance,
- ☐ tourism – money will be allocated for a marketing campaign,
- ☐ strengthening of customs and excise

functions to stop illegal products entering South Africa;

- a review of trade policy at Nedlac.

Erwin said all these programmes can be funded within existing resources.

## Evaluation

James Lamont of *Business Report* describes the Jobs Summit as a 'Christmas Day ceasefire...during a greater war over...economic policy'.

He urges the social partners to turn the ceasefire into lasting peace. Lamont feels that the summit gave the four social partners a safe opportunity to unify around uncontroversial issues such as youth employment and tourism promotion. He adds that it did not result in big-spending public works programmes. Instead the focus was on proposals and sources of funding that were in the pipeline before the summit. These have been talked about for a long time, but now they will be done.

Reneé Grawitsky points out that Erwin resolved the GEAR debate in the alliance and so the summit was not a pro- or anti-GEAR debate. However, there were some problems with the inclusion of a clause referring to GEAR in the summit declaration.

The night before the summit, many hours were spent debating this clause. In the end, the clause noted that GEAR's targets will need to be adjusted. It went on to state, however, that this would be done on the context of 'retaining the coherence and strength of our policy (GEAR)'. COSATU felt that this could give the impression that they endorsed GEAR. In the end, they signed the declaration with the clause in it, but Gomomo voiced their unhappiness with this.

Grawitsky feels that the programmes in the final declaration are 'an attempt to ensure greater co-ordination between

government departments to fulfil service delivery commitments'. She argues that the consensus of the summit will be tested in the carrying out of programmes as many rely on private-public partnerships.

## A 'serious programme'

Eddie Webster of the Sociology of Work Unit says that the main achievement of the summit was in 'getting the key social partners to start a serious problem-solving debate. It is the beginning of a process of trade-offs by the social partners'. Just as the political transition was negotiated, so must the economic one. The political transition also started off as a stalemate, but went forward through compromises.

Webster regards the fact that issues such as labour market flexibility and the macro-economic policy were kept off the table, as a shortcoming of the summit. However, he says that this was correct because it is important to rather find agreement. He was disappointed that so few captains of industry were there and by the relative marginal role of the Minister of Labour.

What South Africa needs now is a dramatic increase in jobs. This would have direct implications for those who are employed and indirectly solve other social problems. The Jobs Summit itself was successful. But that was the easy part. Now all the programmes need to be successfully implemented to ensure they impact on employment levels. Business, the community, labour and government have to continue co-operating to solve the problems of the marginalised of this country. ★

## References

- Grawitsky, R. 1998 'A foundation for job creation' *Business Day*, 2/11/98  
 Lamont, J. 1998 'Safe Jobs Summit ceasefire' *Business Report*, 2/11/98

## The Labour Audit

Our core concerns are to

- ❑ create new employment both in the short term and long term,
- ❑ improve the quality of existing employment,
- ❑ promote job security and stem the job loss in the economy;
- ❑ improve and formalise employment in the informal sector;
- ❑ provide an income for those who remain unemployed and poor;
- ❑ target particularly vulnerable groups such as youth, women and the rural and urban poor for job creation programmes

Organised labour believes that large-scale structural interventions are needed to put us on a job-creating path, which will also bring the majority into the economic mainstream, and through redistribution of assets and resources, lay the basis for a new growth path

This requires a national, integrated and mutually reinforcing package of proposals, which kickstart both a short- and longer term dynamic of employment creation, and achieves the required balance. We want to avoid either extreme of concentrating in a one-sided way on

- ❑ short-term projects which create some temporary jobs, but in an overall job-destroying development trajectory, or
- ❑ proposals which will only have a long-term impact, which ignores the

*This is a summary of labour's proposals to the Jobs Summit.*

need for urgent measures to address our unemployment crisis

What labour is proposing is a large-scale national intervention of the Marshall-plan type, which other societies have embarked on to deal with social crises on a similar scale. This ambitious intervention is precisely the vision that underpins the strategy contained in the RDP.

### Public housing programme

We propose that one million housing units be built, for provision of public housing on a rental basis. This programme should be driven by a national housing parastatal.

At least 300 000 units should be built every year over the next three years. In the fourth year, the remaining 100 000 units should be completed.

Such a programme will employ hundreds of thousands of workers. Our initial calculations show that over this period between 150 000 and 220 000 direct construction jobs can be created. An estimated 200 000 to 330 000 indirect jobs may be created. This excludes the multiplier effect in the South African economy.

The cost of such a programme would be approximately R30- to R35-billion over

a four-year period, at current prices. It can yield a continuous stream of income from occupants to help pay for the cost of construction.

It will pump high levels of wages into the local economy, hence stimulating economic activity into other sectors, and creating further jobs in the country. The key sources of finance proposed are the fiscus, the corporate sector and the retirement and life assurance industry.

We propose a public works programme on housing be financed from government, business and labour in the following manner:

- a major contribution from the fiscus (government sector);
- a three-year levy of 5% on the pre-tax profit of businesses (the business sector);
- a prescribed investment requirement on pension and provident funds, the life assurance industry and the assets of the Public Investment Commissioners to invest 5% of funds in special government bonds/Public Development vehicles to finance this, and the next project. In excess of R50-billion could be raised in this way.

For such a programme to be effective a number of institutional matters would need to be addressed. We have proposed the setting up of a housing parastatal responsible for co-ordinating the financing and overall management of the programme, and to secure economies of scale and hence a decrease in prices.

Labour-based construction methods must be utilised. A wealth of experience on labour-based construction exists in certain of the presidential lead projects, in the projects started under the National Economic Forum, and the work done by the International Labour Organisation in many other countries.

The long-term unemployed, women and

youth should be targeted for employment in these programmes. The wage applicable to such programmes must be negotiated through Nedlac. This wage should be set at a level that combines the need for fair labour standards and a living wage, with the requirements of job creation through what is in essence a public works programme.

Finally we propose that the element of the Masakhane campaign which focuses on payment for services, be considerably strengthened. One element hereof could be a payroll deduction of rent, the terms of which should be negotiated in a National Rent Payment Agreement concluded at Nedlac.

This programme would not replace the programme of home ownership, but would instead be complemented by it. The option to buy, at any stage after occupation, either individually, or through housing collectives, can be built into the scheme, to foster and encourage ownership and responsibility. Adequate protection against speculation and downward raiding should be built in.

### **Provision and upgrading of rural and urban infrastructure**

Infrastructure development will have a number of different sources: First, the necessary infrastructure that would need to accompany the mass housing programme set out in the early section. Second, a programme to provide services where none exist in both the rural and urban areas. Third, the need to upgrade services which had been provided previously at standards below those consistent with the requirements of a modern economy and an equitable society.

We propose an accelerated programme of public works in the provision of electricity, piped water supply, sanitation, child-care facilities and health-care clinics

to previously disadvantaged areas. Programmes to provide roads and major dam and canal works, and to address telecommunication inadequacies, should be put into place. This entails a major upgrade of urban infrastructure, and provision of rural infrastructure.

Such a programme will lead to increased employment in the short term, but crucially, it is a fundamental part of improving the performance of the urban and rural economy. It will reduce commuting time. It will reduce labour 'downtime' caused by illness due to inadequate sanitation and water supply. It will have a positive effect on national output and productivity levels in the economy.

Existing government programmes embrace a number of these elements. What this programme seeks is to put forward a comprehensive integrated approach, which brings in more resources, seeks delivery on a massive scale, and speeds up the delivery pace. It seeks to bring in the stakeholders more systematically.

We propose a Cabinet Cluster Committee made up of the following departments: Public Works, Telecommunication, Energy, Water, Health and Housing, to meet with the stakeholders to develop an implementation plan for the programme.

We propose the funds generated through the mechanism set out in Programme One (Housing), together with



*A housing programme will employ hundreds of thousands of workers.*

additional allocations from the fiscus, be used to finance this proposal. Using existing budgetary tools at departmental level, and the ratio of housing infrastructure spending, we should calculate the cost of this package of proposals.

### **Youth brigades**

The National Youth Brigade programme should offer opportunities for at least 500 000 young people up to age 29 to volunteer in the National Youth Brigade, for a 12-month period. Each year a new intake of youth would commence. The first phase of the programme should be



*Business should commit to an 'invest local' campaign.*

implemented from June 1999, and be in place for a five-year period. During the period of the programme, a total of 2,5 million young people would serve in the youth brigades.

Young people so enrolled would be exposed during the period of service to extensive vocational training, career counselling, and ultimately placement where possible in full-time jobs. During this period they would further provide public services not currently provided through the state.

The programme should ensure that:

- full-time workers are not displaced through the operation of the schemes of this programme;
- youth volunteers receive a sufficient financial allowance to attract them to the programme, and to be a real alternative to crime;
- we do not develop a dual labour market.

Each volunteer in the National Youth

Brigade will receive an allowance of R400 per month, which would cost the fiscus R2,4-billion per annum in direct allowances. Additional costs for managing this programme would need to be calculated.

The national youth service/youth brigade must be linked with curriculum restructuring in tertiary education and other bands of learning. The objective of such curriculum restructuring will be to integrate compulsory community service for graduates, for example like the one for doctors. This will be linked to qualifications, whereby no one will graduate without having performed compulsory community service.

### **Promotion of domestic investment**

This programme seeks to expand the pool of domestic savings, and ensure a more efficient conversion of savings to investment.

The principal tools available to ensure

implementation of this programme, are

- Expansion of the contractual savings base, through extending provident coverage to workers in all sectors through the setting up of a National Provident Fund, with universal contribution and benefit coverage. In addition, the living wage policies pursued by unions will result in increased contributions to such a fund, and there is scope to increase the contributions by employers
- Investment guidelines involving the contractual savings base, should be negotiated with direct involvement of worker representatives aimed at ensuring the channelling of these funds into productive investment
- Strengthening the local asset deployment requirements set by the Financial Services Board, to ensure that domestic savings are invested in projects in South Africa
- Introduction and strengthening of mechanisms to avoid speculative financial flows, and instead to encourage investment in productive activities. Examples of these include the use of 'speed bumps' on foreign capital, and the introduction of a mechanism similar to the 'Tobin tax'
- Strengthening of mechanisms to reward the reinvestment of profit into expansion of productive capacity, such as the Secondary tax on Companies
- Concentrating resources available for sectoral restructuring initiatives, through a National Restructuring Fund, to finance the introduction of new technology and work organisation directed towards job creation and job retention
- Business should commit to an 'invest local' campaign to promote domestic investment, and clear proposals should be solicited from the business

community during the next few weeks, prior to the Jobs Summit

### **Expand domestic demand and demand for locally produced goods and services**

This programme seeks to maximise the aggregate domestic demand, and to increase the specific demand and consumption of locally produced goods and services

The key elements of this programme are

- To pursue a living wage strategy in the South African economy, and to ensure that the share of national income which is appropriated by remuneration, increases. This entails a deliberate set of tools to identify low wage pockets of employment, and to use industrial, training and wage policies to lift earnings
- To reduce the wage gap in companies, and hence to release resources for the lower paid, who spend a greater portion of their income on consumption
- To develop monetary policies which are appropriately expansionary, instead of contractionary policies, which results in lower consumption, closure of businesses and loss of jobs
- Lower consumer taxes on basic requirements, which will release resources for consumption and savings. VAT is a regressive tax, and should be qualified in two respects: first, through zero rating of all basic foods, medicines, water, domestic electricity and education, and second, through a 'super VAT' on luxury goods
- A 'buy local, buy fair labour' campaign to encourage the purchase of locally manufactured goods and services, made under fair labour conditions. This campaign would require support of retailers, and consumers

## Public sector employment

### Proposals

- For the public sector (which encompass parastatals and the public service) to promote employment creation.
- A new National Framework Agreement (NFA II) for restructuring the public service is required to provide a broad framework for the transformation of the public service. It must also address areas where the public service needs to be expanded and where it should be scaled down.
- Stop the current policy to retrench 50 000 public servants.
- Integrate job creation as an element of the existing National Framework Agreement.
- Encourage expansion of investment by parastatals.

### Programmes

- An audit of the public service in areas where there are serious shortages of personnel such as health and education and of the 50 000 personnel that government proposes to retrench is also imperative.
- A review of the redeployment strategy to identify what were its major weaknesses.
- On the basis of such an audit a restructuring strategy should be worked out. This should be captured in the NFA II.

A broad programme for service delivery should be worked out and integrated into the NFA II.

Job creation must be inserted as an important component of the NFA. All parastatals must be required to review their programmes, specifically their implication for job creation. Job losses within the parastatals must be discussed within the NFA.

## Public sector procurement policy

The national, provincial government, local government and parastatal procurement systems must be overhauled in order not only to ensure a harmonisation of tender conditions and procedures; but also to ensure that minimum policies that favour job creation/retention are also pursued. The following changes to the national procurement system are proposed:

- Improved price preferences for locally manufactured products, and ensuring that no other price preferences (on their own) will allow for an imported product to be chosen over a locally manufactured one. For example, the price preference applicable to black business should not be used to procure imported goods, where local goods are available.
- Strengthened Industrial Participation/Counter Trade arrangements which would favour arrangements which create jobs in the RSA.
- Requiring successful tenderers where they provide imported goods to the state to show that they have paid their import duties; and that successful tenders must show that they comply with all South African labour laws.
- Tender specifications should be written in a manner that they favour labour intensive South African manufacture/service provision.
- Where imported goods valued at R0,5-million or more are procured, responsible ministers from procuring departments who buy such goods must sign declarations that they are aware that their departments are buying such goods and that they have taken into account the impact on local jobs.
- Where appropriate, tender evaluation criteria making reference to the RDP should ensure that RDP criteria





*The informal sector must be regulated*

specifically relates among others, to the numbers of additional permanent SA jobs that will be created

- ❑ A new procurement policy should be introduced that will affect all levels of government.

We propose that the cabinet cluster committee proposed by government, together with representatives from all the provinces, should drive implementation of these new guidelines

### **Regulating and formalising the informal sector**

Labour proposes the following measures:

- ❑ Existing support measures for small businesses should be extended to activities currently in the informal sector, directed at bringing them into the regulatory net. Specific measures with appropriate financing should be directed at improving technical and

business skills in areas such as pricing, marketing and bookkeeping

- ❑ Coverage by all training boards of informal sector workers in the training programmes offered, and a set aside of a certain number of places in training, to ensure improvements in the skill of workers in this sector
- ❑ Extension of the LRA to cover all applicable informal sector activities, and an improvement in the inspectorate capacity of the Department of Labour to ensure that both education and enforcement is possible.
- ❑ A campaign to register informal sector activities for tax purposes, with incentives to ensure that the informal sector is brought into the tax net.
- ❑ The collection of information on the activities of the informal sector, based on the above, and their incorporation in the national statistics base.

## Stemming job losses

The objectives of this programme are twofold:

- To retain existing jobs or to minimise jobs which are lost.
- To protect job security and quality, and to ensure that conditions of employment and remuneration are maintained and improved.

## Proposals

- The LRA should be amended to provide for greater job security for workers. In particular, the provisions dealing with 'dismissals for operational requirements' should apply the 'no alternative' test, to ensure that retrenchments only take place when no other alternative exists.
- Business should agree to a moratorium on retrenchments in each industry until sectoral summits are convened to develop concrete programmes to avoid job losses.
- Supply-side measures put into place by government (for example in relation to technological innovation or export promotion) should not lead to job losses and should actively discourage this. This refers also to directly productive government spending and to government spending which leverages/impacts on private sector investment.
- Procurement policies should stipulate that a firm awarded a government contract may not undertake job shedding during the period of the contract.
- Regulation over the SMME sector and assistance to the sector should be strengthened to improve job security in these enterprises.
- The informal sector should be formalised so that labour market legislation is also extended to this sector. The LRA is of particular

relevance here in terms of job security.

- Productivity improvements that are not matched by equal or greater growth in output, are likely to lead to job losses. Because of this relationship, any productivity agreements reached at firm, sectoral, or other level requires a national commitment that jobs will not be lost through productivity improvements.
- Where South Africa has lowered individual tariff rates below our WTO commitments and these have resulted in job losses, these must be increased up to the WTO binding rate. Alternatively, when tariffs next come up for review we should not reduce our tariffs any more than our obligations.
- Public service restructuring should not lead to retrenchments. This is based on an assessment of social backlogs in South Africa being so great that, even if certain sections of the public service may be overstaffed, public servants in these sections could be redeployed in other more needy departments or areas.
- Privatisation should similarly not lead to job losses. This may entail amendments to the NFA which prioritise pre-restructuring job impact assessments; elevate job effects in the taking of the restructuring decision; and which strengthen the job protection provisions in the course of restructuring.
- There needs to be a particular focus on ending retrenchments and evictions of farmworkers, in the context of current trends particularly on white-owned commercial farms.
- The Social Plan Agreement should be tightened to strengthen the sections seeking to avoid retrenchments.



*Labour delegation at the Jobs Summit.*

### Monitoring job losses

Labour proposes the following

- A requirement be introduced from 1 January 1999, that all companies listed on the JSE should reveal in their annual reports, the extent of gross job loss and job gain, in the period under review in such reports
- An amendment be effected to the LRA, to require that any company which employs more than 100 workers, and which retrenches more than 10% of its workforce in any given year, reports such retrenchment to the Department of Labour
- All publicly funded corporations and institutions, such as the IDC and the DBSA, reports twice annually to parliament on the gross job loss and job gain in activities and enterprises that they finance and support.
- All parastatals report the job losses and job gains by region, to parliament, on the same basis as above

All the information above should specify the number of full time permanent posts, and separately, the number of part-time,

temporary and contract posts, with the aim of progressively phasing out the non permanent forms of employment

### Productivity and equity

Any productivity and equity agreement should include at least two fundamental requirements

- A guarantee that no jobs would be lost as a result of productivity improvements. The effect of this is to ensure that productivity gains are translated into job growth, not job displacement or job loss. This can only be effected when tied to a broader strategy of expansion of markets (domestic and export) and market share. A portion of the gain of productivity would therefore need to be reinvested into new productive capacity to create new jobs
- Closing of the wage gap. The effect of this is to ensure that the benefits of productivity is concentrated at the lower end of the income earners, in order to help finance the closing of the wage gap



*Raw materials must be processed in South Africa.*

A national productivity and equity framework agreement needs to be negotiated through Nedlac, to cover all industries. This would cover specific goals in regard to managerial output, as well as identifying improvements regarding workers and the employment of capital. The agreement would not hammer out the specific mechanisms to improve productivity, since these would need to be done at sectoral and company level.

### **Job sharing**

Labour proposes that working time be reduced as follows:

- A reduction in the statutory hours of

work without loss of wages, from the 45 set out in the BCEA to a 40-hour working week. While an 11% reduction in working hours may not result in a full 11% increase in employment, even the achievement of some of that target will result in significant job expansion.

- A reduction in the extent of overtime worked, through a campaign by unions and employers to discourage use of overtime, and instead the use of incentives to facilitate employment of full-time staff.

### **Expansion of industry training**

The proposal is to increase the training levy from the currently agreed 1% of payroll, to 4% of payroll over a period of time. Labour proposes the following programme:

#### ***Phase One***

The fast tracking of the existing agreements on the setting up of SETAs and the implementation of the 1% levy, from the currently targeted date of March 2000, to 1 May 1999.

#### ***Phase Two***

The increase in the levy from 1% to 2% of payroll, with effect from 1 May 2000, and an equivalent expansion of the training programme.

#### ***Phase Three***

The increase in the training levy to 3% of payroll, with effect from 1 May 2001, and an equivalent increase in the extent of training.

**Phase Four**

An increase in the levy to 1% of payroll, with effect from 1 May 2002, and an equivalent increase in the training programme, focused on the number of trainees, the duration of training, and the quality of training

**Improvement of the quality of employment**

- The resort to temporary jobs and contracting out should be replaced to employ full time staff wherever possible
- The use of labour brokers should be more tightly regulated
- Career pathing should be a more active measure in all companies

The core components of a common approach include that in the first phase there be full extension of collective agreements providing for a living wage and provident/pension funds for atypical forms of employment.

**National industrial restructuring programme**

Labour proposes a series of initiatives between business, labour and government, in each industry, to identify the measures required to expand and protect jobs and improve conditions of employment. This in turn requires increases in our share of the domestic market and an expansion of exports

The form of the initiatives should be through initially convening industry summits, similar to the Gold Summit

**Beneficiation programme**

The programme to promote the beneficiation of local raw materials should be intensified. The availability of steel, gold and a range of minerals, and agricultural products such as wool and wood, provide opportunities to process

these raw materials in South Africa, and create jobs locally

There are two sources of funding to ensure world class manufacturing and support capacity, in these areas

First, the IDC should be required to allocate funds from its investment portfolio, and its reserves, to these job creation projects

Second, the private sector should commit to invest in job creating projects. The conglomerates should be challenged to support a major programme of raw material beneficiation, particularly in labour intensive sectors

**Tariff review**

Labour proposes that wherever tariffs are being reduced below the WTO binding level, or are reduced faster than required by the WTO levels in labour sensitive industries, they be frozen at the current levels, pending an investigation on the job impact, and a discussion about the possible increase to the WTO bound levels

**Improvement of customs and excise functions**

The proposals that had previously been agreed to between the parties are set out as follows

- improving the technical resources at ports of entry;
- the setting up of manned border posts with the BLNS countries and having dedicated places of entry for goods;
- speeding up computerisation of all ports of entry and providing information on a timely basis;
- establishing the norm of a minimum of 5% of all consignments being checked and specifically applying this target to each employment sensitive sector;
- increasing the number of inspectorate posts;

- increasing the quantum and flexibility of remuneration packages for technically skilled customs staff;
- rotating customs staff between different posts;
- utilising private sector technical assistance for customs-related activities;
- publicising the identities of companies guilty of fraudulent customs clearance transactions;
- improving and publicising the award system for information on customs fraud,
- including labour intensive sectors of manufacturing in the invoice analysis audit;
- providing an effective control over exports of goods subject to incentives.

In addition to these, labour proposes the following:

- that dedicated ports of entry be nominated for specific products, in order to ensure that limited technical capacity is concentrated for effectiveness;
- the SADC project urgently deal with the Customs and Excise controls in every member country, and that tariff agreements be subject to demonstrated customs controls procedures in participating countries;
- a special anti-corruption unit similar to the Heath Commission be set up to focus on commercial customs crime.

It is proposed that a task team be set up to determine the amount of money required to bring about the institutional changes required. This task team should report within the next few weeks, drawing on the work already done in this area within government, and report to the Supervisory Committee

### **Support measures for the unemployed**

This programme involves a package of measures, some limited and short term,

and others longer term in nature. These include.

- basic income grants (see below);
- extension of UIF;
- support for the social sector;
- concessions for the unemployed.

### **Income grant**

Labour proposes a Basic Income Grant system, where all South Africans receive R100 per month. In order to ensure that the system targets the poor and unemployed, those earning over R3 000 per month pay back the amount they receive as a tax and people earning over R5 000 per month pay back double what they receive (amounting to a R1 200 per annum 'solidarity tax'). The balance should be financed through one of the other financing mechanisms proposed in this document.

### **Social plan**

Social plans must focus on improving individual survival skills and maximising the chances of obtaining sustainable employment in the shortest time possible. Positive action strategies need to be integrated into social plans, prioritising employment opportunities for the most marginalised sectors of society.

Any tendency to shift inappropriately or prematurely to retrenchments needs to be checked through legislative and institutional means. Legislative and institutional arrangements must place maximum incentive on exploring job retention strategies, and implement a more legally rigorous process aimed at ensuring all possible steps have been taken to avoid job loss.

Clearly defined criteria need to be formulated outlining the economic circumstances under which retrenchment can be seen as unavoidable, aimed at ensuring that retrenchments are not used as 'quick-fix' economic solutions. \*

## Women and the Jobs Summit

Section IV of labour's base document, which set out the framework for labour's proposals to the Jobs Summit, deals with women and job creation. It proposes ten elements of an approach to comprehensively address the plight of women, and to empower them to themselves begin to act to change their situation. These are

- an integrated policy development approach, which addresses obstacles to development of women in all areas of policy;
- mainstreaming women in development strategies, ensuring that the problems confronting women are not marginalised, but that their concerns are integrated into all policies and programmes;
- gender-sensitive macro-economic and industrial policies;
- harmonising work and family responsibilities, including the arrangement of working time, and social support services and infrastructure to enable families to cope with family and work responsibilities;
- targeted job creation for women;
- the role of public sector employment as a major employer of women;
- public works programmes, providing short-term poverty relief, infrastructure to empower women, and training;
- developing a regulatory framework, including anti-discrimination legislation,

*This is a summary of the labour presentation to the joint committee on the improvement of the quality of life and status of women.*

---

- education and training aimed at empowering women;
- access to productive resources for women including land, natural resources, capital, credit, infrastructure, and technology

This constitutes the broad framework within which our proposals need to be located

In August this year, the four constituencies in the negotiations tabled an *audit* of their concrete proposals and programmes. Labour has proposed 21 programmes, and a series of financing mechanisms aimed at a large-scale structural intervention in the current crisis

All of labour's proposals, if implemented, would have a profound impact on the economic and social crisis confronting women in our country

### **Macro-economic framework**

A number of proposals are raised in labour's document for a developmental macro-economic framework. Effective



*Women workers experience the worst forms of discrimination.*

implementation of developmental programmes to address women's concerns is not possible in the context of inappropriate macro-economic policies. For example, low interest rates are needed to facilitate entry of women into small enterprises; re-regulation of capital markets and tariffs to stem job loss; and more expansionary fiscal policies to allow expansion of social services, social security, and public sector employment.

### **National public housing programme**

Labour proposes a mass public housing programme, focusing on rental housing

stock, to be driven by a housing parastatal. This proposal is critically important, both in terms of job creation and in terms of building of infrastructure towards meeting basic needs - which has particular significance for women. The proposal explicitly encourages job creation for women.

### **Public Works Programmes (PWPs)**

Labour emphasises that the *types of infrastructure* and assets that are created should *benefit women* through meeting basic needs and improving infrastructure in ways that lessen the unpaid labour of women, for example, building of health centres, schools, childcare centres and housing as well as programmes to improve sanitation, electrification and roads.

Labour proposes to specifically target women for employment in PWPs. These can provide not only temporary employment, but also *training and experience* that can enable women to enter traditionally male-dominated fields and generally empower women with skills that they have been denied.

### **Youth brigades**

This is an innovative proposal to skill and empower the young unemployed for participation in the labour market.

Young working class black women face particular barriers to participation in the labour market and education.

In poorer families young women are



often discouraged from taking advantage of such opportunities because of household duties.

Youth brigades must be linked to education and skilling for women

### **Wage gap, training and quality of jobs**

Black women experience the worst forms of discrimination and disadvantage in the labour market and are concentrated in the most insecure low paid and vulnerable segments of the economy

The apartheid wage gap has a strong gender dimension that needs to be emphasised and consciously addressed

Labour proposes a massive expansion of training, which should help to empower women to enter new areas of the labour market

The proposal for job-sharing, the reduction of overtime, and the reduction in working hours, has special significance for women working in areas such as the service sector, which are characterised by long hours and low pay

### **Taxation**

Labour's proposal for more progressive taxation, in particular its VAT proposals, are important for women, since the regressive nature of VAT impacts most strongly at the level of the household where women bear the brunt of poverty

### **Industrial restructuring and sectoral summits**

These proposals are aimed at expanding employment in sectors, and preventing job shedding in other sectors, some of which are dominated by women, for example textiles and the service sector.

### **Public sector policies**

The state should be a model employer of women. Labour proposes a National

Framework Agreement for restructuring the public sector, including expanding it where this is necessary to achieve required levels of service delivery

Retrenchments mean job losses for women, but this is completely unacceptable when the services women are offering - for example teaching and nursing - are in short supply in the country

Procurement policies should have specific requirements in terms of targeted job creation for women and mechanisms to deal with their participation, for example childcare, parental rights, etc.

### **Informal sector**

Labour, together with the community, supports proposals for formalisation of the informal sector, including the extension of labour market protection and regulation. Access to productive resources for women, including land, natural resources, capital, credit, infrastructure, technology and skills is supported by labour

### **Stemming job losses in the economy**

This is a key labour proposal

The proposal for monitoring job losses is also aimed at scrutinising and reinterpreting employment and unemployment statistics - which currently tend to mask unemployment, underemployment, and casualisation - all prevalent amongst women

### **Social security network and income grants**

Labour's proposal on social security is critical in tackling the poverty and deprivation in our country, which women experience most intensely.

Basic income grants will reduce women's reliance on remittances ★



# Jobs Summit

**A**fter a year of preparations at Nedlac, the day of the Jobs Summit had finally dawned.

For those who know the view from the Nedlac offices, you can picture the scene: the sun slowly rising above the Johannesburg skyline to the east, the traffic starting to build up on the roads below. The negotiators leaving to take a shower and freshen up before heading off to Gallagher Estates, the scribes making a few final changes to the document. Another all-nighter, no one got much sleep in that last week. It all came together in the end.

The summit declaration covers a wide range of agreements, too wide to name all of them here. This article will focus on the agreements reached regarding the labour market and human resource development for job creation.

## Social plan

The Jobs Summit provided the opportunity to finally clinch agreement on the social plan, which is aimed at situations where there are large-scale retrenchments. This had been negotiated in Nedlac over a period of two years. The Department of Labour is to establish a Social Plan Technical Support Facility under the auspices of a Social Plan and Productivity Advisory Council.

This facility would be available to

companies and unions to help analyse the problem facing the sector or industry, and suggest solutions. It would also facilitate access to government assistance programmes.

The Department of Labour must be informed when the retrenchment involves more than 500 workers, or 10% of the workforce. It will then set up a retrenchment response team which will offer services such as information on UIF benefits, registration of workseekers, identifying employment opportunities, training and job-seeking skills.

It was also agreed that Nedlac parties should promote ongoing discussions between workers' representatives and employers about the future of their industries, and enterprises, and set up 'early warning systems' which could identify problems timeously. This would avoid the problem of trying to develop a social plan only after a retrenchment proposal had been tabled.

The plan proposes that workers' representatives and enterprises take a number of steps to help those people who are to be retrenched who would like to start their own businesses. These include helping employees to open bank accounts and approaching SMMC support agencies on behalf of employees

When a large-scale retrenchment affects a whole region or local economy, government has committed itself to providing support to communities that take the initiative to drive economic development in their areas.

The affected parties, employers and/or workers should inform the local or provincial government about forthcoming retrenchments. The Department of Provincial Affairs and Constitutional Development is tasked with providing a co-ordinating mechanism for communities seeking assistance in the context of large-scale retrenchments.

### Social security

The Jobs Summit declaration commits the parties to achieving the implementation of an effective, comprehensive social security system, aimed especially at those living in poverty and the unemployed.

### Education and training

Business, through the Business Trust, which was established in the run-up to the Jobs Summit, has committed itself to supporting programmes to improve school quality management, to reduce repeater rates and improve the managerial capacity in the further education and training college sector.

### Learnerships

Thousands of unemployed people in South Africa, especially school, college and university leavers, have been faced with a common response to job applications: 'experience required'.

Many of the submissions at the provincial hearings that were held a fortnight before the Jobs Summit suggested that some way should be found to provide workplace experience, whether it be in the form of an apprenticeship, or in return for

training opportunities.

Many people seemed to be unaware that the concept of learnerships has already been introduced in the Skills Development Act. According to the Act, learners will be paid a subsistence allowance, and will receive a combination of theoretical learning and workplace experience.

At the summit, the social partners committed themselves to the implementation of this programme. An average learnership will last for about a year, split between course work at a learning centre and workplace experience. The first sector to implement this will be Tourism and Hospitality industry.

### Youth

Unemployed youth will be targeted through a large-scale Youth Brigade Programme. These youth will be employed in public works and community service programmes, such as Working for Water, the Community Based Public Works Programme, the Clean and Green Living Campaign and the Campaign against HIV/AIDS. They will receive an allowance, as well as accredited education and training.

A Youth Brigades Steering Committee, constituted by government, will manage the programme.

Funding will be provided *via* existing programme funding, additional funding sourced by government, the Business Trust and the Labour Trust. The Community constituency within Nedlac will assist with the selection and recruitment of youth in the community.





## Women

The summit proposed a number of projects and programmes for the advancement of women. Some of the programmes agreed were:

- all Special Employment Programmes (such as Working for Water, Clean and Green living campaign) are to set a target whereby 60% of the salaries and wages are paid to women;
- the Department of Labour will launch a campaign to encourage women into all sectors of the economy;
- the National Skills Fund will be requested to give particular attention to the advancement of women in its expenditure programme;
- targets will be set whereby women are allocated 50% of mentorships and 50% of space in incubation projects in terms of the Jobs Summit agreement on SMMEs. This is to be achieved by the year 2005;
- the Department of Labour, trade unions and business will actively popularise and implement the Code of Good Practice on the Handling of Sexual Harassment cases;
- the Department of Welfare will develop a national plan for the provision and development of early childhood education and care for ages up to six.

## People with disabilities

Amongst other proposals, the parties agreed on the following guideline targets:

- 5% of all economic development investments by the public sector, SMME promotion, training, micro and industrial credit

resources be targeted to people with disabilities;

- 5% of all public sector procurement will go to businesses owned or controlled by people with disabilities, or to private companies that employ people with disabilities at a level of at least 5% of their workforce;
- 2% of the public sector workforce will be composed of people with disabilities.

It was agreed that an implementing task force would be created which would include all the relevant government departments and the Nedlac constituencies.

## Follow-up

In a way, the work has only just begun. Many of the proposals refer to structures that must be established in order to implement the agreements - for example, the Youth Brigades Steering Committee, the Business Trust and the task force on people with disabilities.

Labour will be organising a 'one day's output for jobs' campaign on 3 March 1999. A lot of effort and commitment is still going to be required from all the social partners in order to see through the agreements contained in the Jobs Summit declaration.

An Employment Cluster Committee will be set up at Cabinet level to ensure that government's employment strategy commitments are met, and to ensure the effective implementation of the overall commitment made at the summit. The Nedlac supervisory committee, which is chaired by the Minister of Trade and Industry Alec Ervin, and has senior representation from business, labour and the community, will meet to monitor implementation, and make recommendations to the President on the convening of the next summit.

# 1998 work programme review

Nedlac's work programme has been full and varied, covering issues as diverse as water legislation and education policy.

In the first half of the year there were successful negotiations on several pieces of legislation, whilst the second half was dominated by preparations for the Presidential Jobs Summit. Apart from chamber work, several Section 77 notices of protest action resulted in Nedlac considering retrenchments in the gold mining industry, privatisation of municipal services and education, amongst other issues.

## *Labour Market Chamber*

- ❑ The Skills Development Bill was agreed to in May. The Act was promulgated in October;
- ❑ the Employment Equity Bill negotiations proceeded fairly smoothly, despite some controversial aspects, large portions of the Bill did receive support from business, labour and community;
- ❑ codes of good practice on 'picketing', 'retrenchments' and the handling of sexual harassment cases were agreed;
- ❑ a report on the UIF Amendment Bill was completed;
- ❑ the remaining ILO core conventions were ratified;
- ❑ a number of demarcation applications were processed;
- ❑ Nedlac has become a forum for labour and business input on a number of SADC codes and protocols.

## *Development Chamber*

- ❑ A report on boosting delivery on low income housing was completed;
- ❑ negotiations on the National Water Bill were successfully completed;
- ❑ a memorandum on municipal service tariffs pricing policy was agreed.

- ❑ support to the Masakhane campaign continued. Nedlac assisted with a Women's Summit and a Youth Summit, as well as the Presidential Awards;
- ❑ a major project to establish a database on infrastructure delivery was begun.

## *Trade and Industry Chamber*

- ❑ The major success of the year was the negotiations on competition policy;
- ❑ the social plan was finalised;
- ❑ the second phase of the Workplace Challenge has launched;
- ❑ Nedlac has continued to provide a forum for South African trade negotiators to consult with business and labour on EU and SADC trade agreements;
- ❑ research reports on the plastics and petrochemicals sector, wool and mohair sector and the use of technology in business were completed;
- ❑ a workshop on Industrial Development Zones was held. Industrial policy also received significant attention;
- ❑ Environmental Management Bill negotiations were successfully completed;
- ❑ discussions on Energy Policy were held.

## *Public Finance and Monetary Policy Chamber*

Whilst there were no formal negotiations in the chamber, there were a number of useful briefing sessions on

- ❑ the budget and the Medium Term Expenditure Framework;
- ❑ fiscal policy;
- ❑ the independence of the Reserve Bank and monetary policy.

The chamber also produced a booklet on tax for the salaried worker, in conjunction with the South African Revenue Service.



## Lobbying bears fruit

The AIDS Law Project (ALP) has been lobbying for the inclusion of specific protection in the Employment Equity Act for job applicants and employees perceived to be living, or living with HIV/AIDS. We have also called for the specific prohibition of HIV testing (see 'Pre-employment HIV testing', *SA Labour Bulletin* vol 22 no 4, August 1998).

The Act has now passed into law. Discrimination on the grounds of 'HIV status' and a prohibition on HIV testing have been included in its provisions.

This victory is the first step in the long battle for employment equity for employees living with HIV/AIDS. It was achieved through the effort of AIDS service organisations, who were vigilant in submitting written submissions and making verbal submissions to the Parliamentary Portfolio Committee on Labour. The process has taught us a valuable lesson: democracy and lobbying do work.

The creation of the Employment Equity Alliance, representing over 30 NGOs, CBOs and civil society organisations, as well as support from certain religious groups provided the catalyst for the realisation of these gains.

The new Act will lend a useful lobbying hand to the pending equality legislation process co-ordinated by the Department of Justice and the Human Rights Commission.

by *Fatima Hassan*

---

The downside is that, like the LRA, the Employment Equity Act excludes the South Africa National Defence Force (SANDF), National Intelligence Agency and the Secret Service. Thus the SANDF has continued with its policy of testing all recruits for HIV, while other state organs put an end to this practice in March 1997.

### Protection

HIV is now included in the definitions section of the Act:

- 'Discrimination on the grounds of race, gender, pregnancy, marital status, sexual orientation...and HIV is prohibited' (Chapter 2, section 6)
- 'Testing of an employee to determine that employee's HIV status is prohibited unless such testing is determined to be justifiable by the Labour Court' (Chapter 2, section 7(2)).

If an employee alleges unfair discrimination on the basis of his/her HIV status (or any other grounds), the employer bears the onus of showing that the discrimination is 'fair'.

### Testing

'HIV testing' is specifically prohibited, and is dealt differently from non-HIV medical testing, which is also prohibited in the Act.

## Code of employment

During September 1997, the SADC Council of Ministers approved the 'HIV/AIDS Code on Employment'. Since then, Namibia and Zimbabwe have promulgated the code into their national labour legislation.

The code states that an employees' HIV status should not be a factor in job status, promotion or transfer, and that 'there should be no compulsory workplace testing for HIV'.

The Employment Equity Act provides for the creation of an Employment Equity Commission, to act as an advisory board (part time) to the Minister of Labour. It will consist of eight members of designated

employees, employers, government, labour and a chairperson. The commission is responsible for drafting Codes of Good Practice, advising the Minister on Regulations and Codes and for monitoring employment equity in South African workplaces.

Trade unions and AIDS service organisations must ensure that the Employment Equity Commission prioritises the adoption of this code. This is sensible for the following reasons:

- we will not have to draft a South African Code, thus avoiding a duplication of work,
- we will comply with our obligations as a SADC member state.

The legislature has made the prohibition on 'HIV testing' much clearer than previous versions of the Act. The exceptions to this prohibition are also now much narrower than the exceptions to the prohibition of non HIV testing.

Non HIV medical testing is prohibited unless:

- legislation permits it,
- it is justifiable on a number of grounds (medical facts, employment conditions, social policy, fair distribution of employee benefits, inherent requirements of the job).

HIV testing is only permitted if the labour court authorises such testing.

Any employer (public or private) who wishes to conduct pre-employment HIV testing, must first approach the Labour Court for permission. This protects all job applicants and all employees from unfair and routine pre-employment HIV testing, not only 'designated employees'. Similarly, the section that prohibits unfair discrimination on the grounds of 'HIV status' (section 6) is also applicable to all employers and all employees.

The issue of pre-employment HIV testing has finally been settled. AIDS service organisations and trade unions

now have a new role to play: to monitor and challenge employers who test for HIV without Labour Court approval.

Internationally, it is accepted that there are very few jobs - if any at all - that warrant HIV testing based on the 'inherent requirement of the job'. As far back as 1988, the World Health Organisation (WHO) and the ILO stated that 'pre-employment HIV/AIDS screening as part of the assessment of fitness to work is unnecessary and should not be required'.

Authorisation to conduct HIV testing has mainly been obtained for the military (for example, in the US and Australia). There are numerous countries, however, which have rejected HIV testing of military recruits (for example, Belgium and Canada).

If trade unions and service organisations are vigilant, it is unlikely that employers will succeed in obtaining authorisation to test employees for HIV. We have the perfect opportunity to involve ourselves in shaping our jurisprudence on HIV testing. We must not allow this opportunity to slip us by. ★

*Fatima Hassan is an attorney with the ALP. The ALP is based at the Centre for Applied Legal Studies (CALS) at Wits University.*

# 'We want a union'

*finding a home for domestic workers*

**A**t the end of 1996 the South African Domestic Workers' Union (SADWU) resolved to dissolve itself. The resolution, which was strongly supported by the COSATU office bearers, also stated that SADWU should be integrated into one of the federation's affiliates. In the long term, SADWU members should belong to the new COSATU service sector union.

SADWU members have yet to find a home in COSATU. They feel angry and betrayed. There is a feeling that COSATU is 'throwing us (the domestic workers) outside'. The Self-Employed Women's Union (SEWU), which is not affiliated to COSATU, decided at its September Conference to organise domestic workers. However, domestic workers still retain a strong loyalty to COSATU. They hope the federation will offer them the solidarity they so desperately need.

## **A 'viable' option?**

There is a view inside COSATU that a domestic workers' union is not a 'viable' option. Those who hold this view question whether such a union can be sustained in the long term, because of its dependence on outside resources, the geographical spread of workers and the actual experience of SADWU and its declining membership.

These views have encouraged COSATU to look elsewhere for solutions to the problems facing domestic workers. The

---

*Domestic workers have still not found a home in COSATU. Advice offices are being mooted as a way of catering for their needs. Rob Rees argues that, while these offices may perform a useful function, they should not be seen as a substitute for union organisation.*

---

focus has been on advice offices.

While advice offices can play an important role in providing domestic workers with legal assistance and education around their rights, they are unable to go beyond these roles. They face limitations when it comes to changing the law, as well as challenging the class, race and gender oppression that domestic workers face.

It is a political necessity, simply on the grounds of social justice, for COSATU to find an organisational home for domestic workers. Such a home should formally interact with advice offices. Sustainable resources, greater legislative protection for domestic workers and solidarity from COSATU will be required. The strengths and weaknesses of SADWU must be carefully assessed.



## Finding a home

All sections of the working class, whatever their problems and difficulties, need an organisational home that allows them to discuss and find solutions to their problems. Domestic workers in particular have a need for such organisation. They are the poorest of the poor workers. They work under appalling conditions for poverty wages (the overall median wage is R386 per month, 40% of which is payment in kind), largely in isolation from other workers. Their employers use the market, the threat of unemployment and the fact that their work is socially defined as unskilled and 'women's work' to maintain these conditions. Domestic workers are not covered by the Compensation for Occupational Injuries and Diseases Act (COIDA) or the UIF. Many employers simply ignore the provisions of the BCEA, which do apply to domestic workers.

Even amongst the organised working class, domestic workers have little social standing. 'When you look at other affiliates and even your friends, you feel embarrassed, you feel so small...to them, you are nothing, you are illiterate... if you want to add in a meeting, you put your hand up for such a long time, they will say "Oh, it's just SADWU", but they do not even know what you want to say.'

There are close to one million domestic workers in South Africa. This exceeds the number of workers in either agriculture or mining. The sector is overwhelmingly African and largely female. A third of all African women in South Africa are employed as domestic workers. A large and growing number of domestic workers are employed on a casual or part-time basis. In short, the sector represents the most challenging problems facing the union movement - gross class exploitation, widespread racism, the extreme oppression of women and an

isolated and increasingly casualised workforce.

## Problems

The problems domestic workers face can be grouped into three categories:

- *Dealing with violations of the laws that cover domestic workers.*  
Such issues include wage, overtime and retrenchment payments, sick and annual leave, unfair labour practices and dismissals and civil claims around assaults and injuries.
  - *Education, training and publicity* around the rights that domestic workers have and how these might be implemented. This could include training for transferable skills like literacy, numeracy and driving.
  - *Changing the law and bringing about recognition for the work and skills that domestic workers perform.* This might include recognition of prior learning, minimum wage legislation, workmen's compensation and UIF. It also includes more complicated social issues which entails challenging the undervaluing of women's work and the market, as well as the isolated structure of domestic workers' employment relationship.
- Are advice offices able to deal with these problems?

## Legal problems

Advice offices engage with problems after they have occurred. They deal mainly with individual workers and offer individual solutions based on existing legal rights and the extent to which these have been transgressed. They will be able to help with claims related to outstanding wages, overtime, retrenchment, annual and sick leave. However, advice offices are currently not able to represent workers in unfair labour practice cases at the CCMA.

This is likely to change in the future. The vast majority of complaints from domestic workers who go to advice offices and the Department of Labour (DOL) are dismissals and money outstanding.

The current work performed by the DOL is similar to that of advice offices. However, workers complain that one office sends them away and the other sends them in a different direction. Offices that serve domestic workers need to stay open during the inconvenient times that workers are 'off'. They also need to offer telephonic advice. They should be located close to where domestic workers work or at places they are able to conveniently travel to.

### Education and training

The National Community Based Paralegal Movement (NCBPM) has drawn together some 250 advice offices around the country. It has managed to secure modest funding from the Department of Justice. Around 40% of the advice offices' case load relates to labour issues. The offices also engage in some education and training around workers' legal rights. There is, however, no space for training around a broader political or organisational agenda. Unless there are adequate resources and/or direction from COSATU or an organisation of domestic workers, this situation is not likely to change much.

The DOL has participated in workshops on domestic workers' rights, often utilising the networks that still exist around the old SADWU. They have conducted radio broadcasts, which have brought to their attention the large number of domestic workers who are still unaware of their rights. Money has been made available for people or organisations willing to conduct training courses for domestic workers on their rights under the LRA and BCEA. The

Department also intends running a high profile advertising campaign around the employment contract it has devised for domestic workers. In the Western Cape, it has attempted to form a co-ordinating forum between institutions and bodies dealing with different aspects of the problems facing domestic workers. It is considering ways to develop better monitoring, certification criteria and the development of a code of conduct for institutions that supply domestic workers.

### Changing the law

Some advice offices have relations with unions, but these are often *ad hoc* and based on personal contacts. This weakens their potential to change the law and fight for social justice. Where advice offices do engage in campaigns, it is often on behalf of workers, rather than as a means to unite and empower workers to fight for change themselves. Advice offices are generally accountable to a management structure, which does not include representation from their client base.

The advice offices are also unable to take forward questions of generic skills training, issues around child-care and alternative employment options.

The advice offices clearly perform useful functions. They cater for the mainly unorganised from particularly marginal and vulnerable employment sectors. They offer individual workers the possibility of solving some of the problems they face, by making use of their legal rights. They offer some education around these rights. In a limited way, by making use of their national body, they could assist in lobbying for legal change. In the past, they have assisted in promoting a collective identity for domestic workers by referring them to SADWU and assisting the union with some of its casework. They could help the unions by, for example, sharing venues

## Limitations

By themselves, however, the advice offices cannot deal with a range of the most fundamental problems that domestic workers face, including the need to fight for an adequate minimum wage, extension of the UIF, retirement benefits and greater protection against dismissal. Their orientation towards individual problems means that the advice offices are inadequate vehicles to begin to deal with the social isolation of domestic workers, the demeaning nature of their work and the low value attached to it. This is not a legalistic function. It is first and foremost a political task, involving the construction of an organised home for domestic workers.

## Developing a model

There are four possible models for advice offices that would serve the needs of domestic workers.

- ***New advice offices for domestic workers, which are narrowly case orientated.***  
These offices would offer advice and assistance only, exclusively to domestic workers. The advantages are specialisation and ability to develop a deeper understanding of how to use the law to service domestic workers. The disadvantage is that this is all it does, given the inadequacies of the current legislation and the difficulties of enforcing the law.
- ***New advice offices with wider, more pro-active functions.***  
These offices would undertake a more activist role, including education/training and campaigning/organising. They might also house a wider range of functions, including generic skills training, social/cultural activities and job placement.



*Domestic workers are socially isolated.*

- ***Utilising existing advice office infrastructure, but expanding the activities.***

The existing advice office infrastructure can be strengthened through resources that allow for dedicated education/training as well as campaigning and organising domestic workers. The advantage of this model is that it makes use of an existing broad experience regarding the handling of cases, although the actual quality of specific offices would need further assessment. It assumes that the para-legals would be willing to co-operate and depends on COSATU's willingness to engage with them in an ongoing way. The federation's ability to do so would be strengthened if there was an organisational home for domestic workers inside COSATU.

□ **Using COSATU and affiliate infrastructure.**

This entails making space inside existing COSATU and affiliate offices. This would reduce rent and capital expenditure, but would require resources for advice, education/training and organising/campaigning. This has the tremendous advantage of providing the space for interaction between domestic workers and other organised workers. It is also something that domestic workers have been asking for. As a beginning, this could be located in offices linked to COSATU regions. It would require some head office co-ordination.

The beginnings of a solution must lie in the last model. This is what domestic workers want. This offers the most useful gains for the organised working class.

There is, however, no reason to leave it at this. The massive scale of the problems facing domestic workers requires that all of these options be explored. COSATU could make far better use of the existing advice offices, not only to the advantage of domestic workers, but for other vulnerable workers. A more formal and constructive relationship with the para-legal movement could be based on the offices referring

workers to the relevant trade union, the regular exchange of information on trends associated with largely unorganised workers and campaigns around common concerns.

All of these interventions will be strengthened if COSATU provides an organisational home to domestic workers. This would become the place to manage and direct other interactions, locating them in a wider strategic perspective.

### 'We want a union'

Organised domestic workers are not opposed to advice offices. What they are opposed to is advice offices as a substitute for a union.

Finding a 'viable' home for domestic workers is part of the ongoing demarcation process in COSATU. The federation needs to consider the impact an advice office initiative may have on future organisation. Most advice offices offer their services free of charge, as does the DOL. This may impact on the willingness of domestic workers to pay union subscriptions. This also depends, however, on the vibrancy and effectiveness of a future organisation.

To build a successful organisation of domestic workers requires:

- union resources (for example, organiser training, paid time-off, venues and transport);
- a legal framework that provides effective regulated protection (a minimum wage, UIF etc);
- solidarity from both unions and the progressive movement.

Providing resources will require adequate funding. In his submission to COSATU's September Commission, researcher, Jonathan Grossman, proposed two funding mechanisms:

- a levy on employers;
- a voluntary solidarity contribution from

### Who pays?

The advice offices are already receiving some financial assistance from the Department of Justice. They are currently lobbying for greater support. Support from COSATU could strengthen their hand in this regard. No-one has yet accessed the DOL money which is available to do LRA and BCEA education for domestic or farmworkers.

Through its Strengthening Civil Society Fund, the DOL is prepared to fund a pilot domestic worker service centre. The parameters of such a project need to be explored.



*Domestic workers' work is not highly valued.*

those COSATU members who are willing and able to afford it. It is also possible to get domestic workers to contribute a small amount towards their organisation. There are, however, problems with securing regular flows of income through stop orders. If domestic workers are to build their organisation, they must secure regular financial support.

### Labour pool

While there is a need to strengthen the legislative framework, enforcement will always be a problem. This will only be challenged through replacing the individual employment relationship in the home with a labour pool. Such a pool would both supply labour and ensure that the minimum or negotiated standards are met. It may be possible to institutionalise labour pools as a municipal service.

Finding a home for domestic workers inside a COSATU affiliate depends in part on funding from an external source. This could be an interim measure. Which affiliate workers find themselves in depends, in part,

on the long term perspective of transformation in this sector. If COSATU goes the route of developing a labour pool based in municipalities, domestic workers will fall logically under SAMWU. A pilot service in a municipality, funded by the DOL, would be the logical first step towards achieving this. ★

### References

- Buddender, D 1997 'Private community and domestic services', paper commissioned by the Department of Labour*  
*Buddender D 1997 'Domestic workers' CASF*  
*Grossman J 1995 'Casual labour: the ideology of the free market and the challenge to trade unions'*  
*Grossman J 1997 'Organising domestic workers: the challenges and some proposals', submission to the September Commission*  
*Kenny B 1995 'Report survey of advice offices' Industrial Aid Society for the Friedrich Ebert Stiftung*  
*Interviews were conducted with a variety of organisations and individuals*

---

*Rob Kees is a researcher at Naledi. The report on which this article is based was a request by COSATU to investigate the feasibility of advice offices*

## *Jubilee 2000*

**T**he approaching new millennium has thrown up two very different campaigns.

The first, which is probably the better known, is the 'Y2K' campaign. This stems from the belated realisation that many of the world's computers will fail to cope with the change in centuries. The boffins are predicting anything from credit-card confusion to plane crashes and 100-year overdue telephone bills.

A year or so after this problem was identified, governments and multi-nationals lumbered into action, deploying phalanxes of consultants and technicians to rewrite software, develop contingency plans and generally ensure that jet-setting and financial transactions continue.

### **Jubilee 2000**

It is hard to imagine the archetypal starving African child or the unemployed breadwinners in the *favelas* of Rio de Janeiro getting too excited at the knowledge that the rich and famous will be able to fly safely back from their first holiday of the new millennium; and that their plastic money will retain its consumerist currency.

The Jubilee 2000 campaign - we may call it 'J2K' for convenience - seeks to highlight the appalling consequences of the debt burden facing the countries of the South. It is now common knowledge that indebted countries spend more

*by Mike Potbier*

---

servicing their debt than they do on any other item; indeed, some of the poorest, such as Zambia and Mozambique, spend more on debt-servicing than they do on health and education combined.

J2K is based on the Old Testament notion of jubilee - once every 50 years land and property were to be returned to their original owners, debts set aside and a fresh start made in 'economic' relationships. In this way, the common good of the community was reasserted over the inequalities and concentrations of wealth that had occurred during the previous period.

A number of considerations have prompted the resurrection of the jubilee idea. It has long been clear that the South's debt is effectively not repayable. While no one knows how large a sum is actually involved, it is probably in the region of \$400-billion. Many of the poorest countries cannot even keep up with interest payments. There is no light at the end of the tunnel, only a future in which all foreign-exchange earnings, and more still, go to meeting the interest.

J2K argues that these countries are effectively bankrupt, and that they should be allowed to go into a form of liquidation, with a once-off, final payment to their creditors. It is worth bearing in mind that, crushing as

the interest on \$ 400-billion may be to the countries of the South, it is relatively small stuff to the economies of the North. The cancellation of the debt would be a minimal attempt by the North to make redress for centuries of exploitation of the South.

### Support

The campaign was first mooted by church leaders, Pope John Paul II in particular. It has been taken up with enthusiasm by NGOs and development agencies and by a few governments, mostly in the South.

The response so far from the major creditors, both governments and institutions, has, unsurprisingly, been muted. While some members of the G7 have acknowledged the underlying virtue of the campaign, their commitment to its ideals has not been anywhere near firm enough to override the intransigence of others, notably Germany and Japan, the two nations which gained most in 'no strings attached' aid 50 years ago.

### South Africa

South Africa's debt problem is unlike that of most other Southern countries. Financial sanctions severed the apartheid government's access to international loans, forcing it to turn to local sources. As a result, over 90% of government debt is owed to local banks, pension funds, insurers and the like.

This does not mean that the campaign is inappropriate in South Africa. Much of the current debt was built up by the



*Rev Charity Majiza, SACC General Secretary and Archbishop Hurley at the launch of Jubilee 2000 in South Africa*

## JUBILEE 2000 SOUTH AFRICA

previous government and used to shore up apartheid. Many of those who now benefit from the interest earned on the debt (through pension funds and other investments) are precisely those who benefited most under apartheid.

A cogent argument can be made, therefore, for a review of at least a large part of the repayment of our government debt.

The South African Jubilee 2000 campaign was launched at a conference in Cape Town in November. A national committee has been elected and a plan of action for 1999 and 2000 is in preparation. ★

*Mike Potlser is the research officer at the Catholic Parliamentary Office. For further information contact Molefe Tsele at the SACC (011) 833-1190 or Brian Asbley (021) 685-1565.*

# Labour research

*getting it done, getting it right*

**N**aledi and progressive labour policy researchers face a challenging task. We are expected to deliver sound, quality research, which is carried out in ways that are consistent with labour's political objectives. We are often confronted with strict time and budgetary constraints.

Quite frequently these goals can clash. Resolving tensions between them is difficult. Our research staff come from various traditions (including labour, community, or student organisations). Their background ensures that they have a high level of knowledge of labour, its problems, and how it operates as a movement. However, they have uneven research experience, and different perceptions of research methodologies.

Naledi decided to organise a formal research methods course for its researchers, which ran over six months. The course was also attended by union-based researchers, in line with our commitment to building capacity in the labour movement. It highlighted a number of fundamental issues about research that should be of interest to other organisations aligned to the labour movement, trade union-based researchers, as well as progressive research NGOs in general.

## Research and politics

There was universal agreement in our sessions that a large gap exists between

---

*Glenn Adler, Jeremy Daphne and Ravi Naidoo identify the challenges and point to some solutions to the issues facing progressive labour researchers.*

---

research conducted in political environments – such as labour-linked NGOs like Naledi – and in universities. The starting point of our research is fundamentally political: to contribute to changing society. It is therefore concerned with questions of power.

This principle allowed us to differentiate what we do from much of the work conducted by people in academic environments. We do not conduct research for its own sake, or for advancing the boundaries of knowledge in a particular discipline. Our work may have these outcomes, but they are not the reason why it is done.

While this principle was endorsed by all, it did not in itself answer a host of other questions.

What do we mean by research? What is good research? If we can answer this last question, how do we live up to our definition, given the practical constraints that face us? Finally, how do we conduct critical research while functioning under a pro-labour banner?





*Research must be consistent with labour's objectives.*

### Discovery and truth

We began with a stark contrast between 'policy' and 'academic' research based on a document that advanced a very traditional and 'scientific' approach to academic work. This document used a number of terms to describe academic research: objectivity, neutrality, reliability, universalism and honesty. This stimulated considerable debate, elements of which threaded its way into much of the course. Academic work claims to be neutral, for example, but in fact it carries explicit and implicit political agendas.

Through discussion we found some measure of agreement with even a very 'scientific' definition of academic research. We began to clarify what is different about our work.

Research is fundamentally a process of intellectual production in which we discover things we don't already know. There is, however, a paradox here: we can only identify things as new on the basis of what we already know.

What separates research from other

kinds of activities – belief or faith, personal opinion, propaganda, a position paper or even political argument – is that research puts us in a position to challenge our expectations, to rule some out as mistaken, or false, and some as true. To do so requires evidence: we have to confront our expectations and assumptions with some body of facts that can tell us broadly whether our guesses are right or wrong.

Research entails identifying what you want to know – a research question. This may be generated by our comrades in the labour movement, by government, or by ourselves as researchers. In generating the question we also state our expectations – our guesses – about the likely answers to this question.

Asking a clear research question is a difficult intellectual task. It demands that we can translate this question into a researchable project: that our questions are focused enough so that they can be answered. It demands that we know the range of methods that are available for answering our questions, which methods



*Naledi workshop, March 1998.*

are appropriate in a particular context, and how to use these methods. Finally, it requires that we are able to produce data that enables us to answer the question one way or another.

In short, research entails knowledge of a series of techniques and the rules that guide their use. The credibility of the research will be enhanced to the extent that these rules are followed and are seen to be followed, as they enable others to judge the rigour of the work.

### **Naledi research**

This approach to research helps us to differentiate different kinds of activities undertaken at Naledi. If our aim is to answer a researchable question, we can do so through a careful literature review: it may be that our question has been adequately answered by one or more authors. It may also be the case that we have to generate the data ourselves through some sort of original research project. In almost all cases we will combine both of these activities.

Either way, what we do differs from a simple accumulation of information. Our

purpose is to marshal the information to answer our research question. It also differs from a position paper, opinion or brief. As important as these may be, they usually do not entail the kinds of exercises identified here.

At a basic level there is little difference between what we do and what our colleagues in universities do.

Are we confronted with specific conditions in our context that do not confront other kinds of researchers?

### **Positionality**

Social research is never conducted in a vacuum. The researcher is engaged - consciously or otherwise - in a relationship with the people he/she is studying and those for whom the work is being done. This raises an issue that was discussed at length in our research course: positionality. Research concerns relations between human beings. It is, to a large extent, about power: the power of our claims as research 'experts' over people; the power of our clients over our agendas.

Where are we positioned? Our aim is to provide research that bolsters labour's

struggles. In our context, this really means bolstering COSATU's struggles. All our researchers have higher formal educational qualifications than most of those in whose name we conduct research. For most of us, English is our first language. This is not true of most of the labour movement. Furthermore, to the extent that we develop expertise as researchers, we become increasingly differentiated from our constituency.

These differences could have important implications that shape

- the questions we prioritise,
- the ways we might address them,
- the way we present our work.

They can also affect levels of trust and credibility.

There are two main - and clearly linked - problems of positionality that grow out of our relationship with a powerful workers' movement. The first is that our arguments may acquire increased weight by virtue of their status as 'research' and our position as 'experts'. The second is that our findings may meet with disapproval because they are unpopular.

Problems of positionality are inevitable in all research work, but they can be addressed. We need to ensure that the demographic composition of progressive labour researchers in South Africa becomes more like the constituency it serves in terms of class origins, gender and race.

It is important that individual researchers understand and acknowledge positionality, and that research organisations have well formulated mechanisms and approaches for managing such issues.

## Researching for labour

If our position is pro-labour, how much room is there to conduct research that is critical of labour?

What is our responsibility to ourselves as politically committed professionals and intellectuals and to our constituency if our research yields findings that run counter to the organisation's policies or the movement's orientations? What if our findings contradict our own positions? Should the researcher manipulate the research to bolster policy, or let the chips fall where they may, even if this means 'biting the hand that feeds us'? Or should we find diplomatic ways to state unpalatable truths?

Researchers must not be blindly obedient to the latest policies or avoid bringing difficult issues to light. If we do this, research findings will quickly lose credibility, even amongst our allies in the labour movement. On the other hand, findings could be ignored and our expertise not sought because they run counter to existing policy or powerful vested interests.

What is of paramount importance is the credibility of research processes and outcomes. While the political impact of the research will vary, the quality of the research must not.

A related challenge is Naledi's role in policy-making. Is our role to influence policy, or is it rather to assist COSATU to develop its own ideas, or is it both? Where does the policy research role end? A practical issue is the close links between policy research and negotiation processes. On occasion policy researchers have been drawn into negotiation structures such as at Nedlac. This can result in complications. A research organisation's operational scope needs to be clearly demarcated.

## Funders

Unlike many organisations, Naledi has not yet experienced pressure from funders. As our contract research increases and we

accept funding from new sources, funder pressure could become an issue. Will funders – private foundations, multi- or bi-lateral aid organisations, the South African state – attempt to exert control over what we research and how? Forms of control could well be attempted. While organisations must be scrupulously accountable financially to their funders, this should not influence the nature or quality of service to their constituencies. Organisational and political independence must be maintained, even if it means losing a funding opportunity.

### Balancing quality and time

In the initial sessions of our course, most Naledi staff shared a number of beliefs about how our research should be conducted. Many emphasised the importance of qualitative over quantitative research. All stressed the importance of participatory research methods. We are all committed to the principle of capacity building, empowering workers and union officials to take increasing control over the research agenda and the research itself.

There are constraints on our ability to achieve these aims. With policy work, time is a constant factor. Much of Naledi's work relates to short-term urgent requests. There is a constant tension between 'getting it done' and 'getting it right'.

The tension between our ideals and the time constraints imposed by our constituency is inescapable. It need not, however, mean that quality is fundamentally compromised. Work needs to be done on time, but it also needs to match an acceptable, not an ideal, standard. Balancing these goals means finding appropriate ways to shape our research designs to fit our circumstances, and finding a suitable mix between time and quality.

At the very least, it means airing these

issues on a regular basis. Such discussions will help us to identify collectively what we mean by 'acceptable quality'. They will help us find practical ways to learn from our experiences. They will also provide opportunities to induct new researchers into the opportunities and problems of working in our milieu.

Working under pressure will always be a dominant characteristic of policy research, and researchers need to adapt accordingly. This includes working faster and with greater rigour, and active networking. This in turn necessitates excellent project management skills.

We discussed being forthright in identifying the limits of the claims that can be made on the basis of our findings. This is standard practice in research, and – if the research has any merit at all – will build a reader's confidence in our results.

Most researchers were wary of spending large amounts of their time as managers of other researchers. One possible solution, which will bolster internal capacity, is to ensure that different kinds of research activities, including research management, are evenly distributed amongst staff. All staff should be involved in both short- and long-term research, particularly the latter where they can be doing work close to their interests and where they simultaneously develop their quantitative and qualitative research skills.

### Whose standards?

Research, we learned, always happens in a particular research community which defines acceptable norms and standards of research work. This community is defined by our constituency, by our funders, by ourselves, and by our colleagues in other research organisations. To some extent what constitutes research is what this community defines it to be. The

community may define

- what questions are worth answering,
- how the research should be conducted,
- the rules that will be used to judge the quality of the research,
- the ethics of our relationship with research subjects,
- matters of intellectual freedom and accountability

In an academic setting, this community is often well-defined. In scholarly research communities' norms and standards of research are subjects of considerable dispute. But scholarly communities also possess the means to address such disputes: formal research courses and a system of supervision (both of which induct a scholar into the practice of research), research oversight committees in departments and faculties, scholarly conferences and workshops where work is presented and subject to criticism, and the process of peer review for publication in journals and books.

For research NGOs like Naledi, there are fewer formal processes to discuss research norms and standards. The diverse and dispersed nature of NGO-based researchers tends to act as a barrier to sharing our research experiences and discussing common problems.

### Building a community

These problems are not unique to Naledi, and we cannot solve them on our own.

Training and ongoing skills development in research method are critical issues. We need to develop a broader progressive labour research community where those who daily address these issues can begin sharing their thoughts and developing common solutions. One step in this direction was



Researchers are often different from those they serve.

taken in June 1997, when Naledi hosted a workshop for researchers from labour-linked NGOs, unions and universities to discuss their research programmes. Vast and often heated disagreements on approaches to research emerged at the workshop. Participants concluded that there is a need for further meetings where they can raise principled and practical matters of common interest. Such a venture is crucial to building the research infrastructure that could begin to address collective norms and standards appropriate to our milieu. ★

*Glenn Adler and Jeremy Daphne were, until recently, senior researchers at Naledi who co-ordinated the research methods course. Ravi Naidoo is the director of Naledi. The course was taught by Deborah Posel of the Department of Sociology at Wits University.*



# Doing time

*working hours on the gold mines*

**W**orking hours in the gold industry are long and arduous. Section 9 of the Mines and Works Act of 1911 set maximum standard working hours for underground production workers at 48 hours per week. Various amendments have occurred to this section over the years, but the basic framework remains the same.

The other working time provisions in force until the BCEA comes into effect are:

- ❑ Underground travelling time of up to one hour per day. This is not counted as working time, and is unpaid.
- ❑ A limit of 60 hours per week for work related to accidents and emergencies, non-risk work underground, risk work on the surface, and work performed for the purposes of health and safety or transporting persons to and from working places underground.

There is no distinction between ordinary and overtime work in the regulations, nor any prescribed overtime rates. There is no statutory limit on daily shifts. As soon as the NUM was recognised, the Chamber of Mines demanded that it agree to exemption from the BCEA (1983) in return for signing the annual wage agreements.

Within this framework, which has now lasted 87 years, the traditional pattern was a six-day working week. Sundays were a day of rest for production workers, when routine maintenance and refitting was done by the engineering division.

*Rapid downscaling in the gold mining industry has forced the NUM to abandon its formal policy of a five-day, 40-hour week. Pete Lewis examines flexible working time arrangements on the mines.*

---

## Working for change

Representatives of the unrecognised Black Mineworkers' Union gave written testimony to the Lansdowne Commission hearings in the mid-1940s on conditions of work in the gold mining industry, emphasising the long working hours and the arduous life which they imposed on workers. They were ignored on every point and the result was the 1946 mineworkers' strike that was suppressed by force of arms by the state.

Throughout the 1960s and 1970s, the racially exclusive Mine Workers' Union (MWU) campaigned for a 40-hour week for its members, the 'union men' who supervised black mineworkers. After many rebuffs from the Chamber of Mines, the MWU balloted for a national strike in favour of the 40-hour week. The apartheid government appointed a commission of inquiry "into the possible introduction of

the five-day working week\* in the industry, under the leadership of Franzsen. The Commission sat for two years and published two reports (1977 and 1978), which argued that an 11-shift fortnight was as far as the industry could be expected to go to accommodate the aspirations of white mineworkers (and incidentally black mineworkers). However, employers should consider moving to a five-day working week in a seven-day mine week (ie, continuous operation, with a shift roster equivalent to a five-day week).

The Chamber exacted four concessions in return for the universal adoption of the 11-shift fortnight with a 48-hour week as the standard working time arrangement under the Mines and Works Act during the mid 1970s.

- Unpaid travelling time was increased from 30 minutes to one hour
- The statutory duty of MWU members (who had the racially exclusive right to blasting certificates) to carry out safety inspections of underground working places before the shift commenced was removed, allowing black workers to carry out these inspections. This allowed white mineworkers, travelling down in segregated cages, to arrive late on shift. Segregation in lift cages also ensured they left early. One of the pillars of job reservation underground was thus removed. The position of black 'team leaders', who are now recognised as the most important layer of line management underground, was enhanced
- Black workers gained an extra day off per fortnight, but they continued to work longer daily overall shifts than their white counterparts
- The Sunday night shift would start at 9pm instead of midnight, so that a full night shift could be worked before the Monday morning shift.

It was also agreed that the Minister of Mines would be empowered to allow Sunday production work on application from any particular mining company. This opened the door to Franzsen's recommendation that the mining industry consider moving towards the seven-day mine week - now known as full calendar operations (FULCO).

## FULCO

As the gold price soared in the 1980s to unprecedented heights, the number of marginal mines in South Africa shrank. Mine managers did not feel the necessity to use this clause. With the onset of the gold crisis in the 1990s, FULCO has become a major strategy, along with other flexible working time arrangements.

The crisis in the international gold industry was signalled by the long-term decline of the gold price from the late 1980s. In South Africa, this was overlaid by political transformation and the democratisation of labour legislation (the LRA, the Mines Health and Safety Act 1996) and structural adjustment policies which ushered in full-scale globalisation of the economy.

South African gold producers have reacted to these structural changes in many

### International comparison

The Franzsen Commission studied working hours internationally and concluded that in all western countries, the 40-hour week in underground mining had been achieved, or was in the process of being implemented by the mid-1970s. The Chamber of Mines has consistently asserted that this is irrelevant because the mines in South Africa are so much deeper. The employers argue that a 40-hour week is technically impossible, because of the long travelling time required to get underground.

ways, the most important of which are:

- develop hedging policies to raise the medium-term gold price;
- reorganise executive and financial structures to create flatter (and cheaper) management hierarchies;
- rationalise, downscale and accelerate internationalisation of production to decrease the working costs per ton of gold,
- institute labour productivity as the central pillar of all collective bargaining.

The traditional demand for a 40-hour, five-day week is becoming less and less relevant. Employers are pushing greater flexibility in working time arrangements in the form of FULCO, initially in the increasing number of marginal mines, but more recently as a generic approach to working time for the entire industry.

Flexible schedules, including FULCO, are not just a change in working hours arrangements, but a fundamental reorganisation of the labour process and life in a mine. These include changes in:

- labour organisation and the labour process to increase overall profitability;
- working hours and pay arrangements;
- collective bargaining, both in its impact on living standards for mineworkers, and in the level at which it takes place.

### Labour process

Under FULCO, production takes place every day of the year, with different shift teams using staggered cycles of on-duty and off-duty periods. The mine operates on public holidays and there is no shut down at year-end. Flexible working time arrangements reduce overtime. There is a more intense use of working time, stimulated by output-related pay systems and other labour process innovations.

These cycles are usually begun in one area of a mine and then rolled out to other areas if they prove successful

There are a variety of different FULCO schedules that have emerged, because the details were negotiated at mine, and not at Chamber level. The more marginal (or badly-managed) the mine, and the greater the threat of retrenchment, the more arduous has been the FULCO shift cycle for mineworkers, since less arduous cycles operate with higher labour costs.

The demand for a 40-hour week in the gold mines must be shaped to be relevant in the new 'flexible' working time arrangements. Reduced working hours will be achieved through:

- minimising the number of shifts worked in a any period (for example, 28 days);
- maximising the number of Saturdays and Sundays scheduled as off days for each team, and creating schedules that give each team the same number of Saturdays and Sundays off;
- keeping shift lengths at eight hours;
- maximising the labour complement per stope or development end to retain jobs;
- minimising the number of consecutive shifts required by each team;
- maximising the life-span of the mine.

Some examples: In the months after the national productivity agreement was signed by the unions and the Chamber of Mines in 1997, the NUM branches at Western Areas and Joel Mine (then part of JCI) pursued the concept of an 8-4 system (eight days on, four days off), as this approximated most closely an average 40-hour week (averaged over a four month period). At that time, Joel had been working a FULCO schedule of 12-4 (12 shifts on duty, then four off) since 1992/3, whereas Western Areas was still using the traditional 11-shift fortnight.

The 8-4 cycle was rejected by mine management, who claimed it would require a 50% increase in production staff, which would render production





*Working hours are becoming more flexible.*

unprofitable and shorten the life of the mine drastically.

The negotiations in 1997 at Joel Mine resulted in the adoption of the 9-3 system, which added some labour requirement, and reduced the number of consecutive shifts. Following this, Western Areas Mine also agreed on the 9-3 system. This system is not popular with underground workers, who regard the nine consecutive shifts as too taxing. Fatigue is said to set in seriously after the sixth shift. There are also problems with the weekend configuration.

Other FULCO systems present less problems. The Goldfields system (seven shifts on duty and one off, 7-1, 7-5) has much support from mineworkers, because the five-day break always includes a Saturday and Sunday, and is long enough to allow them to take part in community and family affairs. Non-FULCO systems, such as the 'long off', (in terms of which the mine operates four days less than for FULCO,

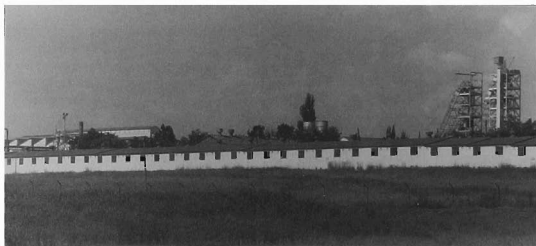
which allows more regular breaks to reduce fatigue build up and a long weekend including Saturday and Sunday every 28 days) present more opportunities.

In the context of a rapidly downscaling industry in an increasingly competitive and globalising market, NUM has had to abandon its formal policy of the five-day, 40-hour week. Instead, it has become involved in negotiating these flexible types of shift schedules.

### **Social existence**

At the single-sex hostel, Sundays, and Saturdays from the mid-1970s, were collective time when religion, sports, cultural activity, entertainment, drinking, family visits to townships off-mine, sexual relationships and entrepreneurial and economic activity could take place. It was also the time when trade union and political activity took place.

Flexible working time systems threaten to destroy this collective time. Housing



*Hostel conditions are still very poor.*

subsidies for off-mine housing are still very expensive for the vast majority of mine-workers, so there is no mass exodus from the hostels as yet. Other problems created by flexible working arrangements are:

- The taxi industry, which mineworkers rely on to travel to rural homes in off-days, is still geared to services operating at the weekends.
- Hostel conditions are still very poor in many mines. Up to 20 workers share one room. Sleep is disturbed when different teams are sleeping in the same room.
- Many mineworkers' children live in their rural districts and go to boarding school. Workers can only see them at weekends. They lose contact with their children if the off times are mid-week. Community functions (weddings, funerals) take place on weekends.

### **Collective bargaining**

Flexible working time arrangements have been negotiated entirely at mine level, in a climate of crisis and downscaling, when the ability of unions to resist employers' demands have been severely compromised.

Despite several efforts by the NUM to

negotiate an industry-level agreement on FULCO shift cycles, the parties remain very far apart on this issue. To date, there has been no Chamber-level agreement on minimum labour standards for flexible working time arrangements. Compare this to a two-year national inquiry with a tripartite agreement on the 11-shift fortnight in the mid-1970s. The 1997 National Wage and Productivity Agreement merely stated that FULCO or other flexible working time arrangements may be one of the issues discussed at mine level, as mines determine how they will meet their productivity target.

The Mines Inspectorate has not expressed any opinion on flexible working time arrangements, beyond requiring mine-level agreements from the unions to any application by employers for exemption to carry out routine production work on Sundays. Sunday work on mines is not prohibited in the new BCEA, so even this intervention will cease when the Act comes into force in December. After the 12-month grace period for compliance by the mining industry, the BCEA minimum standards will apply, but these will have little effect

on current flexible working time arrangements beyond requiring them to fall within the average 45 hour week, and the requirements for average weekly rest periods (minimum 60 hours per two weeks). This will eliminate the worst variants, but will not shape developments much beyond that.

The provisions allowing variation downwards by the Statutory Bargaining Council will apply; further weakening regulation of working time in the industry.

There is still a need for a 'best practice' flexible working time arrangement as a national standard for the industry, and this can only be negotiated in the Bargaining Council.

### Health and safety

The BCEA will require employers in the mining industry to arrange working time so as to operate in the interests of health and safety, and to take into account the family responsibilities of mineworkers. A code of practice to help employers comply with this general responsibility is currently going through Nedlac.

Mineworkers argue that flexible working time arrangements that require an increase in consecutive shifts (such as nine or even 12) before rest periods are too arduous in the underground environment, especially in the deeper, hot mines. They say that any more than six or seven consecutive shifts create serious problems of fatigue, heat stress build-up, and safety.

Mine technical departments argue that FULCO schedules in principle improve safety, because continuous operation reduces the stress in hanging walls underground. Falls of ground (by far the most common cause of fatal injury in gold mines) are less likely to occur.

Many mine-level agreements make provision for joint monitoring committees to solve problems related to the shift

arrangement, but there is little detailed information coming out of these committees on health and safety impacts. Small-scale investigations have been conducted using mine accident data. Preliminary findings are that accident rates in particular mines can increase when moving from the 11-shift system to a flexible or FULCO system. The severity of injuries from accidents has also increased in several cases.

The NUM is currently pursuing a proposal through the tripartite Safety in Mines Research Advisory Committee (SIMRAC) for a national research project to investigate the relationship between different flexible working time arrangements and injury rates and severity. This does not alter the need to negotiate a minimum standard for flexible working time arrangements.

### Whither the 40-hour week?

On the gold mines, the demand for the 40-hour week must be translated into a demand for acceptable continuous and other flexible working time arrangements. In the eventual legal environment of the BCEA, there will still be a need to negotiate limits to flexibility to protect mineworkers against dangerous and arduous shift schedules. Such negotiation can only take place at Bargaining Council level.

In the process of negotiating productivity agreements, the NUM is identifying those flexible working time arrangements which are acceptable. These experiences need to be brought to the national negotiating table so that national minimum standards can be set. ★

---

*Pete Lewis is a researcher with the Industrial Health Research Group (IHRG). This is an edited version of a report prepared for Naledi's 'Long term research project on hours of work in South Africa', which was co-designed with the IHRG.*

# Globalisation

## *can unions resist?*

**T**here has not been much effective resistance to the logic of global change for a long time. Most unions have instead searched for some form of constructive engagement, using the argument that they must change or die; become internationally competitive, or lose industries, jobs and destroy their national economy.

A new book written by American labour activist, K Moody, *Workers in a lean world*, points to the damaging impact of constructive engagement on the power and legitimacy of trade unions and the condition of the working class.

Moody argues that when unions support the logic of globalisation in the name of competitiveness, 'it is a dead end for workers and their unions'. An uncritical trade union engagement with globalisation has led the organised working class 'into a coma of co-operation' with its former enemies.

Many union leaders bought into business' new vision of a highly flexible workplace and labour market in the belief that jobs would be saved. They became associated with implementing 'new methods of work organisation' and the negative effects these have had on workers.

According to Moody, a central feature of these new policies has been the restructuring of workplaces on the basis

---

*'Constructive engagement' may be a dead end for workers and unions. Rob Lambert calls for effective resistance to globalisation.*

---

of Japanese lean production concepts. This has resulted in intensification of work and the rise of part-time and temporary employment in place of steady work. Despite promises that deeper world economic integration and regulation by market forces would eventually bring prosperity, the employment crisis has grown as the process of globalisation proceeded. The efficiency of the market or the competitiveness of business has run counter to the economic well-being of the vast majority.

The problem is that the world is not simply becoming economically integrated. The world is becoming more capitalist. Private corporations have become the major organisers of the world's economic activity. Corporations have sought competitive advantage through a continuous drive to reduce costs through lean production. The result has been work intensification, the extension of working hours, the reduction of conditions, the destruction of collectivism and the

promotion of individualised employment relationships. Outsourcing and the threat of outsourcing have become the basis of introducing competition between workers in different plants and exerting a constant pressure to reduce costs.

## Inequality

Another new book reflects this experience quite sharply. *The age of insecurity*, by Larry Elliot and Dan Atkinson argues that two decades of de-regulation, liberalisation and globalisation has created massive inequalities and a deep insecurity for working people.

The authors comment that for the fortunate elite, the past two decades have been exciting and brought enormous wealth. They contrast this affluence with rising unemployment and note 'You may have escaped these misfortunes, yet remain anxious and insecure. At work you are expected to work ever-lengthening hours, attend team building week-ends, allow psychometric testing to weed out "unhelpful attitudes" and co-operate with management consultants to eliminate your job. You are informed that the "job for life" culture is dead'.

Moody states that where unions become the agents of these changes they have been transformed into business unions. However, contradictions are emerging. The damage workers are suffering world wide as a result of constructive engagement is leading to a reassessment. A new form of unionism - global social movement unionism - will need to emerge if unions are to regain the initiative and assert a different logic that protects conditions and provides security and justice.

Three significant events in the Asia-Pacific region offer a glimmer of hope - global restructuring can be resisted. There are signs of an awakening from the long sleep of the past decade when unions

were swept along in the tidal wave of change. The Asian indicators of this change are found in Australia, South Korea and Indonesia.

## Resistance

The Australian government and employers stated quite publicly that trade unionism in Australia was a spent force. The carefully planned, frontal attack would therefore succeed. Global logic would be further fulfilled. But the attack failed because of legal miscalculations, the strength of the pickets, and the international response. The last two aspects show that there is a potential for global social movement unionism to grow and therefore for unions to shift from the constructive engagement of a global business unionism to this new approach.

Business unionism comes into being when unions prioritise a positive and active engagement in promoting the business strategy of companies and co-operating in corporate restructuring. Business unionism is characterised by a narrow workplace focus, the failure to engage community organisations and the absence of a vision of social transformation. Such a style is global when unions accept the logic of globalisation as a reason for their engagement.

Global social movement unionism arises when unions are conscious of the linkage between workplace, civil society, the state and global forces and develop a strategy to resist the damaging pressures of globalisation through creating a movement linking these spheres. Union leaders in South Africa who were active in the 1970s and 1980s are likely to have a deep understanding of this approach. They became conscious that the apartheid state could not be brought to its knees through a narrow workplace focus, no matter how militant that focus might have

been.

Unions found a way of linking into the social forces that were emerging outside of the workplace - the militant students and the communities who had taken to the streets in protest. Innovative structures linking these spheres were born. The driving force was a vision of social and political transformation. Co-operation with the apartheid powers and business powers was an unthinkable alternative.

The stage still has to be reached where co-operation with the present form of global restructuring is equally unthinkable. The challenge is how to build a global movement, capable of resisting such a powerful global logic.

### *Australia*

Details of the dockworkers' struggle in Australia is covered in *SA Labour Bulletin*, vol 22 no 4, August 1998.

The serious attack on the Maritime Union of Australia (MUA) resulted in a two-way movement. Citizens with democratic values were shocked by the attack and looked for ways to support the union struggle, while the MUA, with its back to the wall and fighting for its very existence, turned to the community. Mass support on the picket lines won the day. The issue now being debated is how to develop permanent structures with the community.

The MUA's long history of internationalism and work done by the Western Australian unions in forming strong regional linkages between unions served them well during the dispute. The prospects of global social movement unionism lie in its capacity to realise boycott action in shipping, airlines and communications systems. Global economic integration makes nations vulnerable to this form of action.

Success in applying this pressure depends very much on the progress

unions make in becoming global in a concrete, organisational sense. The international trigger can be pulled quickly only if union leaders and members in strategic sectors develop a deep and sophisticated internationalist culture.

Leadership and membership must take their understanding of their own struggles to other nations and help educate other unions and their members about these issues. This could be done through a rotating exchange of shopsteward-level leaders.

Unions could exchange cultural symbols like posters, banners and stickers. This would ensure that the grassroots is well prepared ahead of a crisis to implement boycott decisions. Boycott action has been successful where attention has been paid to the development of sectoral linkages between national unions across the globe and the development of an international class culture. So for example, longshoremen on the west coast of the United States and South African workers were at the forefront of the boycott movement when 2 000 waterfront workers in Australia were dismissed for being union members.

Global unionism assumes a social movement character because the radical step of boycott action cannot be taken unless the affected union is already engaged in national action that takes on a movement character.

This alternative style of unionism, which has already partly come into existence, will only consolidate if it is accompanied by a new class politics that attacks the legitimacy of the neo-liberal globalisation model which unions have adopted. This would involve renewing the sense of class interests in the globalisation process and a commitment to the politics of resisting the logic of global lean production.

The waterfront war in Australia has

advanced this new orientation. Every positive step forward contains complex and contradictory compromises. The final deal struck leaves the Australian docks unionised and has forced the labour hire companies to be dismantled. However, work rates are to be intensified and the workforce downsized in the cause of global 'best practice'.

### South Korea

In January 1997 the Korean Confederation of Trade Unions (KCTU) launched a nation wide general strike against the state's attempts to undermine employment security. Then again on 27 May 1998, the KCTU triggered a two-day general strike and threatened further general strikes in June unless the government repealed the Mass Dismissal Law and the Temporary Employment Agency Law.

Government introduced the two laws in February 1998. It used the economic crisis as an opportunity to assert that labour market flexibility and the capacity of companies to downsize was essential to South Korea's international competitiveness and capacity to recover economically. A central demand in the general strike was that these laws be repealed.

The KCTU leadership argued that the Temporary Employment Agency Law which permits the establishment of labour hire companies 'has opened the door to a widespread replacement of regular full-time workers with temporary workers'. As was the strategy with Patrick in Australia, this opens the way for the replacement of full time, unionised workers with non-union, contract workers.

The KCTU pointed out that some 45% of the employed population, that is, over six million workers, are engaged in various forms of irregular employment, such as



Cartoon: ILO © Doreen Wilson, Week 10/1

part time, short-term contingency work. In this context, International Monetary Fund (IMF) demands for labour market flexibility has serious consequences for those with permanent contracts.

Some 120 000 workers joined the general strike under the banner, 'No fight, no tomorrow'. In its strike manifesto, KCTU declared, 'Workers have shaken off the fear and the anxiety caused by the crisis. The government and big business, supported by the media who have become the mouthpiece of the rich, have exploited the good will of workers and ordinary people. We have risen as a legitimate and genuine force to design, build and shape our future.'

The Korean union leadership has displayed a remarkable self-confidence, independence and will to resist. Using research, they developed clear counter proposals to the IMF's plans for South Korea. Leadership called for a process of genuine negotiation that included organised labour, rather than the imposition of externally determined 'reforms'.

We see in this strategic positioning an important feature of social movement unionism – political vision and will to shape society as a whole.



Cartoon: ILRIG Global action Series No 1

*A long history of international solidarity.*

At the same time, genuine social movement unionism does not neglect the never-ending grind of workplace struggle, for they recognise that it is here that union power resides. It is from this base that power radiates outwards through strategic alliances with the community.

**Indonesia**

Since July 1997, the Indonesian economy has been in deep crisis. The rupiah has nose dived from 2 000 to the US dollar in August, to 4 500 in December, to 10 000 in June this year. This has hit business operations in Indonesia hard as many had borrowed heavily in US dollars on the international markets. The IMF has insisted that their foreign currency loans should not be guaranteed by the Indonesian government.

The per capita income of Indonesians, measured in US dollars has dropped by 60%. Ordinary Indonesians can no longer buy basic commodities as prices soar. The price of basic foodstuff and cooking oil has increased by 20%. The severity of this crisis can be placed in perspective when one

realises that prior to the crisis, some 60% of working people were earning wages below the minimum subsistence level.

Students led protests against Suharto's rule and his inability to manage the crisis. Repression was severe. Many disappeared. There were abductions by death squads. Despite the repression the protests continued and climaxed in early May when students occupied the 'parliament'. In the face of mass rioting of the urban poor, Suharto abdicated. The interim government has freed jailed trade unionists and workers have begun mass protests against their conditions. New unions have emerged as a result of interaction with student and environmental organisations.

The reaction of the interim government to union mobilisation and protest cannot be predicted. Independent unions could possibly flourish during this period. Much will depend on international links and external pressure applied to the government to free the remaining unionists and fulfil their promise to liberalise labour laws.



## Towards an alternative

There is never absolute finality to any struggle, only stages to pass through. Victory is not a word that should be used. Rather, the working class is making organisational gains in each of these struggles.

Unions are repositioning and making an independent assessment of globalisation. The shift from global business unionism is occurring. A key challenge now is to consolidate the alternative and deepen an independent position.

Essentially, this involves clarifying the class character of globalisation. The question is simple: who is winning and who is losing in this process of global change?

Of course, governments and business propagandise a different perspective – globalisation is in the interests of every citizen.

Until union leaders break free of this false nationalism, unions will hit a dead end. There has to be a turn from the

national competitive project to the project of a militant, working class internationalism that globalisation has made possible. The new momentum calls forth new strategic choices for unions. ★

## References

- Atkinson, Dan & Elliott, Larry* 1998. *The age of insecurity*. London: Verso.
- Australian Financial Review* 27/5/1998.
- Guardian Weekly* 21/6/98.
- Hyman, R.* *Imagined solidarities: Can trade unions resist globalisation? A copy can be obtained from Peter Waterman: email uwaterman@antenna.nl*
- KCTU communiqué* 25/5/98 entitled: *Stage is set for a historic encounter: KCTU calls for negotiations and a general strike!*
- Moody, K.* 1997. *Workers in a lean world: Unions in the international economy*. London: Verso.

*Rob Lambert is a South African sociologist who is working in Australia. He is a member of the Labour Bulletin editorial board.*

Keep  
up to date on

## LABOUR MATTERS

Wits Technikon's Law Department offers a one-year certificate in Labour Relations Law, comprising of three modules, namely Labour Law, Industrial Relations and Practical Labour Training.

The course is offered on a part-time basis only, costing R4350.00 plus registration fee. Applicable textbooks and hand-outs are included in the fee.

Entrance requirements are a senior certificate or equivalent qualification, or applicable work experience.

All applications will be considered on merit.

The certificate that provides practical  
up-to-date information  
on labour law and industrial relations issues  
presented by experts in the field!



**WITS TECHNIKON.** A balanced education that takes you places.

For more information contact: Dr L Truter or Mrs V Meers at Tel: (011) 406-3590 Fax: (011) 406-3771.

# Conflict partnership

*the German model of industrial relations*

South African trade unions have grown strong in their battle against apartheid. Today, new challenges have to be met. South African society is extremely fragmented. Building an efficient industrial and service economy will be a slower process than was initially expected. The new political and economic situation presents unions with opportunities and risks that cannot be properly evaluated at this point.

On the one hand, government and tripartite bodies like Nedlac offer channels of influence. On the other, participation in such bodies, especially in the context of the government's economic policy (GEAR) and the high unemployment rate, can cause tension between the union base and its union leadership.

An intensive debate is raging in South Africa as to how the relationship between integration and influence mobilisation ought to be structured in order to maintain the unions' strength under new conditions. The main fear is that union leadership will cease to be accountable to membership and that it will have a negligible influence on the transformation process. The unions must make a sustainable contribution towards the consolidation of democracy which corresponds to their own understanding of a social movement drawing a huge part of its identity from its struggle against apartheid. It must also secure its influence

---

*Wolfgang Schroeder argues that, if unions maintain their organisational strength and independence, social partnership need not mean the end for the labour movement.*

---

and authority in other social strata.

Social and economic policy-making pose their own contradictions: jobs and social benefits must be defended against government and employers, but the unions must also consider the long-term growth orientation of South Africa. This requires co-operation with government and business.

## Partnership

In his article on 'Social partnership: a dead end for labour', (*SA Labour Bulletin* vol 22 no 1, February 1998) Glenn Adler uses the German unions as an example. He claims that, in Germany and other parts of Europe, co-operation is no longer a way of transforming capitalism, but the actual purpose: 'The familiar institutions of European social democracy - co-determination, corporatism, the welfare state - became ends in themselves rather than means for transformation.'

## The German model

It is inadequate and misleading to reduce the German model to the ideology and practice of social partnership. German capitalism and the role of the unions can only be understood if the interrelation of ideas, interests and institutions is understood, and if the logic of this structure and its historical appearance are appreciated.

Social partnership and conflict are not opposites in Germany, but two sides of the same coin. This is why we speak about an institutionally integrated conflict-partnership in Germany.

## Structures

German capitalism is a nation-specific relationship between a growth model and a social project. It is characterised by a combination of extraordinary international competitiveness, comprehensive social security systems and high salary levels. Its institutional foundations were laid in imperial times, but it was only after 1945 that this model was built on a genuine democratic platform. Five structural dimensions are of crucial importance in understanding German capitalism:

- *Markets are not simply the results of a free play of forces.* They are politically instituted and regulated by society. In Germany, there is comparably low industrial concentration, with vast areas of social reproduction such as health care, education and social insurance not regulated through the market. Competitive markets do co-exist in the comprehensive social welfare state. The fact that the government expenditure as a proportion of Gross National Product in Germany currently ranges above 50% is an expression of the strong political regulation of the market.

- *Companies are not only private undertakings to increase the wealth of their owners.* They are also social institutions. The internal operation of companies is subjected to public interest. This is reflected in laws and wage agreements. In particular, big companies are incorporated in networks. They have to deal with highly organised capital and labour markets. They have to justify their actions in public. This means that decisions must be constantly negotiated.

Since German companies secure their financing less through their own capital than through long term bank loans, and since the banks are major shareholders, they have an important steering function. Not only are banks represented on the companies' boards of directors, but also the employees through their right of co-determination. Together with collective bargaining agreements and statutory regulations, co-determination supports an employment system that makes it more difficult for employers to dismiss employees.

- *The most important requirement of the political economy of German capitalism is its network-penetration.* Capital as well as labour has been organised to a wide extent. There is organisational co-operation between competing companies as well as conflict co-operation between capital and labour.
- *The German state is neither a 'laissez-faire' nor an interventionist state for political parties.* The voting system assures a high degree of continuity. State action is accompanied by independent institutions such as the Federal Bank or the Federal Cartel Office. Major conflict areas are left to the affected social actors to sort out. The most important field for such practice is wage policy;

where employers' organisations and unions negotiate independent of government. The state's primary function is to set the framework in which negotiations happen.

The German state is a federal system – what Josef Esser refers to as a 'fragmented but functionally networked negotiation state'. A balance must always be achieved between the various levels of the state.

- **German economic culture is tradition-linked in many areas.** An expression of this historical dimension, which guarantees a high degree of quality and continuity, is the system of social security and quality-related training systems. Both have their roots in the 19th century. Both are in need of reform today.

## Challenges

Out of a population of 81 million, about 5 million people are unemployed (this translates to an unemployment rate of about 11%). Social security systems and taxation are affected by this situation. Unemployment weakens the unions and the ability of the state's policy options. Competition ideologists are encouraged – solidarity policy is weakened. National seal-off tendencies can be observed, which also result in increased aggressiveness.

In Germany, 43 638 collective bargaining agreements are currently valid. About 60% of all businesses and 90% of all employees are covered by agreements. Collective bargaining agreement features are at the centre of the German model. They are negotiated between the employers' associations and the unions. Through these agreements, a higher level of equality has been created in Germany, as compared to most other Organisation for Economic Co-operation and Development (OECD) countries.

In the past years this system of wage policy has been under increasing pressure. Many employers want to abolish central bargaining and replace it with company agreements.

Some observers believe that the German model has reached its limits. There are others who claim that the highly flexible performance capacity of the German model can provide new answers.

The following are the challenges which employers and unions have to face at the moment:

- **Internationalisation**  
The fall of communism and globalisation have led to increased competition and increased opportunities for entrepreneurs. Options for investment outside Germany have increased. Within the framework of globalisation the relationship between the big and small industrial sector has been under considerable pressure. This is particularly visible in the relationship between final producers and suppliers. In addition, there is an ideological shift that perceives the impact of employers' associations and unions to have decreased.
- **Decentralisation**  
Technological change has led to far-reaching changes, which push established wage policy to the limit. Smaller businesses are the norm. Cost is being decentralised and cost-transparency centralised. Companies are no longer primarily interested in reducing competition between businesses through similar social conditions. It is more about company-specific solutions.
- **Individualism**  
The relationship between the works councils and the unions is also becoming more difficult. The number of 'classic' works council chairpersons,



Pic. Ch. 1987/15, New APF

VW factory at Wolfsburg, Germany

who have shaped events over the years and been linked with their union through many functions and offices, has decreased dramatically. Instead, the coalition between younger craftspeople and white-collar workers has gained increasing importance. Union influence is reduced not only because companies have other priorities, but also because white-collar workers are less prepared to associate themselves with the union. This makes it more difficult to set collective norms.

#### □ *German unity*

The enormous pressure on the German model can also be ascribed to the results of German unification. The transformation of the East German planned economy into a market economy along West German lines has run parallel with the world economic crises of the 1990s. So far, the former Federal Republic has invested about DM700-billion in social transfers just to stabilise the unification process.

The construction of a performing economy which is able to create adequate numbers of jobs, has not succeeded yet. With the collapse of the Soviet Union, the most important trading partner of the former GDR was lost. Despite massive investment in individual sectors, East German industry has not recovered. The average unemployment rate lies at 22%. Collective bargaining agreements are accepted much more rarely (10% of companies) than in West Germany (60% of companies).

#### □ *Weakening of collective actors*

Relatively strongly organised unions and employers' associations are the key factor for the stability of German capitalism. The erosion of classical industrial branches within big companies, the increasing number of employees, tendencies towards small business and individualism are a core challenge for the organisational capacity of the collective bargaining parties.

A look at the member unions of the German Union Confederation reveals a relatively high stability of members (see table).

The unions have so far not been in a position to incorporate the increasing number of employees and to enforce their influence in the new information and communication branches. However, the level of organisation has remained relatively stable.

A different picture is revealed when one looks at the employers' associations. Taking the metal and electronics industry as an example, in 1964 the degree of entrepreneurial organisation was 66%. In 1984 it stood at 56% and in 1994 at 43%. This decline continues.

### Union response

In order to re-achieve or continue the success of the German model – high employment levels, high and equal wage levels and comprehensive social security systems – trade unions cannot simply continue with the given structures and policy patterns. New forms of solidarity policy provide the basis for measures to facilitate sustainable relations between company level bargaining and collective

bargaining agreements. This will involve more competencies for the stakeholders in companies, new forms of co-determination at the workplace and solidarity work-policy.

Unless unions demonstrate a greater accountability to their members, especially the company representatives, sustainable mobilisation cannot be achieved. Such mobilisation is a pre-condition if the employers' associations are to maintain an interest in seeking negotiated solutions with the unions. From the perspective of area collective bargaining, the employers' associations represent the Achilles' heel of the German model of industrial relations. When companies are no longer prepared to transfer part of their decision-making to employers' associations, there will be no collective wage setting. Unions will have to mobilise their members to force employers' associations towards a negotiation policy that emphasises area agreements.

In view of the decentralisation challenges for companies, employers' associations favour a 'wild opening', where area wage policies will not apply. IG Metall, the largest German industrial

### Member development and level of organisation (in millions) in the German Trade Union Confederation

Year	Gainfully employed	Employed persons	Union Federation members	Unemployed persons	Organisation groups ad (%)
1965	26 887	21 756	6,754	0,85	30,9
1970	26 668	22 246	6,713	0,93	30,9
1975	26 110	22 467	7,365	1,005	33,1
1980	27 059	23 397	7,883	0,823	33,4
1985	26 593	23 559	7,719	2,152	32,9
1990	28 486	25 460	7,937	1,883	31,2
1991	36 563	33 139	11,600	2,602	35,6
1993	35 215	31 682	10,29	3,419	32,5
1995	34 831	31 209	9,355	3,612	30,0
1996	34 421	30 770	9,007	3,965	29,3

From 1991. All of Germany

Source: Statistical paperback edition (BMA) 1997; DGB, own calculations (BWP)

union (2.7 million members), is calling for controlled decentralisation of area agreements. The regulations on 'worst cases', were agreed on in 1993 after a two-week strike in East Germany. They allow economically weak companies to pay salaries below the collectively agreed level. The criteria for 'worst-case' solutions to be applied are avoiding insolvency, securing jobs, avoiding job reductions and improving the chances for rehabilitation. This procedure allows sector peculiarities to be taken into account, but maintains protection for workers and increases the chance of stabilising industrial relations in East Germany.

A further example of solidarity wage policy is the job-securing collective bargaining agreement that was concluded as an area collective bargaining agreement for the first time in 1991. This was initiated through the company bargaining agreement at VW (1993) which prevented the dismissal of 30 000 staff. It allows for a reduction in working time to 29 hours a week in the event of economic difficulties, in order to avoid retrenchments. In contrast with the 'worst-case' clause, consent between the bargaining parties is not required, only that of the works council. Currently, there is no clear perspective on how frequently and with what results this contract has been applied. Its regular promulgation suggests that it is a widely accepted instrument of crisis management.

### Training

The unions are also aware that, without increases in productivity and innovation, the high wage-structure of the German model cannot be sustained. This is why they are asking for accelerated vocational training and education for quantitatively changing forms of work. In order to develop perspectives in the regions and

areas being disadvantaged through structural change, unions co-operate with companies and national institutions.

### The state

Without the support of the state, there will be no sustainable stabilisation of the German model. This is why the unions favour a change of politics at government level. It would be the function of the state to re-organise the social security and taxation systems as a solidarity project, to practice interventionist industrial policy in co-operation with companies and unions and to develop framework agreements for wage policy reform.

### Independence

To pursue the interests of their members, unions must always be conflict orientated. The basis of a strong union is strong member organisation, which represents long term interests and which is in a position to institutionalise any gains made. Without institutionalisation, all successes are short lived. That is why there must be joint long-term targets with the state and the employers that can be clearly separated from the current divergence of interests.

To achieve their goals, union movements must remain independent of government and political parties. They can co-operate with the state and the employers, but co-operation should always allow participants to quit at any particular time. Unions must have a clear vision of their own targets and permanent communication with their members.

Social partnership does not mean the end of the labour movement. Rather, it could be a platform to move towards changing the *status quo*. ★

---

*Wolfgang Schroeder works for the Collective Bargaining Department at IG Metall, with responsibility for East Germany.*

# Union rights

## *the African situation*

**R**epression of trade union rights is nothing new. In Africa, political transformation has not always translated into freedom for workers to organise themselves.

While the International Confederation of Free Trade Unions' (ICFTU) 1998 Survey of Violations of Trade Union Rights covers the whole world, it notes that 'far too many countries in Africa continue to regard their union movements with suspicion and hostility'. Governments throughout Africa 'use or misuse the law' to suppress union rights. Others use more brutal methods.

Some of the SADC countries have extremely bad records when it comes to labour issues:

### **Angola**

The Angolan federation, CGSILA, alleges that its members were subject to intimidation and victimisation by the authorities during a strike in March. The CGSILA's general secretary's passport was withdrawn in the same month, in order to prevent him from attending a sub-regional union conference in Zimbabwe.

### **Benin**

A draft labour code that the unions participated in drafting has still not been adopted by the national assembly. The extremely broad definition of 'essential services' effectively bans the right to strike.

*An ICFTU report on trade union rights paints a dismal picture of the situation in Africa. Alfred Mafuleka provides the details.*

---

### **Botswana**

Elected union officials are not permitted to work full-time for their union. Public servants, including teachers, cannot form or join unions. Agricultural and domestic workers are not covered by the Trade Union Act. There has never been a legal strike in Botswana, because of the lengthy and complex pre-strike procedures that have to be followed. The Minister of Labour has to approve union affiliation to international confederations.

### **Cameroon**

Trade unions and professional associations have to register with the Minister of Territorial Administration. The government has refused to register the National Union of Teachers in Higher Education (SYNES) since 1991.

In 1997 the bank account of the CCTU national centre was blocked by the government. State-owned companies are obstructing the payment of stop-order dues to the CCTU. Trade unions are denied access to companies operating in the EPZs.



## Democratic Republic of Congo

The military ruler, Laurent Kabila, has ignored labour rules and regulations. A demonstration by civil servants demanding unpaid wages was brutally put down by police in January 1998.

## Egypt

Strikes are against the law. Strikers face a prison sentence of up to two years. A state of emergency has been in force since 1981. The state sets wages and terms of employment in the public sector after 'consultation' with unions, no negotiations take place.

## Ethiopia

In 1997 a leader of the Ethiopian Teachers' Association (ETA) was shot dead by police. His president remains in custody. Members of the ETA who have been taken into custody allege that they have been tortured in an attempt to get them to make incriminatory statements against their president.

Harassment of the ETA began in 1993. The government helped a breakaway group to register. It closed the ETA's bank account, collected union subscriptions and handed them over to the new group. A judge who ruled in favour of the ETA was dismissed by the government.

The vice-president of the Commercial and Technical Union, Mammo Bazasen Bahiru, fled the country after four attempts had been made on his life.

Workers in the public service are prohibited from joining trade unions.

## Gambia

The general secretary of the Gambian Workers' Confederation was arrested by the National Investigation Agency (NIA) on 10 April 1997 as he was about to board a flight abroad.



*Laurent Kabila in Zimbabwe, August 1998.*

Gambian civil servants may not join a union or go on strike.

## Ghana

A 1985 law which banned collective bargaining at the National Cocoa Board is still in force.

Lengthy pre-strike procedures have ensured that there has been no legal strike in Gambia since independence.

## Kenya

Public service employees may not join trade unions. The Kenyan Civil Servants' Union and the University Staff Union were deregistered by the government in 1989.

According to a 1965 law, the president of the country is empowered to remove from office the top three leaders of any union.

There are many reports of the violation of workers' rights in the EPZs.

## Lesotho

Civil servants cannot form or join a trade union. Strike procedures are so complicated that there has been no legal strike in the country since independence in 1966. While labour laws apply in the EPZs (known as 'industrial zones' in Lesotho) police stations placed at their entrance deny access to union organisers

Police have used violence against workers on several occasions. In September 1996, 15 construction workers were killed and scores wounded at the Butha Butha site of the Highlands Water Project.

## Liberia

There is no law to protect workers against discrimination and harassment by employers. When workers from the Japanese-owned Firestone company went on strike, the government called in security forces from the West African peacekeeping force. Six workers were shot and wounded.

Public service and agricultural workers may not form or join unions, or bargain collectively. The election of trade union officials is supervised by the government authorities.

## Libya

Independent trade unions are banned. The official trade union federation is controlled by the government and administered by the Peoples' Committees.

Public servants, agricultural workers and seafarers are not allowed to bargain collectively. The government must approve all other collective agreements.

There are no strikes in Libya. Public servants can be imprisoned or sent to forced-labour camps if they go on strike.

## Malawi

In April 1997 police unleashed dogs on

striking public servants. Strikers were beaten and tear gas was used to break up peaceful gatherings. Union leaders were arrested on false charges. The CSTU (the national union centre) general secretary and treasurer were arrested. Employers continue to resist unionisation.

## Mauritius

The police commissioner has the power to outlaw union gatherings. The government has the sole power to set wages in the state sector. Binding arbitration procedures and onerous pre-strike requirements make it impossible to have a legal strike. While labour laws apply in the EPZs, this is only on paper. Access to these zones is restricted. In the EPZs overtime and work on public holidays is compulsory.

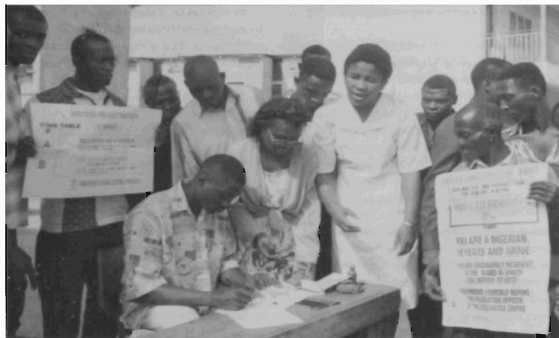
## Morocco

Employers are free to interfere with trade union rights, particularly through their promotion of sweetheart unions. They have the power to dismiss strikers at will and employ scabs. The police actively assist the employers by using violence against strikers. Trade unionists have been abducted and died at the hands of government agents. It is alleged that the government has a 'secret detention centre' where two trade unionists are being held. The one disappeared more than 34 years ago, the other in 1972.

## Nigeria

This country has been under military rule for a long time. Harsh laws are used to crush union organisation. Administrators appointed by the military rulers have been running the Nigerian Labour Congress (NLC) since 1994. There have been few changes after the death of Sani Abacha.

Strikes and the political situation which resulted in the cancellation of the 1993 election results saw union leaders banned



*Registering voters in Nigeria, October 1998*

from their own premises and union bank accounts frozen. The government issued orders banning the courts' jurisdiction over labour matters. Union leaders were detained without trial, family visits were severely restricted and medical attention withheld.

In 1996 three unions organising in the universities were banned and their assets confiscated. This ban has been lifted by the new government. In 1996 a law was passed requiring all unions to affiliate to the NLC. The government has decreed which international organisations the federation and its affiliates may join.

As a sign of changes, two leading trade union officials were released in June 1998, after spending a total of six years in jail.

### **Rwanda**

In the aftermath of the 1994 genocide in Rwanda, the trade union movement was able to engage in limited activities. Civil servants are not allowed to strike. The

ICFTU reports that the country has 'no institutional mechanisms to promote collective bargaining and there are no collective agreements'. Trade unions complain of wide scale harassment by employers and obstruction of union activities, with no resource.

### **Swaziland**

Trade union officials can be fined or a severe prison term given if they call workers out on strike. The attorney-general has the power to suspend a strike.

The Minister of Labour has the sole right to define essential service and may ban strikes on the basis that they are against the 'national interest'. The Commissioner of Labour can suspend an organisation or a federation. Trade union officials may not hold office in a political party. Sympathy or secondary strikes and pickets are prohibited. Permission must be obtained for certain meetings and public gatherings. Political parties were banned.

and the constitution suspended by a 1973 Decree.

Members of the Swaziland Federation of Trade Unions (SFTU) have been banned, arrested and killed.

As this article was being written, the results of the postponed general elections in Swaziland were being announced. The trade union movement was generally very critical of the election process. It urged its members to boycott it.

## Zimbabwe

Zimbabwe's constitution prohibits public servants, nurses and teachers from forming or joining unions. It also determines their conditions of employment. The associations they are allowed to join cannot bargain collectively, or strike.

The 1985 Labour Relations Act created workers' committees to negotiate with management on a range of plant issues, excluding wages. Works Councils negotiate collective agreements. They can override industry-wide agreements reached between employers and trade unions.

The government reserves the right to veto any agreement it considers to be 'harmful to the economy'.

Foremen and managers are excluded from union membership.

The Minister of Labour can set the level of union subscriptions. Union money may not be used for political purposes.

A 1994 law exempted the EPZs from the normal labour regulations.

Major shortcomings in the law make it possible for employers to dismiss workers without giving reasons.

In August, 13 000 clothing workers went on strike after wage negotiations broke down. It is alleged that the government intervened and allowed employers to fire workers. About 1 000 were immediately taken back on short-

term contracts of three months. They had to sign an undertaking never to go on strike again. The president of the national clothing union was among those not re-hired.

Zimbabwe is the only SADC member that has not ratified a single ILO convention.

It is clear that Africa has a long way to go before worker rights, which are recognised all over the world, are applied.

In almost every country in Africa, governments are either regulating the internal affairs of the trade unions, appointing their officials, or collaborating with employers to suppress worker rights. Strikes and demonstrations are banned, union leaders detained without charge and others are killed.

Prohibiting public sector workers from joining unions is a common trend. The definition of essential services is used to deny these workers their right to strike.

The vulnerability of workers in the EPZs is another trend. The majority of these workers are women. They work long hours for very little pay.

Two countries in the sub-Saharan region have been omitted from the ICFTU survey - Mozambique and South Africa. South Africa has ratified most of the ILO conventions. The 1990 Mozambique constitution guarantees workers' rights, abolished forced labour and gives all employees the freedom to organise. While the right to strike is limited, lock-outs are outlawed.

Trade union rights are human rights. Without these rights, workers will never be able to claim their fair share of the fruits of their labour. ★

*Alfred Mufuleka is a researcher at the Trade Union Research Project (TURP)*

## *Victory for Zimbabwean workers?*

**O**n 1 September the Zimbabwe government bowed to trade union demands to scrap a range of taxes and levies. This humiliating concession, a victory for labour over a government with whom it has constantly been at loggerheads, was a last minute bid to avert a five-day stayaway scheduled for the following week.

In terms of the tripartite agreement signed by business, labour and the state, government will withdraw a 2.5% increase in sales tax, scrap a 5% 'development levy', and consider the removal of a 15% tax on pension profits. It is less amenable to the Zimbabwe Congress of Trade Union's (ZCTU)'s suggestions that the 55 member ministerial team be cut to 15 posts, and that the country withdraw from the conflict in the Democratic Republic of Congo.

The government's climb-down followed a year of confrontation between the Mugabe regime and the ZCTU (see 'This is class warfare', *SA Labour Bulletin*, vol 22 no 5, October 1998). The retreat is an indication of the growing might and militancy of the Zimbabwean workers' movement.

### **Conflict**

Further conflict between the two players seems, however, almost inevitable. Since November 1997, the Zimbabwean dollar has lost up to 50% of its value against major currencies. Combined with an

*by Lucien van der Walt*

average inflation rate of more than 30% this year, and interest rates of 40-plus%, the corporations' costs of production are rising. Both parastatals and private business are seeking to raise their prices. The Zimbabwe Electricity Supply Authority, which has had to spend an unbudgeted Z\$1, 4-million to pay for power (40% of which is imported), wants to increase electricity tariffs by 36%. Petrol prices have risen by 20% and large scale maize millers have threatened to halt production entirely if they are obliged to continue producing at unprofitable prices. The price of essential drugs has doubled.

Price increases are precisely what the Mugabe regime is most anxious to avoid. Sharp increases in the price of basic goods in January 1998 led to three days of food riots, in which eight people died after troops were deployed. A Zimbabwean industrialist interviewed in *The Financial Gazette* in September argued that sudden and dramatic price increases would provoke 'revolution'.

After the food riots, business and government began to informally consult one another about proposed price changes. In July, the government gazetted a maximum price for maize. Price controls were phased out as part of the neo-liberal

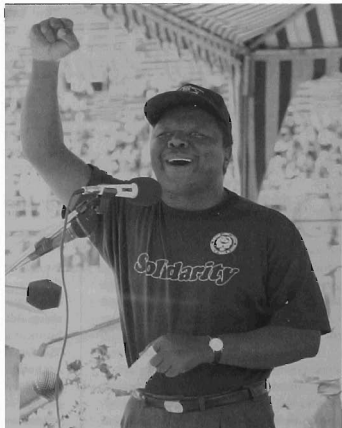
Economic Structural Adjustment Programme (ESAP) adopted by the government in 1991.

Clearly, government cannot indefinitely postpone price increases, particularly given its commitment to ESAP. Instead, it has begun to try and phase these in. In August, electricity tariff increases were announced. At the end of September, food prices increased by 20%. These were, however, halted in the face of a threatened ZCTU stayaway. At some point, there will have to be a reckoning on this issue. The outcome will indicate which class forces, and class interests, will prevail in Zimbabwean society.

### Corporatism?

A final development worth noting is that the ZCTU has now agreed to participate in a government-led economic think tank set up to find solutions to the country's severe economic problems. Labour has also been invited to participate in a constitutional reform 'task force'.

The unions had previously boycotted the state-created National Economic Consultative Forum (NECF) as a 'toothless talk shop'. The full implications of involvement in the NECF are as yet unclear. The purpose of participation is to find 'solutions' to rising prices, inflation, interest rates, economic crisis and mass unemployment. There is a very real danger that the ZCTU leadership may end up committing itself to the sorts of ESAP reforms whose impact on its constituency



ZCTU leader, Morgan Tsvangirai.

the ZCTU had previously opposed.

Whether government itself is seriously committed to consultation with labour, remains to be seen. It is possible that the invitation to Labour to join the NECF may prove to be less of an olive branch than a branch coated with lime to trap prey. ★

### References

- Van der Walt, L. 1998. 'This is class Warfare': the struggle for democracy in Zimbabwe'  
*SA Labour Bulletin*, vol 22 no 5  
*The Financial Gazette (Zimbabwe)*  
*The Zimbabwe Standard*  
*The Zimbabwe Independent*

---

Lucien van der Walt teaches at the Department of Sociology at Wits University.

# Productivity and employment

By Dr Lalitha Yadavalli – Productivity Advisor, NPI

Improvements in productivity can result in a reduction in employment in one part of the production chain. But improved productivity is necessary if real wages and profits are to be increased.

Higher wages and profit lead to the creation of employment in the firm itself, in its suppliers, by increasing demand and by creating wealth to pay for employment-intensive services, which are needed in the future in health, education, leisure and care for the sick and elderly (*Green Paper of the European Commission Partnership for a New Organisation of Work.*)

According to the Productivity Committee of the European Productivity Agency, mind-set is the most fundamental factor in achieving productivity growth. Productivity is defined as an attitude of mind that strives for and achieves the habit for improvement as well as the systems and the sets of practices that translate that attitude into action. This should be done

- in and by ourselves, constantly upgrading our knowledge, skills, discipline and individual efforts and team work, and
- in our work through better management and work methods, cost reduction, timeliness, better systems and better technology in order to achieve high-quality products and services, a bigger market share and a higher standard of living.

Productivity management involves the management of change in attitudes,

values, knowledge, skills and technology. Growth in employment opportunities is positively correlated with GDP per capita and sustained economic growth.

In 1997, the lowest unemployment rates were in eight East Asian economies. Unemployment declined slightly in 1997 in the Organisation for Economic Co-operation and Development (OECD) area, to an average 7.2% of the labour force.

## Employment and output

Countries with high employment growth were the ones where output grew strongly. The total productivity of a country may rise even when there is unemployment by eliminating low-productivity jobs.

Labour-intensive low-skilled sectors do not improve productivity and income. Computer software and data processing seem to be the job-generating sectors of the future (as India has shown). Youth face a higher risk of unemployment than the mature labour force.

Compared to an economy that is able to adapt quickly to changing circumstances, an inflexible one could display higher unemployment for a longer time. As long as real wages fully adjust to changes in labour productivity, employers may not want to employ more workers.

## South Africa

According to the 'expanded definition' (which includes discouraged workers),

unemployment in South Africa stands at 29,3% (4 204 million), and according to the strict definition (people 15 years and older who are not employed but are available for work, and who have taken specific steps to seek employment in the four weeks prior to a given point in time) unemployment stands at 16,5% (1 999 million).

Whatever the definition of unemployment, the long-term labour absorption capacity of the economy has to be improved by expanding formal sector employment through the promotion of higher value added and improving access for small businesses to economic opportunities.

The demands for labour may be increased through special employment programmes such as the Municipal Infrastructure Programme, Working for Water, the Clean Cities campaign, community-based public works programmes, and the Land Care campaign.

More competitive methods in the private sector will also preserve jobs. This involves a shift to higher value added, more competitive product niches and more competitive methods of work organisation.

South Africa's employment strategy will focus on strengthening the employability of labour through:

- education, training and skills strategies;
- geographic and occupational mobility;
- greater adaptability to changing circumstances;
- reduced occupational discrimination;
- reducing direct and indirect discrimination against women in the labour market;
- promoting youth employment and skills development;
- development of the disabled,

- improved public service delivery;
- improving the investment environment by reducing uncertainty due to crime;
- community-based public works programmes in rural areas;
- promoting tourism, which has a great potential to create jobs;
- promoting the information technology sector;
- expanding SMMEs;
- active labour market policies and a social plan.

Productivity is a crucial factor in measuring competitiveness. A skilled labour force, the attitude of the workforce, and expectations of the quality of life affect the competitiveness of a country.

The Human Development Index combines economic, social and educational indicators. The South African economy is ranked 45th in terms of social values that do not support competitiveness. Compared to 174 countries, South Africa ranked 90th in terms of human development.

The labour market in South Africa is characterised by high unemployment, a drop in the labour absorption rate and a growing informal sector. As far as labour productivity is concerned, the problems are not merely lack of training and handling the first generation of workers. They also arise from poor worker motivation, work ethics, and inadequate managerial leadership.

Special efforts must be devoted to those with insufficient skills and poor learning capabilities.

People value their work for many reasons beyond income. Work allows them to make a productive contribution to society and to exercise their skills and creativity. It brings recognition that fosters self-respect and dignity (*Human Development Report 1996*).



## Unionism of the heart

**I** was born on 15 July 1913 in Bulwer, close to Pietermaritzburg in Kwazulu-Natal. I am the sixth of seven brothers. I went to school at the Roman-Catholic church until standard five. I did my standard six and seven in Ixopo. After that, I went to Maranhill as a carpenter and bricklayer. In 1959 I started ministry school.

I worked as a clerk on the mines for eight months. I moved to the East Rand in 1963 because I was a soccer player. I played soccer for Katlehong City and worked as a carpenter at the Germiston municipality.

I now stay in Katlehong. I have a wife and four kids. They call me Baba ka Thulani, because my son's name is Thulani. My one daughter passed away after the 1994 elections. Her children stay with me and my family. My son is working in engineering in Alrode. The youngest sister was studying design, but her school closed down.

### MAWU

I was dismissed by the Germiston municipality because I questioned everything. At the end of 1965, I started working at Lightmaster. The workers called the general manager *njandene* (dog in isiZulu) because of the things he did to the people. I had heard about a union called MAWU (Metal and Allied Workers' Union) operating in Pietermaritzburg. One

---

*Richard Ntuli, NUMSA organiser for the Wits East region, talks to Etienne Vlok and William Matlala.*

---

of my cousins was involved in the 1973 strikes. I told the workers about this union that can bring us together.

Management imposed the so-called 'working committees' at the time. We refused to participate, because we wanted real representation. We got Moses Mayekiso and Bernie Fanaroff from MAWU to explain about unions. I took the platform and said to the workers that we must join the union. We got enough workers to join and, with Moses, wrote a letter of introduction of the union to the management.

We had a strike in about 1981 or 1982 because of wages. We were earning R2,50 per hour. It was big money then. They threatened us with dismissal. I told them that it was not a problem and that they should prepare our money. While they were gone, I told the workers that we should go back to work to see what management would do. When they came back, they saw us working. They said that this was nonsense, and that we must go. I asked them whether they were dismissing us now and told them that we were there.



to work. At five o'clock they were standing at the gate and gave envelopes to those whom they had identified as troublemakers. They dismissed them. Bernie and Mayekiso wrote letters to management. We won the case in the end and all the workers were reinstated.

At Lightmaster we organised 279 of the 285 workers. The other six were supervisors. I started working as a full-time shopsteward. At the end of 1983 we asked for an increase. We went on strike for six days. At the end of the six days they locked us out. The case took three or four years to be resolved but we won it. They did not employ us shopstewards again and gave us R65 000 to divide among all of us.

### **Iscor**

I was then the Transvaal chairperson and national treasurer of MAWU. Because they dismissed me, everything fell away. MAWU instructed me to take a job at Iscor at KwaMasiza. After a while I wrote to Iscor and introduced MAWU. They refused to let

us organise there but I said to them that we had a right to talk to the people. Management said that I needed to get a third of the 29 000 workers of which 17 000 were blacks. I brought together all the indunas and supervisors at the hostels and bought beers for them. I gave each person a MAWU registration form and another copy for their friend also. I told them to meet me again in two days with their friends. Two days later, I gave everyone another form to give to their friends. I managed to come back with 8 500 stop orders.

MAWU started organising in Wadeville. Johnson Manje and I targeted the big factories and moved from one to another to organise the workers. Bernie and Mayekiso were so good with planning and organising. They gave us good strategies on how to organise, which we used very successfully.

### **Change**

At that time, things were not as easy as today. We struggled to get management to

agree with us. When you introduced the union, management refused and said that they wanted an agreement first. This would take two or three years, because we would not agree on many things.

Nowadays, shop stewards and organisers can tell you about the LRA, but they cannot use it against the employers. In the past we had strategies to put the employers under pressure. Now shop stewards and organisers are always under pressure. I do not know why, but it is happening. They cannot even defend a guy who has been dismissed.

Management is different from what they were in the 1970s and 1980s. Then they were still in the old regime and their thinking was also in the old regime. They did not allow full time shop stewards and were not prepared to listen. Now there is a chance of talking to them and to come up with ideas. The language of today compared to then is not the same. Management would insult us and not listen to us, and we would insult them. If you were to do that now you would look stupid. Only the motor employers are not prepared to change. I saw in the strike of September that they are still far behind. It is a new thing for them to have a strike. At the end of the day, they will change.

## Jobs

Government says to us that there are no jobs. They want to cut workers' wages to create jobs. But if they want us to build up the economy, they must pay more. Then everybody will have enough money and will be able to buy. They will buy a car and then they will need tyres, oil and petrol. This way, everyone will be working. The person will then move from a small house to a big house. They will want to change the bedrooms and this will create more jobs. If you get a small wage, what can you do with it? You can just buy

mealie meal and wonder how you will survive the rest of the month. Is that going to make the economy grow? Higher wages are going to make the economy grow.

This language of saying half a bread is better than a whole one is *sommer* (just) nonsense. If you have half a bread today, you can eat now, but what about tomorrow? It is out for unions to say that our people should not strike because it will cripple the economy. Let the people pay, and then the economy will grow. They say that labour costs a lot of money, but how much do workers get? Some people get very high salaries while others get only R6 per hour. To lift up the economy, the business people must be prepared to pay. This will boost their businesses.

## Family life

My wife was so good to me during the bad days. When I was gone for two or three weeks, she understood and supported me. In my family, my wife is number one. Even my kids supported me. My son helped me in 1993 and 1994 when we were trying to bring peace to the East Rand. I brought together the IFP, the ANC and the businesses. We cleaned up the townships, section by section. In the early 1990s when the taxi wars started, I helped there too. Now Katorus is quiet.

## Gold

Harry Gwala was my teacher at school when I was in standard six. He told us about unions. I questioned him on it. He said it was when you get together and become one. Being in a union is wonderful. When I was young, I was not talkative. Now, after 25 years in the union I am talkative. To me it was worth gold being in the union. I have it in my mind and in my heart. I am always planning how to bring people together. ★

## ***glossary***

---

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
Exco	Executive Committee
FEDUSA	Federation of Unions of South Africa
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
LRA	Labour Relations Act
MEC	Member of the Executive Committee
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
SADC	South African Development Community

SMME	Small, Medium and Micro Enterprise
TBVC	Transkei Bophuthatswana Venda Ciskei
UIF	Unemployment Insurance Fund
WTO	World Trade Organisation

### **COSATU-affiliated unions**

CAWU	Construction and Allied Workers' Union
CWTU	Chemical Workers' Industrial Union
CWU	Communication Workers' Union
FAWU	Food and Allied Workers' Union
IPS	Institute of Public Servants
NEHAWU	National Education, Health and Allied Workers' Union
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
POPCRU	Police and Prisons Civil Rights Union
PPWAWU	Paper, Printing, Wood and Allied Workers' Union
SAAPAWU	South African Agricultural, Plantation 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
SARITWU	South African Railways and Harbour Workers' Union
SASBO	The Finance Union
TGWU	Transport and General Workers' Union

# **Calling all South Africans to donate their salaries on 3 March 1999**

**As organised labour we know better than anyone else, the devastating effects the country's high unemployment level is having on our people. In a country where inequalities are extremely wide and where poverty is rife, our main priority must surely be to create and save jobs.**

**It is in this light that COSATU, NACTU and FEDUSA pledge to mobilise all our members to donate their salary on 3 March 1999 to an employment creation fund. This is not an easy sacrifice, since many workers earn very low salaries, some below R400 a month.**

**However, organised labour is committed to building this country and eradicating poverty and unemployment. The working class has a history of great sacrifice in this country, and once again we will demonstrate our commitment to building this country.**

**We hope this spirit will extend to all South Africans. We invite all of you, business people, politicians, church people, teachers, musicians, sports people, accountants, lawyers, doctors and all South Africans to join us in this campaign.**

**Show your support for our country, donate your salary on 3 March 1999 to job creation!**

# Ditsela 1999 Education and Support Programme Overview

The Ditsela 1999 programme consolidates and extends the work done over the past two years of its existence. We hope that unions and federations will use the programme to complement their own education programmes.

## Courses and Programmes for 1999 by theme:

### Building Organisation and Collective Bargaining

#### Foundation Courses

- New Union Staff (11 days)
- Women Leadership (5 days)

Economics – An Introduction for Unionists (4 days)

Using Information in Union Negotiations (4 days)

Negotiation Skills, Strategy & Tactics (an introduction) (4 days)

#### Organising & Law

- Basic Labour Law
- Individual Dismissals & Disputes (3 days)
- Arbitration Skills (4 day course; observation; planning)

Occupational and Environmental Health & Safety for Unionists (5 days)

Strategy & Tactics for Union & Public Policy Negotiations (advanced) (5 days)

Provident & Pension Fund Trustee Programme

### Ditsela Advanced Courses DANLEP – One Year

Advanced Trade Union Studies  
Advanced Trade Union Studies for Women  
Advanced Labour Law

### Building Union Education Capacity

#### Facilitator Development Programme

- Facilitator Skills Course (4 day course & practicals in Ditsela or union)
- Facilitating & Supporting Shopsteward Education (4 day course & practicals in union)

Union Educator – An Intermediate Course (5 days)

Internship in Ditsela

### Ditsela Advanced Courses DANLEP – One Year

The Trade Union Educator – An Advanced Course

### Building Effective Internal Organisation

Management & Leadership for Union Office Bearers (4 days)

Administrator Development Programme (4 to 10 days over 3 blocks)

Developing Union OD Facilitators (16 days over 3 blocks)

### Ditsela Advanced Courses DANLEP – One Year

Managing Trade Unions – An Advanced Course

## For More Information

Please consult our Brochure, visit our Web Site or contact Ditsela Programme Officers:

Tel: (011) 403-2155

Fax: (011) 403-1055

e-mail: [ditsela@apc.wn.org](mailto:ditsela@apc.wn.org)

Web Site: <http://ditsela.org.za>

# DITSELA EDUCATOR CONFERENCE

## 16-19 September 1998

Ditsela will be hosting the second Trade Union Educator Conference in September this year. Preparations for the Conference are already underway.

### **New Ways of Seeing • New Ways of Doing**

This is the Conference Theme for 1998. The 1997 Conference focused on developing a common framework for trade union education in South Africa – including a vision, principles, policy, content, systems and structures. 1998 will focus more on the people who do the educating and are educated:

**New Ways of Seeing** – the ideas and perspectives of trade union educators on trade union education in the changing context. There will be a series of workshops exploring different themes

*and*

**New Ways of Doing** – bringing workers' voices into our education programmes using different methods and mediums. Workshops will be set up which explore popular theatre, video, audio tapes, posters and other media.

In addition, Federations, Unions and Labour Service Organisations will present exhibitions of their work.

Ditsela is hoping for full participation, not only in the Conference, but also in the preparation. Ditsela is therefore inviting individual educators and LSOs to:

- Write short papers for the 'New Ways of Seeing' workshops
- Contact us with your ideas on 'New Ways of Doing'
- Develop exhibitions of activities, materials, methods for display at Conference
- Contact us if you want to read poetry or are part of a choir which would like to perform at Conference

If you would like to participate in any of the above areas please contact Bobby at Ditsela  
Telephone: (011) 403-2155 Fax: (011) 403-1055 e-mail: [bobby@ditsela.org.za](mailto:bobby@ditsela.org.za)