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SOUTH AFRICAN

LABOUR BULLETIN

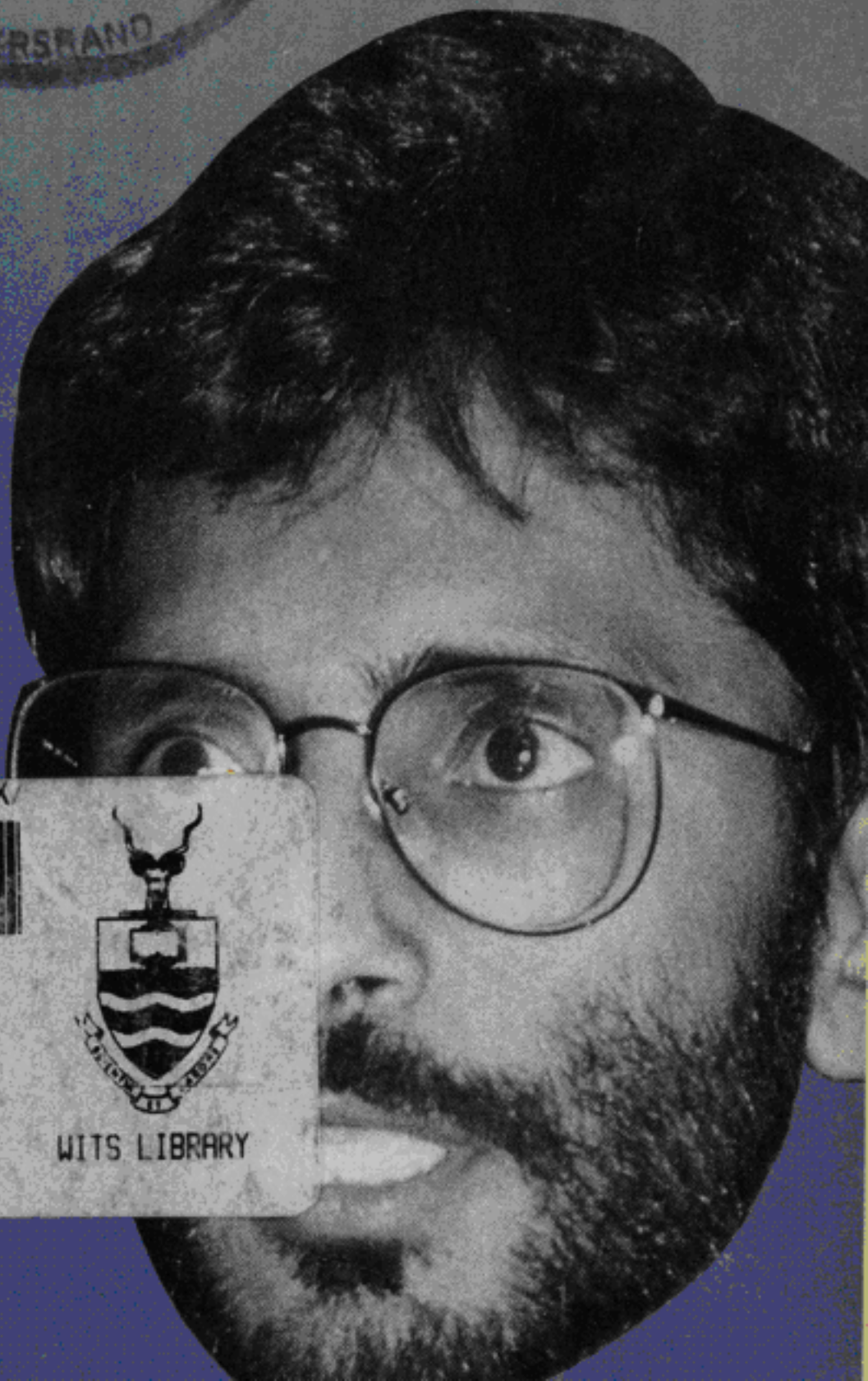
Jan/Feb 1993 Volume 17 Number 1

ICFTU
Parental Rights
Collective bargaining 1993

Exclusive interviews!




COSATU's
Ebrahim Patel



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SOUTH AFRICAN LABOUR BULLETIN
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Finance minister
Derek Keys

I visited and recruited workers in remote and conservative areas like Piet Retief. Employers in those areas were very hostile. They taped our conversations and gave them to the security police, who threatened us with arrest.

Those years were quite exciting. There was personal contact between organisers and the workers. General meetings were called where we discussed the union's policies and strategies. Subscriptions would be collected. There were no stop-order facilities, There was a very friendly and warm atmosphere and one had a sense of belonging.

This is what today's organisers are missing. They know their salaries will be paid, even if they have not serviced all the workers. We have lost touch with the workers in the factories. The bond now is between the organiser and the shopsteward. Full-time shopstewards with free time often service the workers. The visit by the organiser is no longer relevant.

One of the mistakes we made as PWAWU was pulling out of the Industrial Council for Pulp and Paper in 1985. We had already managed to equalise salaries and improve conditions of employment in some of the companies. In those years we saw Industrial Councils as government institutions. It was really unfortunate that we made it collapse and that was a set back.

Mergers and the growth of PPWAWU

When COSATU was founded in 1985, it became imperative to form a single union in our industry. At that time, the National Union of Printing and Allied Workers (NUPAWO) organised media workers, who were frustrated by the South African Typographical Union (SATU) and the National Union of Furniture and Allied Workers of South Africa (NUFAW).

Though we had started organising workers from the printing industry as early as 1982, in forestry 1986, and furniture 1987, we had no proper structures and personnel to service those workers. We put a lot of resources into the mergers and the establishment of different sectors in the union. Within 12 months we had achieved our goal. In October 1987, the Paper, Printing, Wood and Allied Workers Union

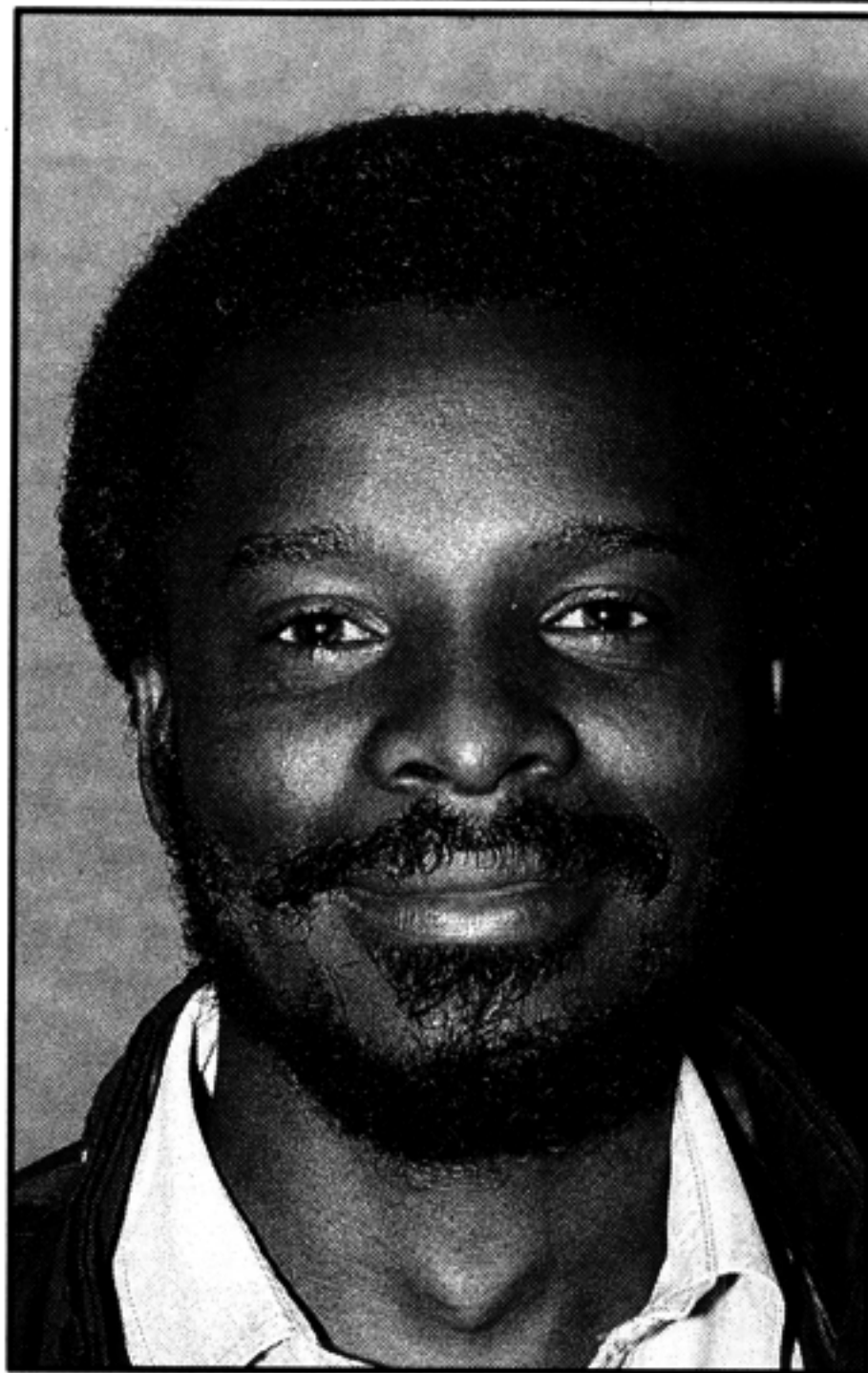


Photo: William Matlala

(PPWAWU) came out of a merger with NUPAWO.

At a congress which was held in September 1988, I was elected general secretary, a position I still hold.

We established branches in Tzaneen, Knysna, Transkei and East London. Because of our efforts and organisational ability we increased the union's membership from 23 000 in 1988 to 42 000 in 1992.

Leisure, family and work

I am married to Thandi, a very supportive person. We have four children. My wife is self-employed, doing dressmaking at home to augment our meagre income. Because of trade union work I am seldom at home and the only time I spend with my family is when I am on leave.

I love sport very much. I watch boxing, but my favourite is football. I am a fan of Orlando Pirates. ☆

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goals of redistribution and economic growth. Economic growth has to be aligned to an improvement in skills, education and obviously trade unions. In social democracies or welfare states a social security system makes provision for the disadvantaged. The rapprochement between management and trade unions in Sweden since 1937 is a lesson that needs to be learnt and adopted in a new democratic South Africa if our intentions are to reconstruct and build a strong economy and have a fair distribution of wealth.

The union and the state must be seen as equal partners and not as adversaries. Working with the state does not mean the union movement's losing its independence.

The union must be independent but work with the state on issues common to both. The current political climate forces the union to be involved in political issues. Perhaps once a political solution is reached which is supported by the majority, the unions will no longer adopt a high political profile.

The tripartite alliance should be seen in its proper context. This alliance is for the strengthening of progressive forces. When a new popular government is elected, we as workers have to ensure workers' rights are not violated. That is why the Workers' Charter should be part of the constitution. Once political freedom is attained and we have a popular democratic government, the alliance will obviously not be necessary.

Unions in the future

Unions have to adopt a more professional attitude and become sophisticated in their approach. There is a serious lack of discipline and this problem can ultimately lead to a deepening crises within the union. Union personnel have the wrong perception that any rules and regulations are bureaucratic in themselves. This obviously leads to unnecessary friction and animosity.

Comrades must realise the unions must run efficiently and must not misconstrue appropriate discipline as being an appendage of the capitalistic system. Union officials must realise they are workers too and have to face

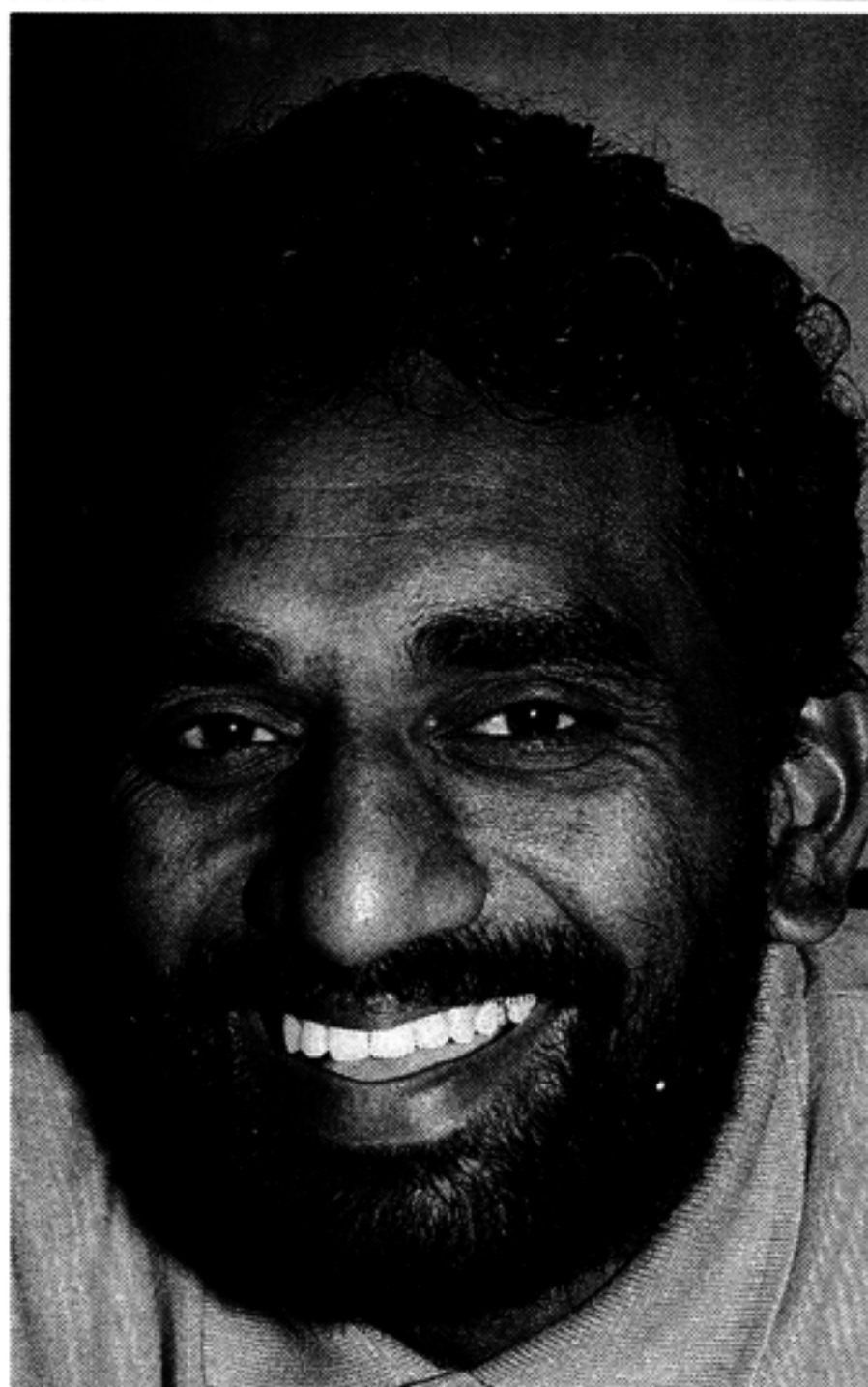


Photo: Morice

the same discipline as others. Administratively, the unions have to be run as a professional organisation.

It is extremely important to concentrate on administration and appropriate discipline within the union so that we can tackle our problems, including management, more effectively. Hiding behind slogans does not eradicate our daily problems.

Private life

I play cricket, soccer and a little table tennis. As a librarian, I obviously read a lot. I have been married for 11 years and my wife is a primary school teacher. I have three daughters.

Union activities take up a lot of my time. In the beginning my time spent away from home on union business led to friction – but now my wife understands and accepts my commitment. I do a lot of housework, although my wife might disagree. I believe I do my share of the housework and child care. ☆

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EDITORIAL

SOUTH AFRICAN **LABOUR BULLETIN**

Our first cover story of 1993 is two interviews – one with Finance Minister Derek Keys, the other with one of COSATU's key negotiators in the National Economic Forum, Ebrahim Patel.

In some ways they represent the two powers in South Africa today. In his sixties, urbane and with his background as MD of some of the country's biggest companies, Keys is accustomed to the offices of corporate South Africa. Patel, in his thirties and formidably articulate, learnt his trade in the turbulent eighties, in the UDF, the civics, the student movement and the trade unions. Keys represents the established power that has shaped SA in the twentieth century. Patel represents the insurgent power of the democratic movement – and more specifically, the labour movement.

Now these two powers are represented in the same forums, engaging with each other, negotiating with each other. What is the meeting point? Is there any likelihood of agreement? On what?

Both Keys and Patel believe the NEF is a crucially important forum. More interestingly, both express a cautious willingness to consider the idea of an incomes policy. More specifically, the interviews reveal sharp differences on the budget, on human resource policy and training. One of their biggest differences is over how the NEF should function. Almost certainly, debate and struggle over this question will be one of the most important dynamics within the NEF this year.

Patel outlines a clear vision of how the labour movement can mobilise its members and ensure their participation in the process of negotiating their economic future. The challenge for the labour movement is whether it can implement this vision.

Social pact

From a different direction, Ronaldo Munck considers the varied fortunes of the social pact in Latin America, and concludes that pacts are

an invaluable source of stability when a society is in transition to democracy. He makes the important point, too, that a social pact in such a context is very different from a social pact in the context of a relatively stable and highly industrialised Europe – a point too readily ignored in the South African debate.

The year ahead

As an antidote to these heady debates, we publish two articles which reflect on the reverses suffered by unions last year, and assess prospects for this year.

In general, the picture is one of fighting a defensive struggle against falling real wages and retrenchments. But this does not undermine the need to concentrate energy and resources on proactive initiatives for industrial restructuring, industry training or centralised bargaining – indeed it reinforces the need. Strategic offensives in these areas can offset reverses elsewhere.

Gender

One of the fronts on which COSATU may be preparing for advances is that of gender rights. In our last issue, Fiona Dove assessed the slow and incomplete progress of women's power in COSATU. In this issue she describes the impressive progress made in winning maternity rights.

Finally

Finally, we introduce the first in a six-part series on constitutional debates – of vital concern to workers if unions are to play any role in determining our future constitution.

Apology

In the last issue of *Labour Bulletin*, Economic Notes stated that Derek Keys is still a non-executive member of Malbak.

This is not so, and we apologise for any inconvenience. ☆

Due to unforeseen circumstances, we were not able to run our *Focus on racial divisions in the trade union movement in South Africa* in this issue as advertised. It will appear in our next issue.

Class struggle or social democracy: dreams or realism?

I was very much interested when I read Enoch Godongwana's article on social contracts and industrial restructuring, and more interested particularly by Alex Callinicos's reply (*SA Labour Bulletin* Vol 16 No 6).

Callinicos wants to "warn South African workers against being misled by the attractive pictures they are offered ..." Furthermore, he has (with grave concern, I guess) noted "negotiations becoming a substitute for mass struggle."

These are all very important suggestions that stimulate a very constructive debate, but I think Callinicos is undermining the ability of the South African labour movement and socialists to analyse conditions prevailing in South Africa.

Debate should focus on *all* important questions that may positively or negatively influence the direction of the struggles waged by the democratic movements in our country. It will be a political blunder for us to ignore the route that the struggle, under the leadership of the ANC and with the South African Communist Party as the workers vanguard, has taken.

Is it not reality that at the moment many foundations have been laid by business and the state for social democracy? If the workers are going to react to that, is it real that one of the options or



weapons at their disposal is insurrection? If not, then what should they do when confronted with social accords?

One thing we should not run away from is that all the players – be it civics, rural people, the poor, labour movement, political parties, business, the state, etc – have got power, no matter how great or insignificant. It is that power that has to be constructively used under the present circumstances to achieve important social and economic goals.

We need to increase the skills and broaden the expertise of the leadership. With the knowledge comrades like Bernie Fanaroff, Alec Erwin and others have, I am convinced this can happen.

We have in our country, cde Alex (possibly unlike the examples you quoted of other countries), a labour movement with no equal when it comes to accountability, mandates and

report-back processes. The growth of trade union bureaucracy is easy to detect and stop. The rank-and-file itself will give mandates, after open and democratic discussions in their structures, to their leadership to conclude social accords. Militant and organised workers will guard against deals concluded at their expense. Social contracts being "a building block for further advance" is a question that needs to be debated without rhetoric, dogma, idealism, or intimidation by labels such as 'social democrats'. The time for intimidation and labels is over. To what are social accords leading is another question that needs to be answered by the question: what do we the people need? Without being simplistic or ignoring reality and without attaching labels to the answers – houses, food, education, clothes, right to work, security for all, control over our lives, and so on. I am sure these are some of the answers we could possibly get.

I am aware that capital and labour have diametrically opposing class interests. I am also aware that some comrades might argue, as I gather cde Callinicos to be implying, that the class struggle cannot be separated from the national liberation struggle. But once again, which route, taking all the material conditions which impacted on it, has our struggle taken?

The terminology of

“unrealistic demands” and “highly confidential information” and “immature militancy not guided by a perspective” should be done away with. I am convinced that if all these sentiments, concerns, interests (including Alex’s warnings) are considered, then we will be able to structure social contracts that will be supported by all members or organisations of civil society without photocopying social contracts of other countries (as Alex is fearing). That will bring an end to unilateral restructuring of the economy.

Lastly, maybe Alex Callinicos’s reply to Godongwana was made a long time ago. He should not undermine the ability of the masses of South Africa who today will laugh at him when they hear his saying negotiations have become a substitute for mass struggle. They will invite him to participate in mass action in South Africa (march to Bisho perhaps) then he will know the mistakes he is making. Forward!

Phambili neDemocratic and open debate, phambili!

Tembaletu Fikizolo, former shopsteward at Mercedes Benz SA, Mdantsane

Dear Editor

I would like to respond briefly to some of the issues raised by Thobile Maso in his letter regarding my article

“Supping with SACCOLA”.

Firstly, the nature of multi-class alliances as opposed to working-class alliances is always a programme weighted in favour of the capitalists. If that were not so, why would the property-owning classes bother to conclude an alliance with worker organisations? For this reason, there are great dangers for COSATU in formally committing itself to an alliance with the ANC. The pressure on the ANC to accommodate the “national interest” as opposed to “worker” interests are leading to a major revision of ANC economic policy in favour of the private sector in general and big business in particular. The tripartite alliance has always treated COSATU as a junior partner.

The COSATU leadership has obligingly toed the line and switched mass action on and off with little regard to the consequences. So the economic and political crisis grows worse and the working-class, without a clear programme of its own, becomes more and more demoralised.

For this reason, we should be extremely wary of the National Economic Forum (NEF). For the bosses, this forum is an opportunity to establish a social contract which will finally discipline workers, drive down wages, increase productivity, weaken worker rights and restore the high rates of profit they have come to expect from

apartheid capitalism.

COSATU’s leadership has shown itself ‘open to persuasion’ as we have seen during the run-up to last year’s mass action campaign.

With an ANC looking for ‘political advances’, COSATU leadership will come under even greater pressure to give in on key COSATU demands. How will workers respond to further undermining of living standards and empty political gains?

This leads me to the solutions! The implementation of the Draft Workers Charter, together with the programme adopted at the last COSATU Economic Conference would certainly put us on track. How to accomplish this? Through secret talks with the Nationalist Party? Through social contracts with the bosses? No, comrades, no! Only through a broad alliance of all working-class organisations united round those programmes – and with a programme of mass action that steadfastly moves forward to create a genuine constituent assembly that will have real power and not be hemmed in by the decisions of CODESA or any other puppet structure. Only the working-class can liberate itself from poverty – both of the mind and of the body.

Fraternally,

Allan Horwitz

Hot, dry justice ...

Labour law had a difficult birth in KwaNdebele recently. In the first case to be heard in KwaNdebele's newly established industrial court, 56 dismissed FAWU workers were demanding reinstatement. But the court couldn't even get into the court room, let alone reinstate the workers. It seems the keys were lost. Eventually a caretaker opened a spare court. But the air conditioner was not working. There was no water for the judges' tea.

The court was presided over by none other than the eminent Prof Wiehahn. But there were no court orderlies or policemen, and the bantustan's manpower director was nowhere to be found.

The case is still pending. But RED EYE wonders if it is worth making a judgement. Who will enforce it? ♦



Anglo's hired gun

In December last year the ANC held a workshop on competitions policy. The aim was to discuss issues such as whether the conglomerates should be unbundled. The ANC, being an open-minded organisation, invited the biggest conglomerate in town to come and give its views.

Anglo American immediately tried to advise the ANC on the agenda and help select who the speakers should be. The ANC said it was their idea and Anglo was really only a guest. Anglo got upset. Well, RED EYE supposes that's how

conglomerates get to stay conglomerates – by controlling the agenda.

In the end, Anglo settled for bringing in a hired gun from the US to push their line. This time their hired gun was only an ideologue – but then, it was only a workshop. RED EYE wonders what Anglo will do when we actually move to unbundle them – call in the US marines? ♦

SALB starts new political party

The other day, our editor asked a trade unionist in Cape Town to write an article on the challenges of organising coloured workers. You know how democratic they are down there – so they decided a group of unionists should get together to discuss the issues.

But you know they also like jolling in Cape Town. So they got together over a braai and a dop, and brainstormed some good ideas for the article.

The next day ANC intelligence pitches up at the office of one of the unionists:

“We want to speak to you,” they say.

“What about?” asks the unionist.

“We know you and some other guys had a meeting last night, disguised as a braai, to plan a political party for coloureds ...”

No comment ... ♦



Waiting for justice in KwaNdebele ...

Photo: William Matlala

Transparent secret

The three heavyweights – capital, labour and the state – tried to keep the launch of the NEF last November secret. They were so successful that only two journalists pitched up. Because this was a tripartite forum, no-one felt they had the authority to unilaterally evict them, so the journalists were allowed into the room while the delegates discussed what to do with them.

RED EYE hears Bobby Godsell was somewhat peeved. "Why don't we say nothing to them? We're not obliged to speak to the press."

At which point one of the journalists piped up: "What about the principle of transparency?"

Derek Keys – who was chairing the meeting – responded: "Isn't it transparently obvious that we don't want to speak to you?"

Clearly these guys are witty. But are they democratic? ♦

An unfair dismissal somewhere

According to the *New Nation*, two organisers were retrenched when the National Union of Leather Workers (NULW) closed its Johannesburg office in December, a few months after it was opened.

In January an

advertisement for the position of Transvaal organiser for NULW appeared in the *Sowetan*.

Meanwhile, NULW general secretary Kessie Moodley, who resigned in January, has been offered a new job in the union – as legal officer. To defend the union against unfair dismissal cases? ♦

NP for non-whites

FW de Klerk told a media briefing recently that the perception that the NP is a white party is "simply not true". This is very puzzling until you remember that NP leaders have always had a special relationship with the truth. They told us it was simply not true that there was war in Angola, that thousands were in detention, that there was no corruption, no hit squads, no financial support for Inkatha. Now they are a non-white party ... ♦

Losing direction

NUMSA and SACCAWU, involved in separate disputes with Anglo American and furniture group Lubners, marched to the Johannesburg offices of Anglovaal in the belief they were protesting outside Anglo's head office. The marchers did, however, manage to find their way to Lubners. ♦

Sign of which time?

Iscor management says the company is now effectively owned by Iscor workers through their employee share ownership scheme (ESOPs). South Africa being what it is, most workers in the company are black.

So, does this mean it was the workers who chose to put up these signs (below) which were seen there recently, or do they own the company, but not the toilets? ☆



Photo: William Matlala

COSATU and the budget

COSATU wants the budget to allocate resources to directly finance economic reconstruction, while immediately stopping all expenditure on apartheid-related departments.

COSATU general secretary Jay Naidoo says the federation wanted a "budget freeze" – with both direct and indirect taxation being maintained at the same level as this tax-year.

The National Council of Trade Unions and most major employer bodies are also opposed to any increase in taxes on individuals.

COSATU also wants the perks of the state bureaucracy "purged".

All civil servants, including the State President, should pay tax and the practice of golden handshakes and housing and travel privileges for the state elite should be abolished, says Naidoo.

Government corruption would only be stopped with firm financial controls. COSATU wants the income and expenditure sides of the budget brought under one government department and an audit done of every government department to identify areas of wastage and corruption.

COSATU is discussing with others the need to get an Independent Tax

Commission established to rationalise and make more efficient government income and expenditure.

The budget deficit should be addressed in a planned way over a period of time. COSATU believes the budget's priorities should be to address the housing, education, health, job and training needs of ordinary people.

If government stopped financing secret military and police projects, the homelands, tri-cameral parliament and duplicated health and education services, enough resources would be released to begin to address the reconstruction needs of the country.

The whole process of delivering resources to those who need it most would be helped by the active involvement of multi-lateral agencies – like the



Development Bank of SA – in the delivery process.

Naidoo said it was unacceptable that individuals should be asked to foot the bill – whether through increased VAT or personal taxes – for the huge inefficiency and corruption of the apartheid bureaucracy.

The restructuring of the public service to make it more efficient and user-friendly was also high on COSATU's agenda. As with COSATU's initiatives in the areas of peace, housing, drought, electricity and health, COSATU hopes its economic initiatives will find concrete expression in the reconstruction accord with the ANC. ♦

Reconstruction Accord

While there is a sizable minority of influential activists in COSATU who believe the workers movement should continue to mobilise mass action against the government for a transfer of power – whether it is talking to the ANC or not – the dominant thinking among COSATU leaders is to try other pro-active means to

secure workers' interests in the future.

Currently under discussion in COSATU – and also in the ANC, SACP and other anti-apartheid organisations – is the idea of a "reconstruction accord" between the whole range of anti-apartheid organisations. COSATU's idea is that the pact should form the basis of

an ANC election platform - and that its support for the ANC in the election would be conditional on the ANC committing itself to the pact.

In the election phase, the essential elements of the accord would be pitched fairly simply and would revolve around basic socio-economic issues like jobs, education and training, health, housing and social services.

But the union federation envisages a process whereby a much more detailed pact - around the four "pillars" of job creation, human resource development, extending social services and tackling poverty - will be struck with the ANC, and which the ANC will be duty-bound to implement when it is part of the new government. The pact would be specifically directed at practical steps to "reconstruct the economy" and would embrace - as far as is possible - a wide layer of youth, civic, religious, small business, women and cultural organisations.

Unlike "social accords" in some European countries, Canada and Australia, COSATU is concerned that its accord with the ANC also delivers to the unorganised and unemployed sections of the working class, and is not a deal stitched only between big government, big business and big labour.

COSATU is mindful of the fact that it too might be obliged to deliver on some

issues if the pact it wants is to stick. The obvious area is wages where the previously unthinkable is already being discussed in COSATU - to drop its living wage campaign and prepare for some kind of wage restraint.

Other areas where COSATU could be preparing to deliver on is: a more flexible approach to centralised collective bargaining and a more pro-active approach to addressing employers' productivity concerns.

These are bold steps for a

labour movement born and bred in the culture of resistance. Only last year COSATU was the backbone of the biggest general strike ever in SA. And although there are many in the federation who are uncomfortable with the new direction - not least on the shopfloor where the "bosses" are still the enemy - it has already taken firm root amongst most of COSATU's leadership and is bound to be the course followed by the labour movement in the period ahead. ♦

White right-wing unions

The biggest 'white' trade union in the country - the 45 000 strong Mine Workers Union (MWU) - resolved at its annual congress last month to mobilise all whites opposed to a "communist-controlled government" behind the slogan "We help those who help us".

The tone of the January congress - which was addressed by CP leader Andries Treurnicht - was militant, but defensive. Only days after the Congress, the organising secretary of the MWU Krappies Cronje addressed an AWB meeting in Pretoria with Eugene Terreblanche. He was joined by the assistant-director of the SA Iron and Steel Workers Union, Lenn van Niekerk

Venter. They both told the audience that their 80 000 members supported the AWB "completely" and said they could paralyse industry within minutes if they went on a national strike.

Ironically, the MWU and the Iron and Steel Union are involved in a fierce battle over union membership. The MWU claimed at its congress to have won the battle - saying its goal of a "super union" had already been reached with 33% growth last year. MWU is now organised in "strategic positions" in Eskom, mining, water provision and industry - sufficient to bring the country to a standstill, the MWU claims.

It came out with

resolutions against unemployment, early retirement packages, voluntary retrenchment packages and retrenchments, against affirmative action, the extension of rights to domestic workers, condemned a 5% increase in the state sector and the "terrible" conditions of white workers.

Its essential strategy to fight for the needs of white

workers is to help form a united front of white organisations.

White farmers – organised under the SA Agricultural Union – are regarded as the first and natural ally of the white worker. On the basis of an alliance between white workers and farmers, a united front with other white organisations will be built. ♦

up SACCOLA were unhappy with the way talks went with COSATU last year, and have since been agitating for more direct representation in negotiations with labour. SACOB, for example, felt that the SACCOLA leaders were too "out on a limb" and needed to be more firmly anchored in the broader business constituency. And strong interests in the retail industry were openly hostile to SACCOLA leaders doing a deal on their behalf. Still other employers argue that SACCOLA is an

Anglo-American Corporation 'cabal'. These problems might account for the lower profile of SACCOLA in recent months.

□ Then there are problems of trying to build organisational unity between major employer bodies. Many companies are affiliated to a number of employer organisations simultaneously. For example, it is not unusual to find major companies in the metal industry belonging to SACOB, AHI and SEIFSA. For all these affiliations, the companies must pay substantial subscription fees. So there is pressure from the ground, as it were, for greater organisational unity among employers. SACOB – itself the result of a merger between ASSOCOM and the Federated Chamber of Industries – made overtures to AHI recently about uniting in one organisation. But AHI

Employer divisions

Employer organisations are having a tough time getting their act together. While employers are trying to form one united national organisation, they are facing tensions, and potential divisions, within themselves, between themselves and between national and regional structures.

Some problem areas are :

□ The major national employer organisations – including SACOB, AHI, NAFCOC and FABCOS – are trying to form one national non-racial employer body. The main impetus for this move is the need for national employers to be represented in one organisation once SA is readmitted to the International Labour Organisation (ILO). The employer organisations – currently grouped together under the banner of the Business Forum – are busy discussing a constitution for the new body. It will apparently be

very loosely structured to accommodate the many conflicting interests between its constituent employer parts. Organisational problems – particularly among FABCOS and NAFCOC – are not making the process any easier. And the 'white' employer bodies, who are ultra-sensitive to any charges of racism or paternalism in relation to FABCOS and NAFCOC, are having to tread carefully to keep the show on the road.

□ Last year's SACCOLA/COSATU talks revealed the serious problems SACCOLA leaders have in getting their constituency to provide mandates and to deliver on agreements. SACCOLA is a co-ordinating body of 10 major employer organisations – but it is, in effect, run by a handful of appointed people who are mostly seconded by the firms they work for. Many of the organisations that make

rejected this on the grounds that it was premature and unnecessary and that the organisations had different roles to play. Underlining the problems though are the personalities involved in the business organisations.

Mergers mean compromising on who will hold the key positions in the new organisation – and maybe even rationalisation of staff. Most employer leaders still want to rule their own roosts.

□ There are also cracks showing between national and regional leaderships. In SEIFSA, for example, the

Natal region was on the brink of breaking ranks during last year's prolonged metal strike. Many metal employers in that region still think they could represent their interests better by themselves. And in the various regional economic/development forums that have sprung up, the view is being expressed that national employer representatives in the National Economic Forum (NEF) are not adequately representing regional interests. The Border/Kei forum, for example, wants direct representation on the NEF. ♦

immediate task for the NMC is to consider new legislation for farm, domestic and public sector workers.

Frans Barker will remain chair of the restructured NMC. Emma Mashinini, a former garment worker who founded CCAWUSA (now SACCAWU) in 1975 has been appointed vice chair.

Employer and employee interests each have one-third representation (eleven delegates each). The other third include representatives of the Department of Manpower as well as specialist members appointed by Manpower Minister Leon Wessels in consultation with labour and employers.

The eleven union places represent COSATU (3), NACTU (3), FEDSAL (2), FITU (2) and SAKVA (1).

Employers have eleven positions, divided between the AHI, SAFCEC/BIFSA, FABCOS, the Federasie van Werkgewerorganisasies vir die Plaaslike Bestuurs-onderneming in die RSA, Chamber of Mines, NAFCOG, SABEK, SEIFSA and SAAU. The SAAU has indicated that it will not take up its seat, which it wants reserved.

The Department of Manpower has two representatives. The two legal experts are Halton Cheadle and Willem le Roux. The other experts are Rudolf Gouws, Pieter le Roux, Charles Nupen, Louise Tager and Francis Wilson. ♦

National Manpower Commission meets again

The restructured National Manpower Commission (NMC) meets for the first time this month (February). This is the culmination of over two years of negotiations and struggle, following the signing of the historic Laboria Minute in October 1990.

According to *Finance Week*, NMC chair Frans Barker identifies the following as major issues on the NMC agenda: the right to strike, the findings of the ILO mission to SA last year (which imply a major revision of the LRA) and affirmative action.

On the right to strike the labour movement will

marshall the conclusions of the ILO commission to South Africa last year, to argue that strikers should be protected from dismissal in the case of legal or legitimate strikes, the right to picket should be established, pre-strike requirements should be simplified, and that the definition of essential services where strikes are prohibited should be much more limited.

Other issues highlighted by Barker include migrant labour, co-operation over productivity, disclosure of financial information and whether to categorise nursing as an 'essential service'. In addition to these, an

National Economic Forum looks at jobs

The National Economic Forum (NEF) – which was launched in November last year – is focusing its attention on job creation. According to NEF spokesperson (and MEWUSA general secretary) Tommy Olifant, the forum wanted to “deliver” on job creation in the short-term. “If it does not deliver it will be seen as just another talk shop.” The forum believes that all economic stakeholders must contribute to a job creation programme that should be “structured in such a way that it integrates with long term economic

strategy.”

The NEF has called for written submissions from interested parties on a programme to tackle unemployment and create jobs - particularly in the areas of state tenders (like the construction of schools), public works programmes and special employment projects.

The forum – in the interests of functioning in a transparent and democratic way – intends having public hearings on proposals for creating jobs after written submissions have been received. ♦



□ **TGWU** is busy negotiating a constitution with transport employers for an industrial council in the industry. Employers only agreed to negotiate the constitution after a ballot amongst themselves. 58% of the companies in the industry rejected the idea of an industrial council. But when the percentage is weighted in terms of the number of workers the companies employ then 60% were in favour. This means that only the bigger companies in the industry are in favour of the IC - which could mean its going to be a rocky ride to centralised bargaining in the industry. Once the constitution has been negotiated, employers will vote again on whether to go ahead and form the IC.

Recent trends



□ **About** 14 big employers in the retail industry – including the Amrel group and Pick n Pay – have agreed to meet with SACCWU this month to discuss centralised bargaining. Last year SACCWU declared a dispute with all employers in the industry after only a handful had agreed to meet SACCWU to discuss centralised bargaining and a

national provident fund.

SACCWU dropped its dispute with the employers “in order to give those employers who are trying to meet us half-way on the issue a chance”. SACCWU’s aim is to try and get an industrial council formed in the industry.

But retail employers argue that the industry is too diverse to accommodate an industrial council. The meeting this month is the first sign that there might be movement by some retail employers towards centralised bargaining.



□ **Last year's** negotiations in the motor industry - which mainly affects garage workers - have still not been settled even though the agreement expired in October. NUMSA has balloted its members in the industry for a strike - but although a majority voted in favour, only 40% of their

members actually voted. The employer body SAMIEA want trading hours extended and want wage differentials between urban and rural areas maintained. They have offered between 5 and 9,5% increase in wages. NUMSA wants to close the differential, to stop extended training and has dropped its wage demand from 16% across the board to 11%.



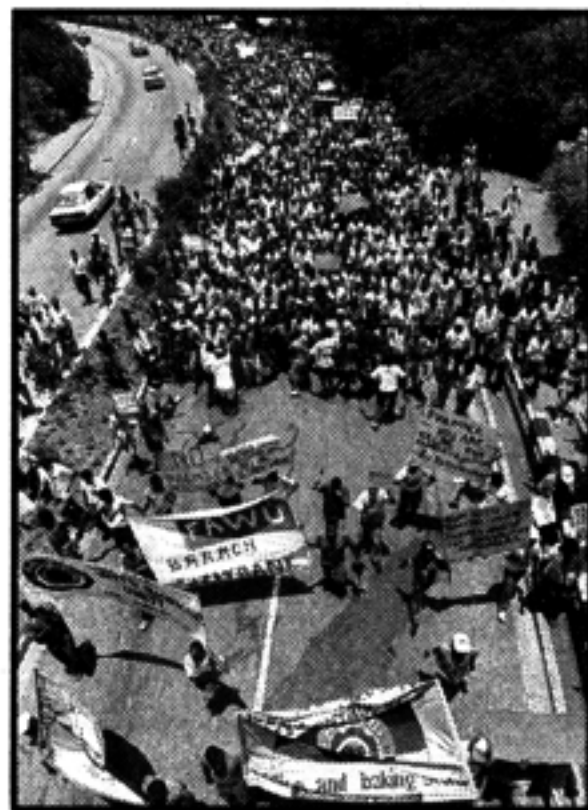
□ **Randgold's** Harmony mine turned a third quarter loss of R5,7 million into a fourth quarter profit of R8,5 million after the mine was allowed to operate on a seven day week. With the mine facing closure, the government agreed – after representation from Randgold and NUM – to allow Sunday blasting from October last

year. The mine's exemption from the law prohibiting Sunday blasting expires in March when it will have to be renewed. Harmony said the additional time worked meant an extra 243kg of gold was produced, bringing the total to 563kg for the quarter. The mine claimed the turnaround had been achieved by full disclosure of information to the union, by negotiating all changes and by incentives like the profit-sharing scheme with NUM. Meanwhile, the issue of Sunday blasting is likely to become even bigger this year with a number of other mines and mining houses clamouring for it.

NUM appears open to the possibility – so long as it is properly negotiated with the union and normal working hours and health and safety standards are adhered to. MWU is bitterly opposed to Sunday blasting – mainly citing religious reasons – but it has not stopped its members from working at Harmony. ♦

Co-operative).

The only looming dispute is a national campaign against Shoprite/Checkers by SACCAWU. SACCAWU met in early February to consider a campaign against Shoprite's refusal to honour the recognition agreement between SACCAWU and



FAWU on the march to Premier's offices in Johannesburg

Photo: Robert Botha

Checkers when Pepkor took over Checkers. The struggling retail chain seems to be intent on getting rid of the union.

Compare this quiet beginning to January-February of the previous three years:

- 1990: Strikes at SATS (23 000 workers for three months); Mondi and SAPPI (4 000 workers over several weeks); Scaw Metals (3 000); 25% of NUMSA members in PE on strike (2 700).
- 1991: Strikes at SA Nylon Spinners (1 100 workers

Fewer strikes, disputes

There has been a dramatic drop in strike action and major disputes in the first two months of this year, compared to the past three years.

The march by 3 000 to 4 000 FAWU members to the head office of Premier Milling in January, in protest against retrenchments, was the most visible action, but seems unlikely to result in a major

dispute.

Up to mid-February, only four significant strikes have been reported in *SA Labour News* – two TGWU strikes (400 workers at ABI in Durban, and 100 workers at Umfolozi Transport in Richards Bay) and two FAWU strikes continuing from last year (SA Bottling in Eastern Cape, Sentraal Wes

for 17 days); Metropolitan Life (1 000 for three weeks); Mossgas (13 000 for two days); City Tramways.

- 1992: Stoppages at Impala Platinum (10 000); national strike at Kentucky Chickens.

It is too early to predict whether the fall-off in strikes and disputes in January/February this year will set a trend for the whole year. On the one hand, recession and the strike defeats of last year are making unionists cautious. On the other, deteriorating living conditions and falling real wages increase the pressure for workers to take action. ♦



Farm labour legislation

COSATU has come out strongly against the draft Bill to extend the Labour Relations Act (LRA) to agricultural workers. COSATU says the draft wants to create a collective bargaining system that is

different from other industries and favours farm owners over farm workers.

Major features of the Bill that COSATU objects to are that it limits the right to strike, provides for agreements against strikes and lock-outs between employers and farm workers, develops labour codes for agriculture and establishes a special labour court for dealing with disputes in the agricultural sector.

Meanwhile, the SA Agricultural Union (SAAU) claims COSATU is deliberately avoiding meetings with the SAAU to avoid reaching consensus around "a more agriculture-friendly" new law. Farmers would resist the new legislation if it did not suit agriculture, the SAAU warned. And it added that thousands of farm workers would be retrenched if farmers could not afford the minimum wages. Over 100 000 jobs have already been lost on farms over the past year. ♦

Workers forum on West Rand

Members of SACCAWU, NUMSA and CWIU have formed a workers forum at Kagiso to try and unite all workers in the West Rand in the struggle against retrenchments and for a living wage.

The forum, which is open to all workers in the area irrespective of whether they are COSATU members or not, decided to launch pickets and demonstrations against seven Krugersdorp factories which dismissed workers during last year's mass action.

It also agreed to call for a

consumer boycott of Krugersdorp to pressurise other employers in the area to make sure the seven factories reinstate the dismissed workers. The consumer boycott is currently being discussed with youth, civic and political organisations in the area before a final decision is taken.

The forum is based on the COSATU local in the area but is broader in scope. It aims to try and organise the unemployed, to fight against VAT on essential items and to fight all retrenchments. ♦

Union initiatives:

FAWU's AIDS policy

by Mohamed Jeebhay and Leslie London of the Ray Alexander Workers' Clinic, FAWU

The AIDS epidemic in South Africa has serious implications for workers, many of whom have already been affected by discriminatory practices at the workplace. These include compulsory testing, discrimination by employers (resulting in job loss), denial of access to medical services and social benefits, and victimisation by fellow workers who are ignorant of AIDS. Unions therefore need to take a pro-active role in confronting AIDS-related issues at the workplace.

The Food and Allied Workers Union (FAWU) initiatives on AIDS have indeed taken a pro-active approach and have included:

- Establishing an AIDS education programme for workers and officials that is fully integrated within the structures of the union.
- Developing a policy on AIDS at the workplace that could be used nationally by the union.
- Initiating a political campaign in collaboration with other progressive community organisations.

1 The FAWU AIDS education programme

Educational programmes were first conducted for workers in factories belonging to the FAWU's medical benefit fund in the Western Cape in 1989 when AIDS was identified as an important health priority. These were later extended to other factories, union seminars, conferences, national and regional workshops, as the union nationally began to raise the importance of the issue of AIDS.

These programmes made use of innovative methods in AIDS education such as:

- An AIDS game relying on audience participation, which explained how AIDS is

spread.

- An AIDS play depicting an incident of AIDS at the workplace.
- The ANC video on AIDS ("AIDS kills - as surely as an AK") accompanied by discussion.
- A puppetry performance in workers' factories and communities.
- Focused group discussions.
- Demonstrations and distribution of condoms.
- Distribution of resource books on AIDS.
- Display of posters, developed by the FAWU Medical Fund, in the canteens and cloakrooms of factories.
- Articles on AIDS for general union membership which appear in 'Umkhonto', the FAWU newsletter.
- AIDS education for patients attending the Medical Fund Clinic in Paarl, who also received pamphlets and free condoms. Updated AIDS literature, pamphlets and condoms were also sent to doctors on the panel of the medical fund, for distribution to workers at their consulting rooms.

Many of the resources used in programmes have been compiled into a booklet which was distributed at the COSATU AIDS conference in June 1991.

An important part of the programme was an attempt to assess basic knowledge and attitudes of workers and union officials towards AIDS before starting the education programmes. This was usually done through questionnaires, and the information was used to plan different media and educational methods (see box). After the programmes, questionnaires were repeated to assess how effective the education programmes had been. An AIDS competition was also held in factories after educational programmes, with the responses also being

used in evaluating how the programme had affected workers' knowledge and attitudes towards AIDS.

2 The FAWU AIDS policy

The FAWU AIDS policy emerged out of the earlier AIDS awareness programmes. It was formulated at the FAWU national AIDS conference in May 1991 and formally adopted at the FAWU national congress in June 1991. Some important aspects of the policy include:

- An AIDS policy must enjoy high level, unequivocal union leadership and membership support. It should apply equally to all categories of workers and be integrated into a comprehensive health and safety programme at work.
- There should be no discrimination with regard to job security, eligibility for medical benefits and social security. Fitness for ongoing employment should be assessed purely on the basis of the worker's ability to do the job. There is no reason for workers to discriminate against another worker with AIDS.
- Confidentiality regarding a worker who has AIDS should be treated in the same manner as other illness. A worker with AIDS is under no obligation to tell the employer whether he/she has AIDS.
- There should be no testing for HIV at the workplace, whether for pre-employment screening or during the course of employment and no worker can be forced to have a HIV test. Workers requesting testing should have ready access to free facilities in the communities for testing and all testing for HIV should be voluntary and accompanied with counselling.
- Education must be made the priority of AIDS programmes at the workplace. Workers should be allowed paid time off work to receive appropriate AIDS education. FAWU committed itself to giving a high priority to AIDS in its own education programmes and media. Workers should have control over the content, form and source of AIDS education at the

workplace. The education programme must be coupled with the distribution of free condoms.

3 A national AIDS campaign

AIDS is ultimately a political issue revolving around power relations, social attitudes and access to resources. The response of the state to the crisis caused by the AIDS epidemic has been hopelessly inadequate and has ignored the multitude of social, economic and political factors that determine the way AIDS is spread. These include the migrant labour system, single sex hostels and the ensuing disruption of family life, the endemic violence, the provision of inadequate and inaccessible health care services, issues of gender oppression and sexuality, and low literacy levels due to the grossly inadequate education infrastructure in our country.

FAWU has committed itself to taking up the issue of AIDS on a national political level to challenge the socio-economic and political factors that contribute to the poor health status of our people in general and the spread of AIDS in particular. This campaign was to be carried through all FAWU and COSATU structures, in conjunction with the progressive health sector. Although COSATU identified AIDS as one of its health and safety campaigns early in 1990, limited efforts have been made in this regard. Some of these initiatives include the COSATU AIDS conference held in 1991 and COSATU's participation in the recent "AIDS Codesa". Nevertheless, FAWU has succeeded in emphasising the importance of integrating AIDS programmes at the workplace with AIDS campaigns in the broader community through liaising with progressive community-based structures taking up the issue of AIDS.

The success of the AIDS campaign in the union movement depends on developing innovative methods to sustain the campaign. It is precisely this prospect that poses a great challenge to the union movement today. ☆



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*'a wonderful
opportunity'*
– *Derek Keys*



Photos: Morice

SA Finance Minister Derek Keys speaks to DAVID LEWIS and KARL VON HOLDT about the NEF, the state bureaucracy, wage restraint, conglomerates and investment.

LABOUR BULLETIN: *Mr Keys, you have identified the reduction of government expenditure as a major objective. Leaving aside the massive claims for social expenditure, how do you reconcile this objective with the political dynamic in the country? How do you reduce state employment when the present regime relies so heavily on the support of civil servants, and when the ANC as the party that conceivably will be in power will rely so heavily on deracialising the civil service – which will mean employing a large number of black civil servants?*

KEYS: I just have to show them both – and I have been quite successful at this – that the current level of general government consumption expenditure is irreconcilable with sustainable long term growth.

LABOUR BULLETIN: *The current debate within the ANC on the question of sunset clauses has focused on the political aspects of this question, but not on the economic aspect.*

KEYS: One of the reasons for high government consumption expenditure is the structure of tiers of government. Writing a new constitution gives us a once-in-a-lifetime opportunity for disciplining what the total machine of government will cost. It is a wonderful opportunity, and it does not have to rebound adversely on either of the political parties because they are going to do it together. I think it is very important to cut consumption expenditure now, but far more important is to get that new structure so that it does not cost as much.

LABOUR BULLETIN: *It looks like the budget that you present in March is going to be a harsh one. How are you going to avoid a repetition of the anti-VAT campaign from popular constituencies that see no benefit in it for them?*

KEYS: I hope that our presentation to the National Economic Forum (NEF) and other forums will help people to put what we have to do into some kind of context. I am open to better suggestions, but there are not any soft options left. We are between a rock and a hard place.

LABOUR BULLETIN: *A lot of public money has been wasted through mismanagement and corruption. Can you ensure that the money you raise will be well spent?*

KEYS: All I can say is that any large organisation has a degree of corruption, including the private sector and no doubt the labour sector. We take the view that the reason people are hearing about this corruption is exactly because we have decided to bring it out into the open and put a stop to it. I believe that there is a substantial amount that can be saved by redesigning the machine and that is fifty times more than can be saved by going around and attacking corruption.

LABOUR BULLETIN: *How receptive is the machine of government to being redesigned? You are talking about radical changes rather than incremental change.*

KEYS: Yes, but the times are rather favourable, aren't they? People know that the way we have gone on in the past has not done the trick and is not going to do the trick. So they are ready for something new. We have got the political framework being entirely recast.

LABOUR BULLETIN: *Turning now to the NEF, do you envisage the NEF as a body that will strike formal agreements?*

KEYS: It will not quite be like that. What the NEF will do will be to reach consensus on certain issues and the different parties will then have to give effect to that consensus. I do not envisage a 40 page document with initials on each page. I do not think there is a need for that. If we get consensus then we will move off



and implement it. I do not think having a written document would be of any particular advantage if someone does not do his stuff.

LABOUR BULLETIN: *Do you see the NEF as a transitional arrangement or as a good way to conduct the relationship between the government, business and labour in future?*

KEYS: We have got a lot to learn still. It would not surprise me in the least if the structure changes fundamentally before we say that it is working right. I would say there is a great deal of momentum from all sides in favour of it.

LABOUR BULLETIN: *How do you respond to the criticism that the NEF is a forum for the powerful and well-organised constituencies to reach agreement at the expense of small business or the unemployed or other constituencies that do not have an organised voice?*

KEYS: Of course if you view life and business as a zero-sum game then one person's gain is another's loss, but I do not think that is what we are engaged in. I think it is not at the expense of, but to the advantage of. To take an example, if we could get organised labour to adopt a stand which would have a positive

effect on business confidence, it would be to the advantage of everyone.

LABOUR BULLETIN: *What place should incomes policy have in a strategy for manufacturing growth?*

KEYS: I am waiting to find out. It is a station we have to go past, is it not? Whether we decide to get off there is a different matter.

I am not as opposed to an incomes policy as some Thatcherites are. I think there is a stage in a country's development, and in the development of a relationship between labour and business and the state, where a social contract which would incorporate some sort of incomes policy, where that has a place. I do not exclude it. I am sort of feeling my way to see whether that would be a good thing or not.

If we had an incomes policy 15 months ago I think wages would not have come down as effectively as much as they have. If you want to have a small government then you have to let the market do it for you. If you want to direct everything and have everything by agreement, then by definition we are going to have a big government. And it is hard to afford that.

LABOUR BULLETIN: *If we do see a movement towards a negotiated incomes policy what kind of trade-off do you think the trade unions could expect in return for wage restraint on their part?*

KEYS: Of course there would have to be good development on the price front. We cannot hold wages down and let prices go.

But I have said to the other participants in the National Economic Forum right from the start that the economic forum is, in my view, a mechanism by means of which the three parties can take decisions which are unpopular with their constituencies. In other words, the forum can decide that government consumption expenditure should be reduced. The forum can decide that competition in the business world should be increased. And the forum can decide that there should be a measure of restraint in the increase

of wages. The forum can take that kind of view which the interested participant has difficulty in taking.

As it so happens there has been a fair amount of restraint on the wages front due to the economic situation, and the government has come to the view that it ought to reduce its consumption expenditure.

LABOUR BULLETIN: *In order to take this kind of decision labour will have to be able to offer some benefits to its*



constituency. What can you offer labour in exchange for wage restraint and a lower level of government expenditure on important services?

KEYS: Well, what are we trying to do? We are trying to grow the cake at the maximum sustainable speed, and we are trying to apportion the discipline needed for that to happen. A successful incomes policy should result in a higher per capita standard of living. If it does not we are wasting our time. So we can offer economic growth and reasonably stable prices.

LABOUR BULLETIN: *Is there nothing immediate that you can offer?*

KEYS: What could that be? Think about it in real terms – there is only so much in resources

in this country and there are all of us.

LABOUR BULLETIN: *It is generally accepted that our international competitiveness is undermined by the low level of skills of our human resources, both management and labour. Do you have any short term or medium term plans to address this?*

KEYS: I am generally quite pro the labour force and management. The greatest short term remedy would be to achieve consensus – that would outstrip any material shift in resources.

LABOUR BULLETIN: *You have no plans in terms of vocational training, on the job training, subsidies or anything like that?*

KEYS: There is quite a lot in place. As you know the tecknikons are not full.

LABOUR BULLETIN: *You and your senior officials have referred to the government economic restructuring proposals which are due to be published early this year. You have also referred to a new system of economic management called the normative integrative management system. What are the main ideas that you are going to put forward in these two proposals?*

KEYS: They are actually both the same thing. I am so glad you asked me this. Everybody expects the government to bring its restructuring plan. That is the last thing I want to do. I cannot tell you what that plan should be like. No one here does either.

Fundamentally, what we want is a good description of how the economy has worked – or if it has not worked – over the past few decades, trying to correlate different trends and so on, trying to show how the economy works as a machine.

Then we want an open discussion on it. There will be some suggestions in it – for example, if we want a growth of 3,5% to 4% then

these are the things that will have to change. That is where the normative part comes in. But it will not be prescriptive, and the programmes to bring about those changes certainly will not be put forward. We have to get consensus on whether the aims we put forward are worth pursuing. Then the programmes, how we pursue those aims, have to be something we get to together. So we are trying very hard not to be prescriptive, and for very good reason – we do not have a prescription.

LABOUR BULLETIN: *Can you say at this stage what the main aims would be?*

KEYS: Yes, we know we have to increase investment. It is trite to say it, but there are only two sources of growth in an economy. The one is an improvement in productivity. There is lots of scope for that, but a whole economy cannot usually get more than 0,5% or 1% growth per year out from that source. The other source has to be the yield on fresh investments and in the last few years there have been no fresh investments. What we have had is replacement investment.

So we know investment has got to happen. But then of course how do you get there? That means talking programmes.

LABOUR BULLETIN: *The year has ended with some measure of success in tackling inflation. At what stage does bringing down the rate of inflation lose its place at the top of your policy agenda?*

KEYS: The top of my priority list was employment and still is employment.

LABOUR BULLETIN: *But at what stage does that translate into reflation of the economy?*

KEYS: Perhaps it does not translate through reflation. I am a little disturbed that we could run a deficit the size of the deficit we have run this year, with so little impact. If we cannot get

something going with an 8% deficit, then what do you need? So simple reflation does not appear to do the trick. We have got to be smarter than that, and I hope the NEF is going to show the way. But there is absolutely no doubt whatsoever that employment is the first priority for this country.

Inflation is significant, in that it has been identified by most studies as the biggest turn-off for investors.

LABOUR BULLETIN: *SACOB and others have argued that the cost of capital is the underlying cause of the relatively poor performance of South African manufacturing, and of course inflation does raise the cost of capital. Do you accept this argument, and what steps is government taking to bring down the cost of capital?*



KEYS: Funnily enough it does not seem to be so much the real costs as the notional costs. There is a far greater correlation between low rates of investment and high notional rates than high real rates. If we can keep some kind of hold on inflation, interest rates will come down dramatically. That has a great effect on confidence as well as simply making the sums come out right. So the reduction of inflation is absolutely the best thing that has happened to us so far.

LABOUR BULLETIN: *Turning now to the manufacturing sector, the government has been criticised across a fairly broad spectrum for its support for large capital projects such as the Columbus stainless steel projects and the Alusaf aluminium project. It is argued that these entrench the exceptionally high levels of capital intensity in South African manufacturing, and privilege the large conglomerates in our economy. What is your response to this criticism? In particular how will you encourage further downstream transformation of the products of Columbus and Alusaf in the more labour intensive manufacturing areas?*

KEYS: The Free State goldmines, which were the last major national effort that we had, were fantastically capital intensive, and no one would question the wisdom of having gone through those developments. In fact the government assisted them quite materially with low cost loans and so on. I would love to have lots of labour intensive projects but I do not see that capital intensive ones get in the way. By definition labour intensive projects do not need that much capital. I do not see why we cannot have both. This country has always had big capital projects. That is the first point I want to make.

The second point is that there is nothing funny about these projects, they will not need protective tariffs and they will not need export subsidies. And they will make their products available in South Africa at the world price. We are dealing with two of tomorrow's metals – stainless steel and aluminium. I know that the promoters of these projects are themselves keen on downstream developments and I am sure they will put their weight behind it.

LABOUR BULLETIN: *There will be no government encouragement or compulsion to take these processes further downstream?*

KEYS: You know, just as I think it is vital to



be a good friend of labour, I think it is vital to be a good friend of capital. I am not great on forcing people to do anything. It should not be beyond the wit of man to devise an environment in which it would be attractive to do these things. The companies involved in these projects have got a great interest in going further downstream because they will gain a greater control over prices.

I am very pleased about these projects. I will support any entrepreneur. People creating things is actually the critical point for us.

LABOUR BULLETIN: *The other criticism, though, of these big projects is that they strengthen the big conglomerates and so increase the concentration of economic power in their hands. What is your response to this?*

KEYS: I do not have a view that the concentration of economic power is bad – understandably having come from Gencor. As it happens we ran Gencor in a decentralised way. You could unbundle it tomorrow and it would not affect any of the operating units. Anglo, SAPPI and Mondi do not run that way and so for them, this is a different kind of problem.

In terms of competition, being smaller does not necessarily increase competition. SAPPI and Mondi compete the hell out of each other,

they drive competition well beyond the point that they would be able if they were entirely on their own. So it does cut both ways. It is more complicated.

From the point of view of the issue raised in the last *Labour Bulletin*, of a strong centralised management which can break a strike in an entire industry, there may be something in that criticism. I do not know enough about it to really express a view. From a strictly economic point of view it is not an issue.

LABOUR BULLETIN: *I understood you to say recently that large corporations come to behave rather like trustees of their funds and become less and less able to invest in projects with long pay-back periods or in smaller projects?*

KEYS: There are two different issues here. I was referring to the large contractual saving institutions such as Old Mutual and Sanlam. The managers of these institutions are managing other people's money so they have to be prudent and put it in safe areas. Therefore I believe that they are not the ideal instruments for encouraging new ventures and small ventures.

The system, however, will work as a whole in terms of getting investments, if the blue chip companies which qualify for trustee investments are entrepreneurial. Now there has been a tendency in the past for some of them to slip into the trustee mode – that is exactly what I found when I went to Gencor. And they have got to be energised and turned into venturers again, and entrepreneurs and risk takers. If that happens then they need more capital and they draw more capital and the whole system works. Capital circulates and reaches new ventures. If they get scared or get sleepy ...

LABOUR BULLETIN: *But is competition policy and unbundling not designed to do this? What happens if they are not energetic? What is the policy environment that does energise them?*

KEYS: Well, they should go to the wall if

they are not energetic. Or someone else should take them over. I suppose a larger group can tolerate poor management for longer, but their record is not too bad.

LABOUR BULLETIN: *I would like to ask a more personal question. What motivated you to move from a job at the top of the corporate ladder into government?*

KEYS: I have got a tremendous respect for FW de Klerk. I think he is in his milieu a wonderful gift, in terms of the kind of changes we are working on. I think anyone who gets the chance to help him should take it if he can – and I could.

LABOUR BULLETIN: *Would you envisage staying on under a new government?*

KEYS: There are so many imponderables. If I felt the same way about them as I do about FW de Klerk then that would be fine.

LABOUR BULLETIN: *Do you find running a major corporation similar to running a government department? What are the differences?*

KEYS: One of the differences of course is the span of control. I ran Gencor with six people, talking to six people. The State President has 23 cabinet ministers and that is not the only body through which he runs things. You do not get that closeness and it is much harder to build a team – he is very good at it, but it takes a huge effort to build a team with something that spreads as wide as that. Then of course one is in an organisation, but also running on one's own to a fair extent. I am quite surprised that I run as unsupervised as I do.

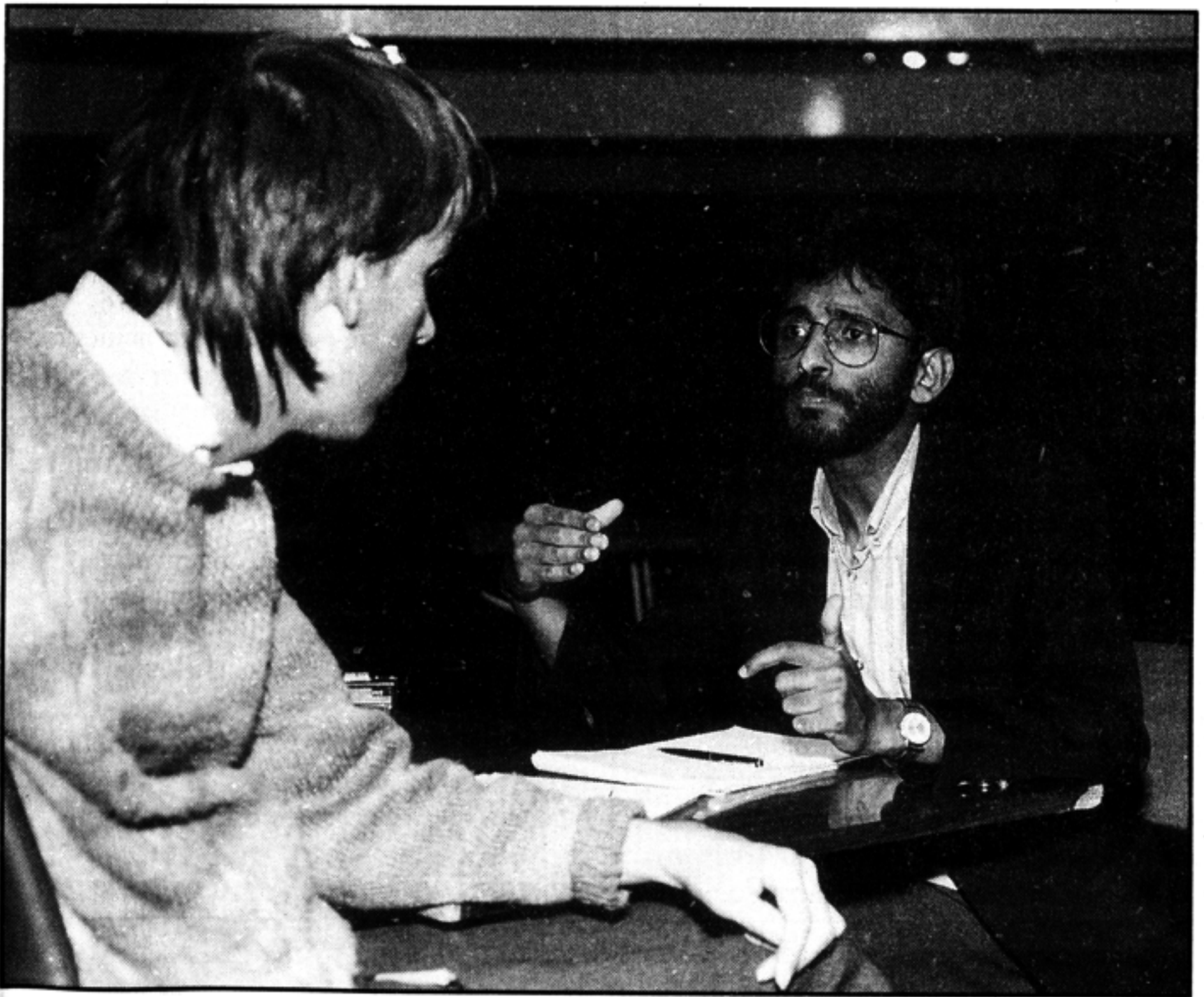
LABOUR BULLETIN: *Were you more supervised at Gencor?*

KEYS: Yes I was – by my shareholders! ☆



INTERVIEW

**'going in
with confidence'**
— *Ebrahim Patel*



Photos: Shariff

COSATU NEF negotiator EBRAHIM PATEL* speaks to Karl von Holdt about the budget, the NEF, productivity and union participation in industrial restructuring.

Bulletin: *What is COSATU's approach to the budget?*

Patel: COSATU believes that a number of tests should be applied to the budget.

Has it been drawn up by a legitimate government and in an inclusive way? The government has to consider the input of people within civil society.

The budget cannot be viewed in isolation. It is not fundamentally an accounting exercise where you are concerned only whether the income and expenditure balance. A budget needs to be seen within the context of a development plan for society. It is a critical instrument by which to develop a society, but it is not the only instrument.

You have to have an idea of where you are going with your society, what your key goals are, what you are trying to achieve. Fiscal policy, which is what the budget promotes, should be seen in that context. At the same time care should be taken to avoid the negative effects of a large deficit.

The budget should promote social development and industrial development. It must have effective and efficient delivery systems. This year's budget ought not to promote the electoral interest of one party or finance activities that undermine the electoral chances of other political parties.

The budget cannot shift the burden of taxation from the rich to the poor and the workers. Tax collection needs to be effective. We believe a tax net ought to encompass properly the corporate sector and the informal sector. It should reduce the exemptions which companies have to the minimum, and only to those which are in the broader interest of

society. For example, if there is a tax exemption that promotes investment or promotes employment we could support it.

Bulletin: *Do the budget proposals that have come from the government meet these tests?*

Patel: Government has not released details of its intended 1993 budget to us. In December labour and business was given a presentation by Derek Keys where he outlined the broad income and expenditure parameters of the 1992 budget. If he keeps the tax income constant then he will have a massive deficit. That is what was placed on the table.

Our response to that is that one cannot address the issue of the deficit from purely an accountants point of view. One has got to take a developmental perspective.

There are two ways of dealing with the deficit. The one way is to increase income, the other way is to decrease expenditure. We believe that there are massive opportunities for cutting state expenditure in a manner that will not hurt our members, and does not lead to a decrease in the quality of services that our members and the community require.

Secondly, we want a merging of the income and expenditure functions of government. As a longer term goal we want a tax commission with trade union representation on it to re-examine the whole system of taxation in SA.

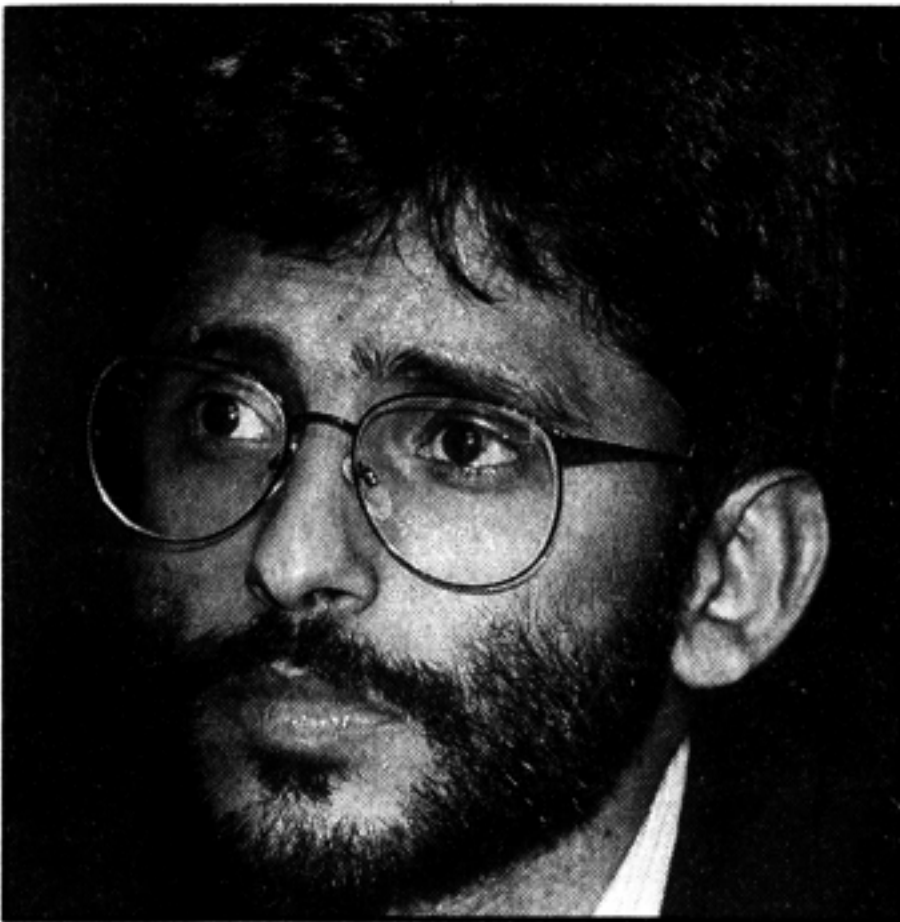
So that has been the specific comment of COSATU in regard to that bit of Derek Keys' dilemma which he has raised with us.

Bulletin: *Are you satisfied with the*

* Ebrahim Patel is assistant general secretary of SACTWU.

degree of consultation?

Patel: I think if we reflect on Keys' response compared to Barend du Plessis' response, he has certainly been a lot more open and a lot more prepared to share information with society, with the public at large. But there is massive room for improvement. We must cross that bridge to real public accountability.



Bulletin: *Derek Keys has made known his views about the need to reduce the size of the state. What is your view?*

Patel: I think by way of general orientation COSATU does not see it as viable that we constantly swell the public sector. We stand for an efficient public sector which means one which is able to deliver the services that our members and society need, at the lowest cost possible.

The current state is very costly because of duplicating apartheid departments, because of corruption, because of mismanagement, because of the size of the military. So you can cut massively without hurting the workers and the poor. What you need to do within the public sector is to improve the quality of the services that are delivered and reorient it away from white communities towards all South Africans.

The National Party will struggle to shift the burden of cutting the public sector onto workers. We are not going to allow them to shift the burden onto our shoulders by cutting services in our areas or retrenching our members.

Bulletin: *What does this mean for the predominantly white bureaucracy?*

Patel: I do not think that COSATU is proposing a purge, but if an efficient and effective public sector is to emerge in the new South Africa the pressure will be on those people who have been employed primarily as a political favour. The NP has packed the civil service with its own supporters.

The public sector will not only contract, it will contract and expand. It will contract in the areas of patronage and expand in the areas where we are seeking to deliver social services to the community that was previously not serviced. What we must also obviously avoid as a major danger is the development of new political patronage within the state.

Bulletin: *Turning now to the National Economic Forum, do you see the NEF as a forum in which the three parties will make formal binding agreements?*

Patel: COSATU is not interested in a forum where we merely exchange opinions on the economic challenges facing the society. We see the National Economic Forum as a negotiating body. It has to bring together the three parties so that they reach agreement on the challenges facing the society.

When you have different interests the only way in which you can construct agreements is through bargaining. So we do seek formal binding agreements. One of the issues that government has raised is that government and parliament could never commit themselves to merely implement what some other forum has decided.

But government obviously would have to give its consent to whatever is finally agreed, or it is not an agreement of three parties. To

that extent the sovereignty of any parliament will be exercised in the negotiating process.

Bulletin: *Given that COSATU has a very specific view on how these negotiations should be conducted, and the government has a different view, is any agreement possible?*

Patel: COSATU's idea of binding agreements is not in itself a precondition for entering the NEF. It becomes a struggle within the NEF. In the NEF we must struggle to reach agreements that advance the interest of our members, and then have massive struggles to ensure that those agreements are in practice binding.

Bulletin: *In some respects the issue of parliament's sovereignty can be related to the fact that the government is illegitimate, that it represents a small sector of the population. Do you see the NEF as a transitional arrangement peculiar to this period, or as in general a good way to conduct the relationship between business, labour and the government?*

Patel: The NEF in my view is a desirable model for a democratic society.

Any society is complex, and people's needs are not always best articulated through a member of parliament. They can be articulated through trade unions, or through other organs of civil society. In addition, government is not the only power in society.

In today's very open world capital can move between borders with ease. At the same time labour is also a powerful factor. If you wish to have a reconstruction arrangement that can work, you need to get broad consensus between organised labour and organised business. Now of course there will be many areas of government where government may well need to act on its own, but there will be very many areas where government would consider it prudent and where we would consider it necessary that government not act on its own.



Bulletin: *You mentioned on the one hand tripartite negotiating institutions, and on the other hand the sovereignty of parliament. What about the question of the relation between the labour movement and the governing political organisation if we have an ANC government? How would that impact on tripartite institutions and bilateral relations between capital and labour?*

Patel: I would hope that when we have an ANC government reaching agreement in the NEF will become easier, because a government which has been elected through the will of the majority would seek to promote the interests of ordinary people. It would be a government that is not a captive of the rich or the minority. In that sense, the broad reconstruction perspective of a democratic government would be similar to the broad reconstruction perspective of a very special type of labour movement.

COSATU is a labour movement with a difference. We take the view that we need to promote the interests of our members vigorously, but those interests are best pursued by also looking at the interests of the unemployed, and those who have no voice in the society. Also, our interests are best pursued by not focusing on consumption issues only, but also by focusing on issues of economic

growth. We are a labour movement with a developmental perspective.

Bulletin: *For how long is it going to be possible for the labour movement to represent the specific interests of its own members as well as the interests of non-members? There is a fear that forums such as the NEF exclude large sectors in our society and may take decisions against their interests.*

Patel: There are potential tensions even within organised labour, because of the massive disparity in wages in different parts of the country and in different sectors of the economy. COSATU already has to manage that tension. In the same way we would accept that there are potential tensions between organised workers and any other group of workers. There will be tensions between the employed and other elements of the society.

The question is, is organised labour such a privileged group that you can distinguish them from the unemployed? I would contend not. It is not the case because the wage rates paid in many industries are so low that those workers' real standard of living brings them very close to the unemployed.

If one tries to identify objective interests you do not see whether the person carries a union card or not. You see what is the standard of living and what programmes are required to transform or change the standard of living.

It is not that the unemployed live in one township in misery, and the employed live in another township in luxury and privilege. The truth is it is the same community, and those that are employed either in the formal sector or the informal sector subsidise and keep alive those who have no job, because it is our family, our people. Hence there is not a huge social gap between the employed and the unemployed.

If one looks at COSATU's programme of reconstruction for the new South Africa, one is struck by the fact that such a large part of its programme is aimed primarily at the poor and those with very little resources.

Instead of COSATU fighting for a minimum wage of R500 a week, we are demanding a social wage that benefits everyone whether employed or unemployed. We demand housing for everyone. We demand a national health care system that is accessible to all. The labour movement seeks to develop the entire society, not only its membership.

Bulletin: *Does COSATU consider that an incomes policy, or a policy of wage restraint, has some place in the strategy for economic growth?*

Patel: COSATU has not rejected the idea of an incomes policy. What we do reject is a low wage strategy. A low wage strategy is not possible because the labour movement is too strong and we will resist it. Then, too, a low wage strategy will not work in a relatively industrialised society. So we reject that.

But that does not mean we reject an incomes policy. Obviously the question that our members will pose is, what is the benefit for them and for their communities? If an incomes policy only means sacrifice by workers and no gain to workers and their community, then there is no benefit in it.

We are certainly not hostile to the idea of looking at a broad reconstruction programme, one element of which may be an incomes policy. Another element would be the provision of houses and the electrification of our townships. A third element would be centralised bargaining. A fourth element would be the better utilisation of investment resources towards the needs of the poor.

Bulletin: *You are talking about responding to proposals for an incomes policy. But would COSATU consider putting such a proposal on the table?*

Patel: Apart from what I've already said, there are some technical difficulties. One of the difficulties that we have with incomes policy is that all bargaining takes place within the affiliates. COSATU itself does not bargain on

behalf of affiliates, unlike the highly centralised federations which you find in many European countries. It is possible for such federations to come up with a proposal for an incomes policy.

The second problem is that affiliates do not all negotiate nationally. Many affiliates are forced to bargain at plant level and you cannot have an incomes policy if your bargaining is done at a plant level. I think these problems would have to be addressed before we could make such a proposal.

Bulletin: *The NEF has a long term working group. What are COSATU's long term goals in the NEF?*

Patel: Our intention with the long term working group initially was to provide a forum where we could identify our policy positions on macro-economic issues. Business would do the same and government would do the same. Then we could identify the areas of similarity and areas of difference.

Then we would involve our members more thoroughly in debating those areas of difference. If we remain committed to positions where we differ from government and business we would seek to involve all of our resources – intellectual, human, and membership resources – to try to promote our perspective.

It appears to us that some of the other parties in the NEF have a somewhat different goal in the long term working group. It appears as if they want to try to test every agreement of the NEF against their macro-economic perspectives. In that way it could delay or frustrate the delivery of jobs, the delivery of human resource development, the delivery of the needs of our members. We will resist that vigorously.

Bulletin: *Is it fair to say that COSATU does not have a macro-economic policy at the moment? Is there a danger in not having a coherent macro-economic policy? You may be able to respond to very specific issues with good ideas,*

but be unable to challenge the economic programmes of capital or the government as a whole.

Patel: COSATU does not have a detailed macro-economic blueprint, but COSATU does have the essential elements of a macro-economic framework and we are developing the detail a lot more.

Some years back, we had demands with regard to the budget, but we had no coherent fiscal policy. We are now developing fiscal policy in some detail. We have developed very detailed propositions for our industrial policy. A few years back COSATU's concerns about monetary policy were very narrow and specific. Now we are able to engage Chris Stals in a wide ranging debate on monetary policy. Some years back our key concern was consumption. Increasingly through the efforts we put into provident funds we are now developing policies on savings and on investments.

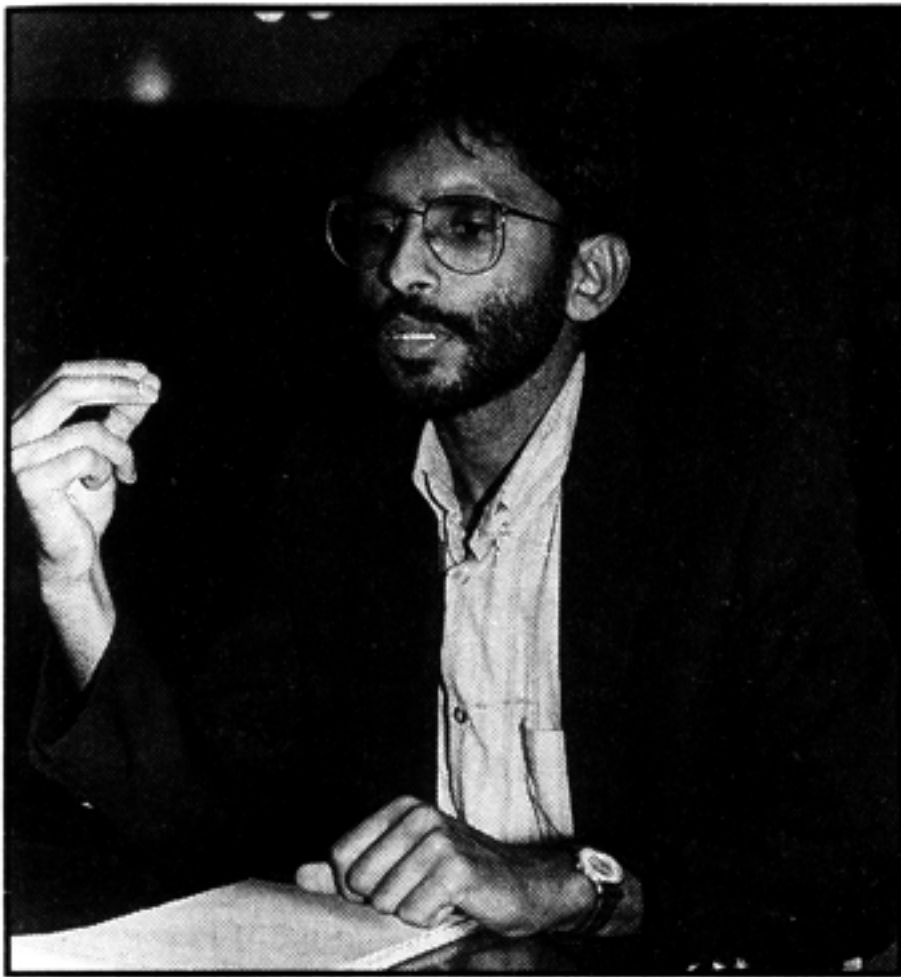
So on an wide range of fronts, COSATU is going beyond just the odd general observation into very concrete propositions that we are able to advance with confidence and with vigour in the public arena.

The apartheid framework which has been the basis of government policy for so long, and which business has accepted so slavishly, has been fundamentally flawed and has collapsed so spectacularly and with so much human misery. We are able to counterpose our perspectives against this crumbling framework. When you have so much evidence of failure you go in with confidence.

Bulletin: *Is there not a danger in terms of taking co-responsibility for the crisis? Keys has told all the participants in the NEF that in his view the NEF is a forum where the different parties can come together and make decisions that are unpopular with their constituencies. Is there danger in this?*

Patel: There is a danger, if a few leaders engage in an intellectual exercise and first

reach consensus on matters, then having reached consensus, go and sell that to our members. If the government wants decisions to be made in this way, then COSATU will not co-operate.



We believe we should follow the lessons of wage negotiations where you go in with your proposals, you bargain and at each critical stage, when hard choices have to be made, you go back to your members and you have the courage to explain to them the balance of forces, the economic realities.

If there are hard choices which labour needs to face, let our members become part of discussing those hard choices. We may have to take decisions that are hard, but not necessarily decisions that are unpopular, because our members themselves would have to make those decisions.

We see the NEF as an opportunity for the voice of our members to be heard and for whatever constraints are raised in the NEF to be fed to our membership.

Bulletin: *You have said we should choose a high productivity path for the economy, rather than a low wage path. What would be the major ways of increasing productivity from a labour point of view?*

Patel: We need a new look at how and what we are spending on education. Both education within the formal schooling system, and training within industry. The next area is technology development. I would say human resource development and technology development, and a proper strategy in both areas would be fundamental issues to address.

We need to deal with the way in which business has systematically locked workers and the union out of any economic decision making. We have forced our way into economic decision making, and we now have the capacity to unlock the creativity of workers on productivity issues.

Unions are not afraid of the challenge of productivity. Of course productivity always has to come within the context of no job losses in consequence of productivity gains. Workers want to have the fruits of productivity increases.

Productivity is not just about labour. The critical issues in productivity have got nothing to do with people sweating more. It has got a lot to do with better management of factories, a lot to do with the appropriate technology for an industry. Capital productivity has to be looked at, raw material productivity has to be looked at. One has to look at how to increase the productive use of every factor of production.

Bulletin: *This takes us onto the question of SACTWU's involvement in the industry rescue plan for clothing and textiles. What are your reflections on that experience?*

Patel: For any project like this to work it is vital to find new ways to involve workers and shopstewards. Workers need to understand the issues, to feel excited about them and to feel that it is really their future that they are also helping to shape.

We have noticed in our industry major divisions within capital, for example between the cotton farmers and the textile producers and the clothing manufacturers. These divisions within capital have paralysed capital to the point where they do not have an

embracing vision of how to grow the industry. And labour, because it is, not wracked by so many divisions, has the historic opportunity to promote a policy and a strategy that grows an entire industry, and that ensures a nett gain of jobs in the industry.

The third thing that we have come to realise is that the key issues of growth in our industry do not necessarily involve a cut in labour standards. This gives us renewed confidence that if we can tackle the structural problems not only can the industries grow. The industries can grow without a low wage base to the economy.

Bulletin: *How have you managed to engage members in your industry restructuring and how do you do that in a sustained way?*

Patel: We have had some success, but I think there is a massive area for improvement in our union. The first step is to have a system where you can communicate to all the factories. We bring out a fortnightly newspaper which is distributed to all 2 000 workplaces where we have members.

The second step is to create forums where matters can be debated. We use our regional shopsteward councils.

The third step is to be able to run campaigns. Even those issues that are complex should be captured into a campaign or else you have lost your members' involvement.

Last year we ran a campaign against the importing of second-hand clothing in order to make complex trade issues come alive for workers. Each union and COSATU has to choose issues which they can transform into a campaign. The same thing applies to NEF negotiations - you must be able to reduce the agenda to some campaign issues. When you do that you involve members.

Finally, once we have established a programme, we have got to find a way to transform this into micro issues within each factory. At the end of the day the strongest participation from workers will come when they are able to interface with issues affecting

their own shopfloor and their own management. For example, when we take up training at the national level, we have got to find a connection with what is happening at the factory and pursue that connection vigorously.

Bulletin: *Is it possible to run a campaign on more complex issues like tariffs and subsidies, which are some of the important areas that you have been covering?*

Patel: It is absolutely possible. But we want to go beyond being a union movement that it is always agitating for higher protection and more public money coming towards industry.

The real challenge for SACTWU would be to concentrate on the supply side of the manufacturing industry. We could consider a huge campaign around training, appropriate technology and proper managerial systems. There is no reason why workers ought not to be concerned about that, because it is the weaknesses in these areas that force their companies to retrench or close down.

There could be a big productivity campaign within the factory aimed at inefficiency of management. I do not see why workers cannot protest and if necessary down tools against the manager for leaving the office at 3 o'clock, or taking long leave. It is our future, it is our industry, and to just be resentful of it is not enough. We were resentful about low wages in the early 70s, and we transformed that resentment into active struggle. We have got to take the resentment about the mismanagement of our economy and turn it into issues of active campaigning on a micro level, not only at industry level.

Finally, there are broad social issues that the labour movement should take up - campaigns around housing, campaigns for democracy in the society, campaigns for the equality of men and women. That must involve members. That is the slogan of course - what we need to constantly work on is getting our members involved. With wages it is easier to draw the connection with members and to have them actively mobilised.

There is a danger that we go the route of so many other unions – where if you have centralised bargaining you then start to concentrate only on that because it is easier to do it nationally.

Centralised bargaining becomes the heart and soul of the union. That would be a big mistake. We have got to find a way to use our manpower and our experience in labour to transform the factories and make them an arena of real engagement and dynamic activity by workers.

Bulletin: *There have been some criticisms raised that the union/employer agreement in the clothing and textile industries amounts to collusion which keeps prices up and damages consumer interests. What is your response to that?*

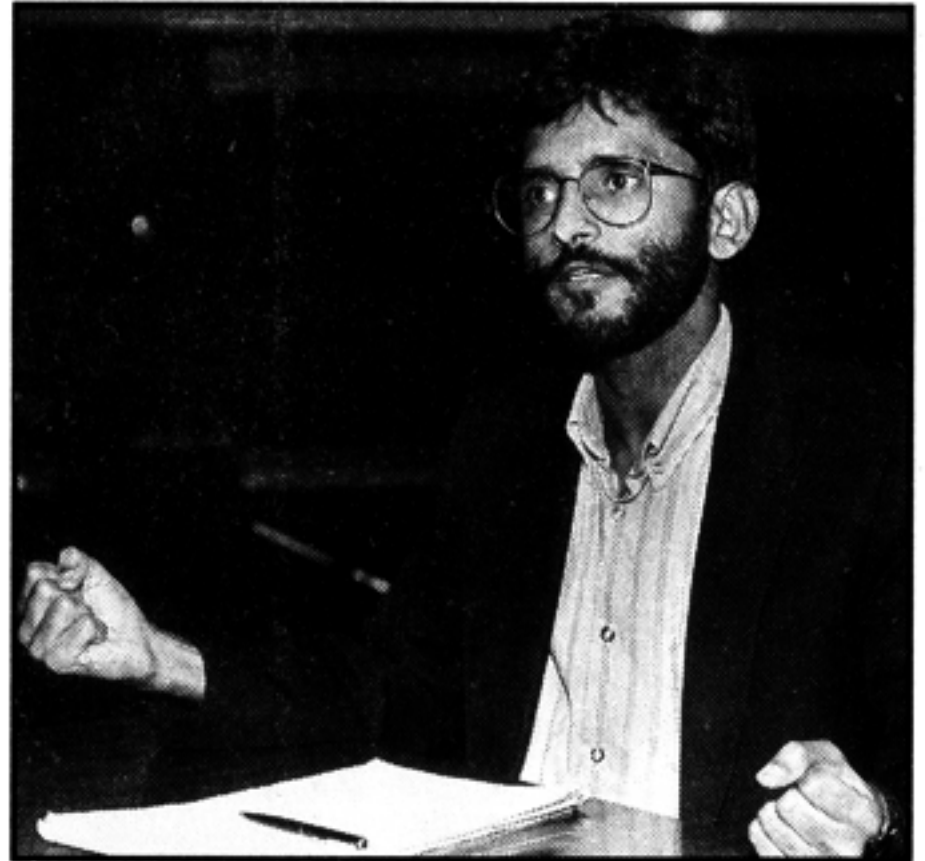
Patel: COSATU increasingly has a sensitivity to the fact that our members are consumers. We must always balance the interests of our 1,3 million members as producers and as consumers. A good example of that is the COSATU campaign on lowering food prices.

In addition, we can see the economic folly of passing huge cost increases onto consumers. If clothing prices should just rise massively all that will happen is that people will buy less clothing. So our perspective as the union is to produce good quality, affordable clothing for the country as the basis of our industry.

If we cannot meet that challenge, there is no long term future for the industry. You cannot build a future through government protection. At the end of the day what we are concerned about is not protecting jobs, but improving the quality of life for all South Africans. That is the real heart of it.

Bulletin: *Now for a final question. Personally what have you learned from engaging with the government and employers in forums such as the NEF or the industry restructuring committee?*

Patel: I have been struck by the fact that those who have managed the economy and industry have so little coherent vision for the future. Business has focused primarily on short term. They have lost the vision of how to grow the economy.



The second thing that struck me is that the issues of industrial policy are a lot more complex to resolve than industrial relations issues. In industrial relations there is normally a clear polarization between the interest of organised labour and the interest of business or capital. Within industrial policy there is no easy division. What may be in the interest of one section of workers may not be in the interest of another section of workers. It is not always possible to pose labour's perspective in all instances as different to the perspective that sections of business may have. So it is a lot more complex to define one's mandates and to define one's tactical positions than it is in ordinary collective bargaining. It is at a personal level and intellectually a lot more challenging than ordinary wage bargaining.

Finally, there is a lot more information and information analysis that one has to absorb to be effective in this area. With industrial policy issues the international experience and what happens in other economies is a lot more relevant. You need a world perspective to be able to help to restructure industry. ☆

Trade unionists from all three major federations, COSATU, NACTU and FEDSAL, look back on 1992 as "a very difficult year" in collective bargaining. However, although they experienced very similar problems, they propose a diversity of approaches as to how to deal with them. DOT KEET draws together some of their views on perspectives and priorities for 1993.

collective bargaining: *trade union perspectives on 1992 and 1993*

When COSATU unions held their national collective bargaining conferences in the early months of 1992, they set themselves bold targets for the coming rounds of negotiations with employers.

These included, above all, demands for real wage increases, a halt to escalating retrenchments, progress towards centralised bargaining, and a determination to persuade – or even push – employers into national industrial forums for serious collective discussions with the unions on the problems in the respective sectors of the economy.

Toward the end of 1992, a survey of union negotiators and organisers (from all three major federations) on collective bargaining problems and achievements over the year produced some sobering reports, starting with wages.

Wages

With few exceptions, all trade unions across the spectrum report wage agreements at, or

below, the rate of inflation – which represent real wages decreases. For 1993, union negotiators say

- ★ "We will have to draw the line. We have to prevent further erosion of wages... regardless of gold prices," *NUM national negotiator, Martin Nicol.*
- ★ "Higher wages will be our top priority, but we do not expect to get above inflation increases next year," *MEWUSA national organiser, Tommy Oliphant.*
- ★ "This must be our top priority," *CAWU national negotiator, Desmond Mahashe.*
- ★ "We don't think that higher wages will be on our negotiating agenda next year," *BCAWU national organiser, Vusi Thusi.*
- ★ "We need to get a fair balance between wage improvements and the need to maintain maximum employment," *FEDSAL general secretary, Dannhauser Van der Merwe.*
- ★ "Wage restraint is not the solution because it does not always mean more jobs. Often it

simply entails lower wages *and* fewer jobs," **SACTWU assistant general secretary Ebrahim Patel.**

Defending jobs

With heavy job losses continuing throughout 1992, most unionists point to defence of jobs as being "the top priority" for 1993. They say

★ "This is a major crisis," **SACTWU head of collective bargaining, Mark Bennett.**

★ "We would even take a cut in salaries to save jobs," **FEDSAL.**

★ "Our priority is to save

jobs; but we have to balance this against the need to protect basic standards," **NUM.**

During 1992 many unions fought for moratoriums on retrenchments while seeking alternative solutions. Such alternatives to job losses are projected as a major challenge for 1993.

★ "Discussions are going on within the union at present on how to approach the problem of retrenchments creatively. We are not against the introduction of new technology and work organisation, but it must not be at the expense of present levels of employment," **SACCAWU collective bargaining co-ordinator, Motsomi Mokhine.**

★ "It is easy to feel defeated on our demand for a moratorium on retrenchments. But the reality is that we haven't built a unified and coordinated struggle around the COSATU Congress demand for a moratorium," **PPWAWU.**

Some unionists adopt a more defensive approach by focussing negotiations on improved retrenchment procedures and packages, because

★ "Despite agreements with management,

workers have been retrenched. We are now striving to prepare better [retrenchment] packages for our members," **Food and Beverage Workers' Union (FBWU).**

★ "Better dismissal procedures have been achieved with Anglo-American, but we still have a long way to go. In mining we are going to be involved in a defensive struggle over jobs for the next twenty years," **NUM.**

Training

A more common – and more proactive – union approach to defending jobs is through retraining for different placement or alternative employment. This is regarded as

★ "... our major achievement in 1992. The innovative Work Security Fund in the Auto Sector includes training and retraining as well as preference in re-employment and maintenance of service-related benefits," **NUMSA**

national negotiator, Les Kettledas.

Furthermore,

★ "Training will contribute towards job security because employers cannot easily retrench people in whom they

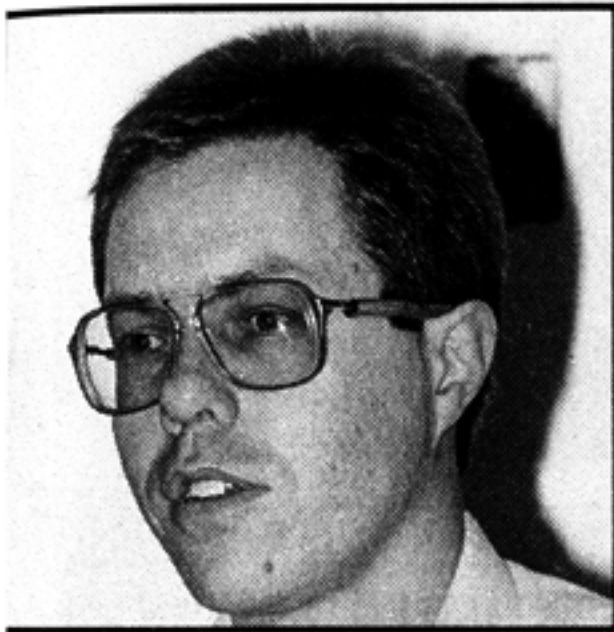
have invested," **SACCAWU general secretary Papi Kganare.**

But training is also seen as vitally important in itself:

★ "Training will be our first item on the agenda for next year," **MEWUSA.**

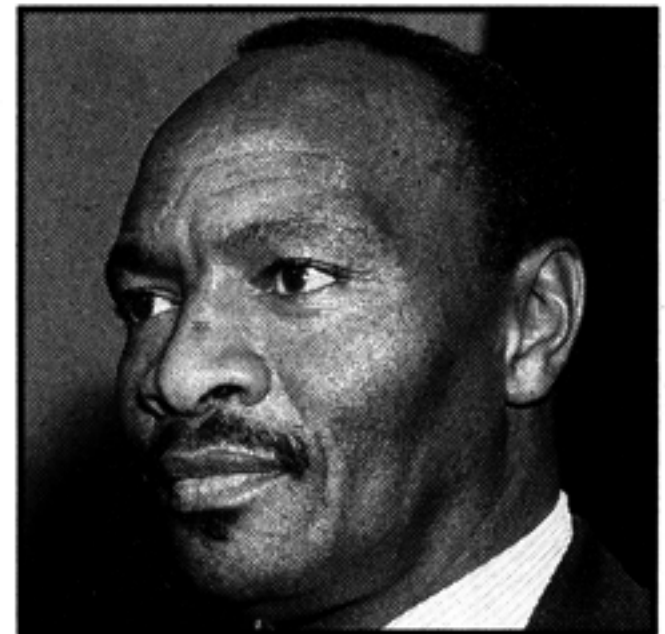
★ "Advancing on Industrial Training Boards (ITBs) is very important in order to overcome the craft unions' monopolisation of skills," **CWIU, acting general secretary Muzi Buthelezi.**

★ "We have to open up craft skills and training to our members through ITBs in building and civil engineering," **CAWU.**



Martin Nicol, NUM

Photo: William Matlala



Tommy Oliphant, MEWUSA

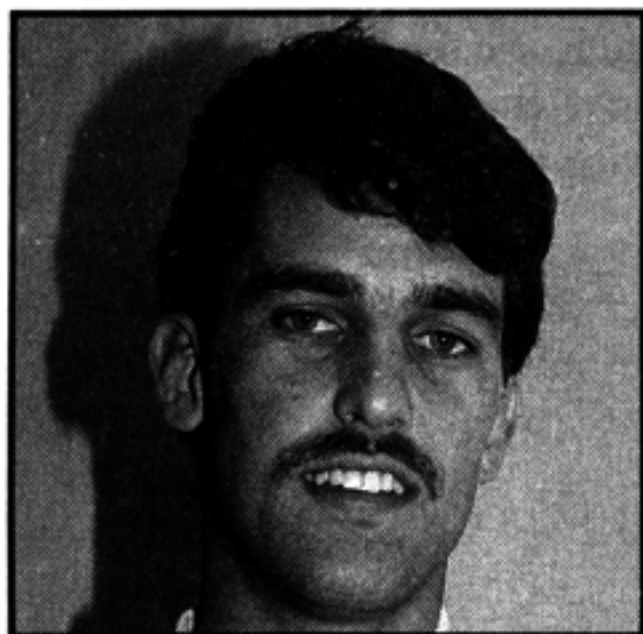
Photo: Sue Kramer

Creating jobs

The most common unionist approach, however, seems to be that the best way to defend jobs is to create jobs through industrial restructuring and economic development.

Thus, for example:

- ★ "We need to actively participate and, where feasible, initiate employment creation projects as part of the Work Security Fund in the auto sector," **NUMSA**.
- ★ "We need massive labour intensive, government funded job creation programmes, for example in housing, road building and so on," **CAWU**.
- ★ "The answer to retrenchments is to create jobs, not through works programmes, but



**Dannhauser v d Merwe,
FEDSAL**

Photo: William Matlala

through economic reconstruction," **CWIU**.

- ★ "In order to create jobs we are going to have to restructure the entire mining industry. We must provide alternative uses for mining assets, redevelop

mining towns, encourage rural development. Basically, we are going to have to have these things legislated," **NUM**.

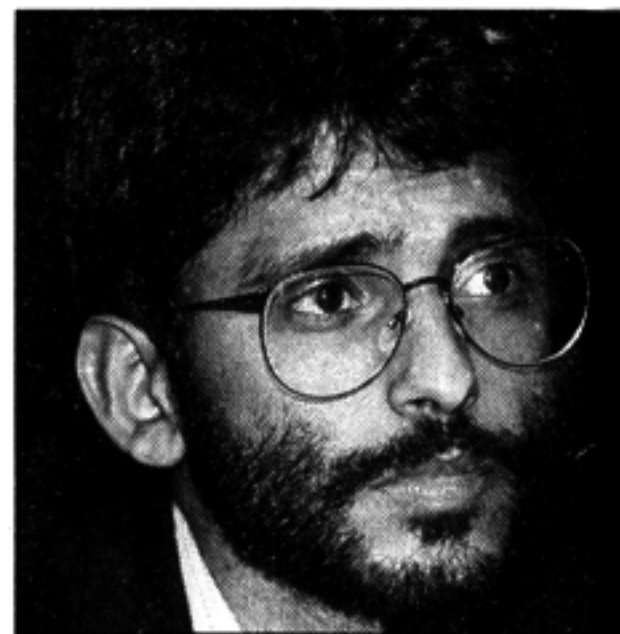
Centralised bargaining

The negotiating effectiveness of the unions will, in turn, depend crucially on progress towards centralised bargaining because:

- ★ "Centralised bargaining is the key to all other aims and priorities," **CWIU**.
- ★ "During 1993 we will be campaigning intensively for the formation of a national industrial council for the textile sector," **SACTWU national organiser, Jabu Gwala**.
- ★ "Centralised bargaining is absolutely essential for us. We'll take the issue to a national strike if necessary. We have had

overwhelming support from our members for this," **SACCAWU**.

- ★ "We have to achieve centralised bargaining together with recruitment. We cannot have a rapidly expanding membership unless we also have CB. We need an integrated approach," **TGWU assistant general secretary, Randall Howard**.



Ebrahim Patel, SACTWU

Photo: Sha

Many COSATU unions proposed central or national bargaining forums in their respective industries; but with differing responses from employers:

- ★ "We concentrated on central bargaining forums this year. Some small companies responded, but big companies evaded with various excuses. We will go ahead anyway and they will come in eventually," **SACCAWU**.
- ★ "There has been a hardening of attitudes amongst employers on centralised bargaining," **FEDSAL**.
- ★ "We have a national bargaining forum in the civil engineering sector which will probably lead to the setting up of an industrial council," **CAWU**.
- ★ "Nampak have responded to our demands for a national bargaining forum, but they want to develop a pattern of bargaining forums in order to pre-empt the setting up of a proper industrial council for the sector," **PPWAWU**.
- ★ "Many companies were willing to enter into discussions with us on industry forums. For example, we made a major breakthrough with Barlow Rand's Romatex...", **SACTWU**.
- ★ "We have achieved some national company negotiations, but no progress on national industry forums. It is going to be a hard

battle," *CWIU*.

★ "Do we aim for industrial councils or for central bargaining forums?" *SACCAWU*.

★ Centralised bargaining is directly related to industrial restructuring. The ICs should be

made to take up the questions of industrial restructuring," *TGWU*.

Industrial restructuring

★ "... is high on our agenda for next year and the future. It is essential in

the construction sector," *CAWU*.

★ "The specific demand that we make for our sector as a whole is for the involvement of our union in the whole process of restructuring within our industry," *FAWU general secretary, Mandla Gxanyana*.

★ "This is an absolutely key issue for us in the mining sector. Restructuring of the entire mining industry will have to be discussed in the working groups that emerged from the Mining Summit in 1991. These are as important

for us as the National Economic Forum," *NUM*.

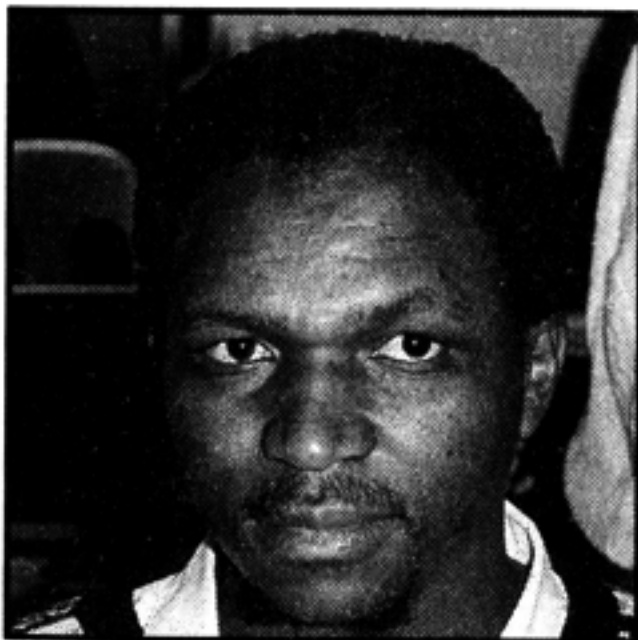
★ "This is our number one priority for next year. We already

have research on industrial restructuring under way in the auto and engineering sectors," *NUMSA*.



Les Kettleidas, NUMSA

Photo: William Matlala



Papi Kganare, SACCAWU

Photo: William Matlala

★ "During 1992 SACTWU was engaged in a defensive struggle against retrenchments, but in 1993 we will launch an offensive fight to tackle the structural problems responsible for the decline of industries in our sector,"

SACTWU.

★ "We have to get to grips with the economic issues in our sectors. But we have a size problem. We cannot afford specialised personnel," *PPWAWU*.

★ "This is absolutely essential for our future. We must develop the skills to persuade the future democratic government to adopt policies necessary for the future of the mining industry," *NUM*.

Role of the democratic state?

There are differing approaches amongst unionists to the role of the state in the process of economic restructuring in South Africa.

★ "The state has an important role in infra-structural development and job creation,"

CAWU.

★ "The state will have to intervene actively. We need a government that will subsidise gold mining during the

restructuring process and, if necessary, threaten the mining houses," *NUM*.

★ "The democratic government must participate in a broad transport policy forum to deal with the disasters of the current apartheid-based transport system. We must develop progressive mass transport policies including nationalisations, especially in passenger transport," *TGWU*.

★ "Industrial councils should be legislated to oblige employers to accept centralised bargaining," *CWIU*.

★ "Industrial councils or industrial forums

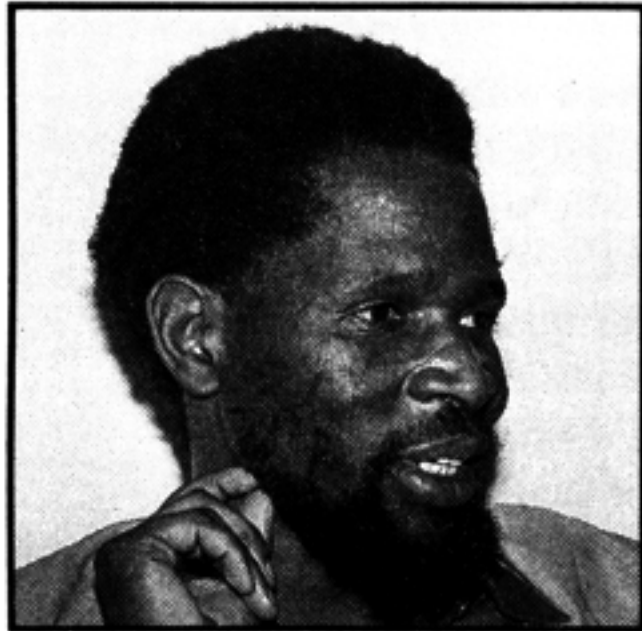


Muzi Buthelezi, CWIU

Photo: Shariff

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must not be legislated. They must be won by us through our struggles. The democratic state must not intervene in industrial relations. It can play a role in broader



Jabu Gwala, SACTWU

Photo: Morice

socio-economic or labour market questions. It can facilitate or monitor, but it must not decide," **SACCAWU**, general secretary **Papi Kganare**.

★ "We cannot just wait for a democratic government. We

must move forward with the other unions to ensure the future government is responsive to workers' needs," **PPWAWU**.

Labour unity

Although labour unity is regarded as a necessity, unions in the different federations - and even within COSATU itself - seem to give the question of trade union mergers and organisational unity different weight for the coming year:

★ "This is our major organisational project for next year. Our merger must go ahead with **SARHWU**; as well as with **SATDU** (taxi drivers) and **SASTAWU** (scooters). We have invited other unions to join the forthcoming goods transport IC and the Transport Unions' Forum. There is no better way to achieve maximum unity amongst transport workers," **TGWU**.

★ "A merger between **SACTWU** and the leather workers unions would allow for the development of appropriate strategies for the restructuring of the crisis-ridden leather industry, and for more effective bargaining with employers," **SACTWU**.

★ "This is essential in our sector, but we are not even hopeful of progress because **SACWU** is evading the issue of unity with us unless there is a merger between **NACTU**

and **COSATU** first. Whereas we feel that, without commitment to unity by the affiliates, merging at the national level will be fruitless," **CWIU**.

★ "This is a big problem for us. There are many small unions in our different sectors (**SATU** in typographical, **NUFAWU** in furniture, **MWASA** in paper/printing). We have to aim to win their members at the base on specific issues and through offering better benefits," **PPWAWU**.

★ We are facing growing union rivalry on the shopfloor (with **BCAWU** and **SAAWU**) and even violence. The national level has to facilitate ground-level co-operation. We also have to extend the collective bargaining unit to include more skilled and even white workers," **CAWU**.

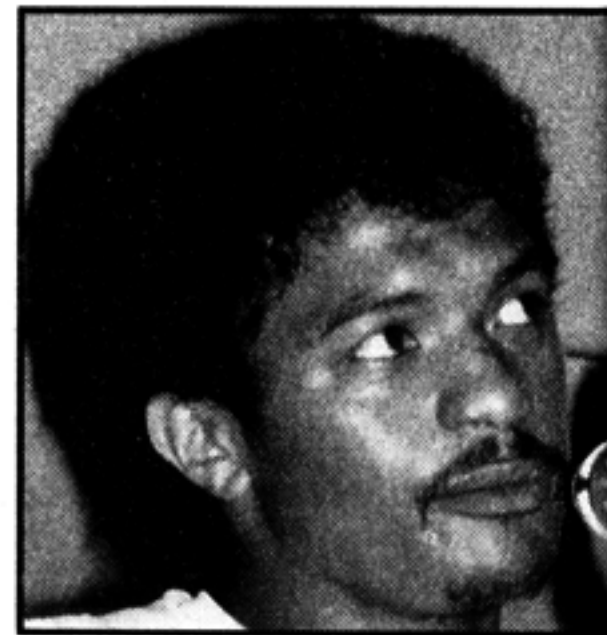
★ "This is our major challenge for next year," **BCAWU**.

★ "There is a steering committee of **NUMSA** and

NACTU's Metal and Electrical Workers Union (**MEWUSA**) representatives discussing a merger between the two unions. As part of the process of broadening worker unity we are also aiming to include skilled, white collar workers in the bargaining units in our sectors," **NUMSA**.

★ "**NUMSA**'s alliance with the **ANC/SACP** is a major hurdle at the moment. We are prepared to merge as soon as the process towards democratic elections is over," **MEWUSA**.

★ "The party political alignment of trade unions must be ended. Then prospects for labour unity would be much better. In the meantime, we must concentrate on commonalities, on the areas where we agree," **FEDSAL**.



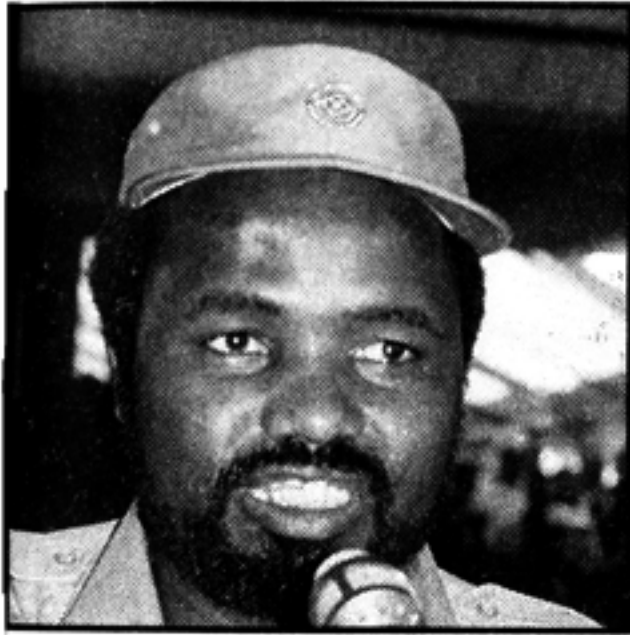
Randall Howard, TGWU

Photo: William Math

Trade union growth

Recruiting amongst more skilled workers, and other less organised sectors of the working population seems, for many unions, to be part of their broader trade union growth strategies in the coming year:

★ "We are losing members but we are not going to expand simply by organising more. We have to achieve amalgamations with existing smaller unions in all our sectors; and we must win over more skilled (especially



Mandla Gxanyana, FAWU

Photo: William Matlala

coloured and Indian) workers," **PPWAWU**.

★ "Membership loss through retrenchments is being off-set by new recruitment in new mines and new geographical areas. We are also aiming to

move forward in recruitment in new grades," **NUM**.

★ "We have suffered fairly dramatic losses, but we are also taking in members in new sectors (such as leather), new geographical areas (such as the homelands) and generally in the rural areas (where we are mopping up small companies), and we are moving into higher (staff) grades," **SACTWU**.

★ We will have to try to move into and recruit in higher grades, extending the bargaining unit, but white workers are still resistant," **CWIU**.

★ "We have to have a clear union growth strategy, targeting specific sectors. We can't sit and wait for workers to come to us," **TGWU**.

The mood in the unions

Despite the difficult year they have just been through, and the unfavourable economic prospects for 1993, reports by unionists on the mood within the trade unions across the

spectrum are worth noting for the coming year:

★ "The (mainly skilled) membership of the trade unions in our federation has grown because of fear of retrenchments," **FEDSAL**.

★ "The majority of our members are very angry.... But we are not going to be able to pull out another strike in the coming year," **MEWUSA**.

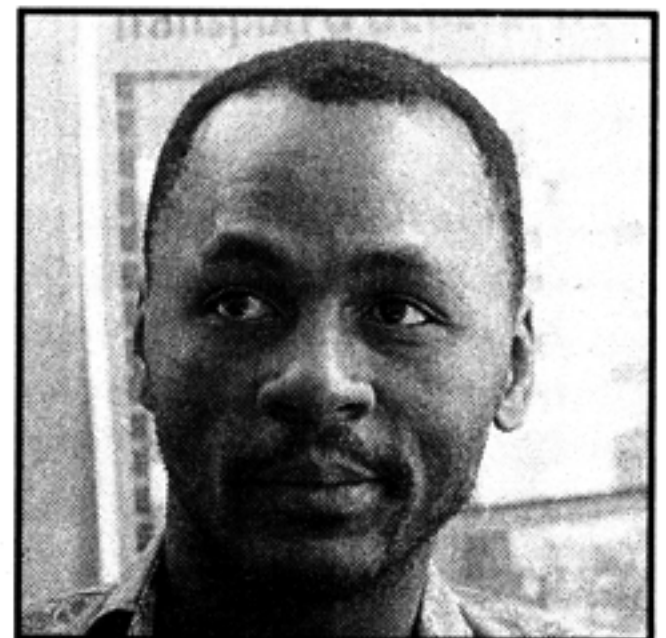
★ "If we don't deliver next year on concrete wage advances, a defiant 'to hell with them' anger amongst many miners might be expressed in spontaneous actions," **NUM**.

★ "Our members will be willing to act if we ballot them on a national bargaining forum. But we know some companies are gearing up for confrontation with us – as they did with NUMSA. We are going to act with tactical care," **SACCAWU**, *Motsomi Mokhine*.

★ "There is a mood of rage amongst our members at the appalling conditions. But militancy has to be channelled in a tactically responsible way. The experience of NUMSA must be a warning to us," **CAWU**.

★ "Trade unions have lost a number of big struggles this past year, such as the NUMSA strike, and we must look at the role that our leadership and poor organisation has played in those defeats," **PPWAWU**.

★ "We have a good direct sense of the mood of the members on the ground. They feel that further action is necessary to convince



Thulani Dhlamini, TGWU

Photo: William Matlala

employers that we *are* serious. We can expect independent 'non-regulated' actions and demonstrations, whether we ballot for strike action or not," **TGWU National Negotiator**, *Thulani Dhlamini*. ☆

1992:

*falling wages,
falling membership,
lost strikes, lost jobs*

Photo: William Matlala



1993:

*make or break
for labour*

*KARL VON HOLDT assesses the 1993
agenda for collective bargaining*

1992 was a watershed year for industrial relations in South Africa.

Several important trends that had been established through the struggles of the militant democratic labour movement during the 1980s were reversed. On the other hand, the bargaining agenda broadened significantly, and COSATU and NACTU began to engage in a series of new forums.

First, the reverses:

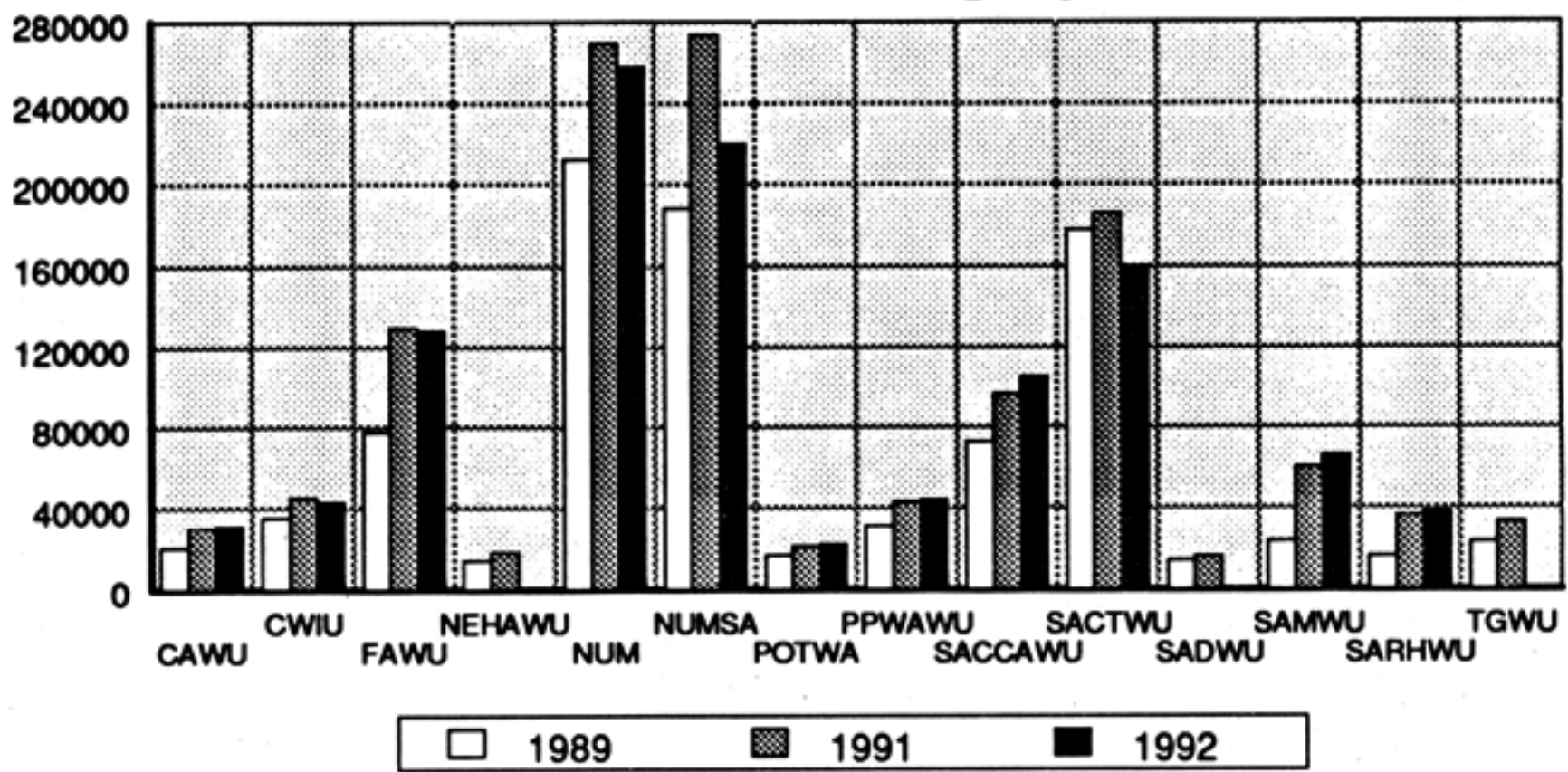
- For the first time many organised workers have experienced a drop in real wages. According to the Andrew Levy wage survey the average wage increase was 12% in 1992, lower than at any time since 1986. It was also below inflation (13,5% in 1992) for the first time since 1986.
- At the same time, while union strike action increased compared to 1991, strikers generally won insignificant extra gains through their action. The most dramatic indication of this shift of the balance of

forces against unions on the wage/strike front was the NUMSA strike in the metal industry. After four weeks, strikers were forced to return to work with no gains, and later settled for an average increase of 9,1%. The increase in mandays lost to strikes – from 3,8 million in 1991 to 4,2 million in 1992 – was due to the large number of long strikes (NUMSA [SEIFSA and TOYOTA], PPWAWU [AFCOL], MWASA [SABC], SACCAWU [Kentucky Fried Chicken and Lubners], NEHAWU [TPA]).

- For the first time since 1980 the militant democratic union movement stopped growing. COSATU's total membership has dropped by about 75 000 since 1991. While some affiliates have grown, most have lost members. Some reasons are the high level of job losses, the diversion of resources to national political and economic negotiations and campaigns, and poor servicing and weak structures in the factories*.

* According to the Department of Manpower, membership of registered unions grew by 150 000 to 2,9 million, while Andrew Levy estimates that membership of unregistered unions grew by some 60 000. These figures are difficult to credit, given the decline of COSATU's membership, and little sign of growth elsewhere.

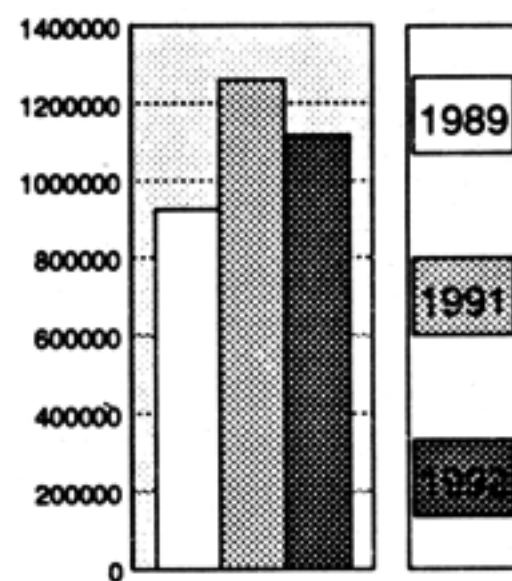
COSATU affiliate membership figures 1989 – 1992



□ Unemployment worsened and trade unions failed to win employer agreement to moratoria on retrenchments except in the tyre industry. According to the NMC 5,4 million people (40% of the economically active population of 13,4 million) now lack formal employment. Some 100 000 jobs in manufacturing, mining, clothing and textiles and building were lost in 1992.

All of these reverses can be attributed to the serious economic crisis and depression gripping South Africa. On the other hand, trade union struggles led to the establishment of new negotiating forums and new bargaining agendas:

□ The year started with SACTWU and employers in the clothing and textile industries reaching agreement on a structure of tariffs and subsidies to rescue the industry and promote its development. Although this specific plan was rejected by the government, in the course of the year the Board of Trade and Tariffs convened tripartite industry restructuring committees for the clothing and textile, electronics and auto sectors. Later in the year, NUM overcame employer resistance to negotiating the down-scaling of the gold mining industry, and a joint Chamber of



COSATU membership figures 1989 - 1992

Mines – NUM delegation visited Germany to study the coal mining industry.

- The year ended with the launch of the tripartite National Economic Forum (NEF) in November. The demand to form the NEF to negotiate economic restructuring had emerged out of the unions' anti-VAT campaign of 1991.
- Unions and employers began to experiment seriously with shopfloor participation. As usual, the auto industry led the way with employers agreeing to provide training for shopstewards which will strengthen their

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ability to negotiate industrial engineering, work organisation, quality performance, and manning levels. One shopsteward in each auto company will become a fully qualified industrial engineer.

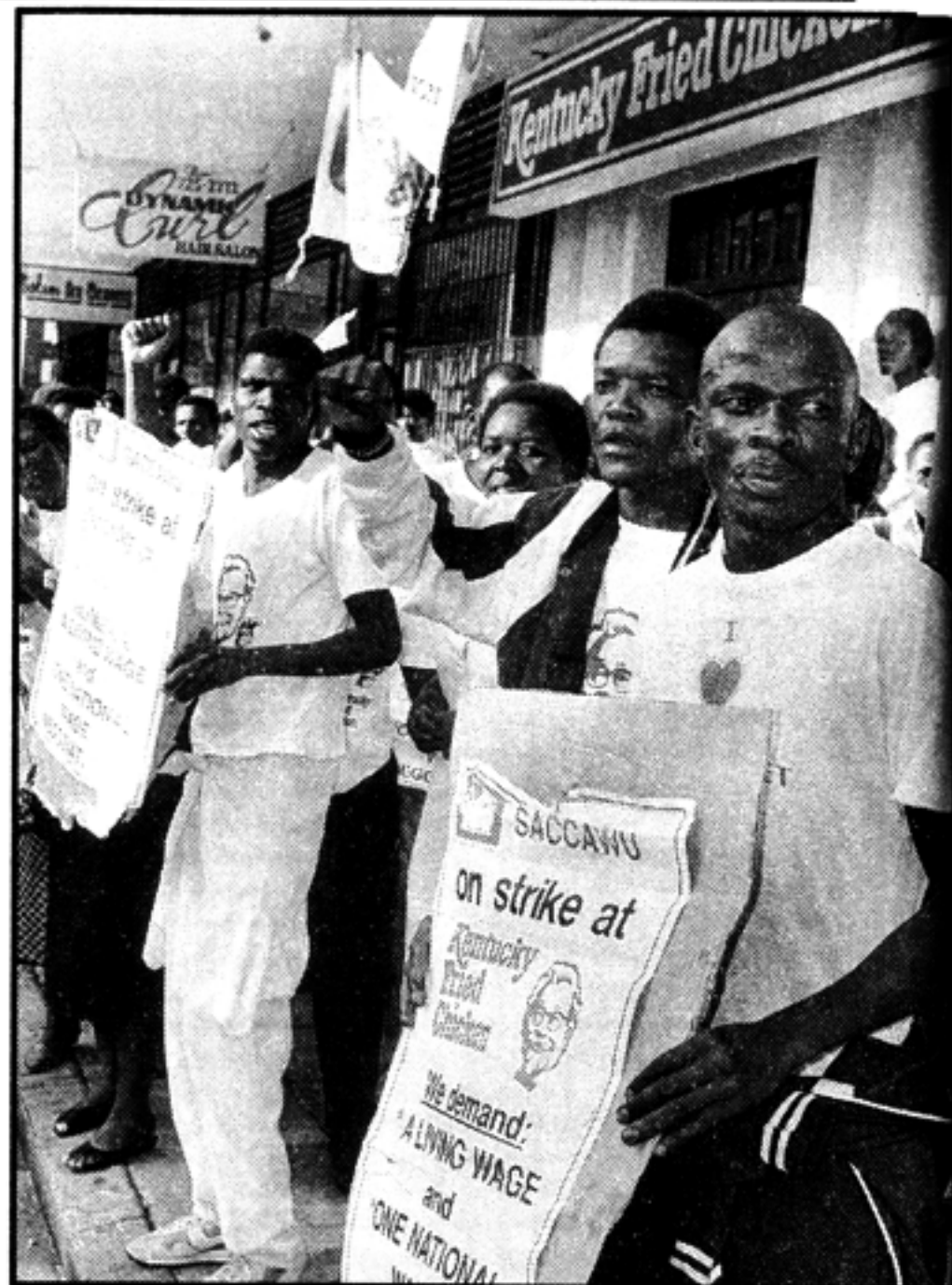
- Employers and labour made a genuine attempt to avert the mass action stayaway at the beginning of August, by trying to reach agreement on a national shut-down of one day, and to draw up a charter for peace and democracy.
- Within COSATU there was an increasing gap between the union and federation leadership involved in political negotiations and the NEF and industry restructuring initiatives, and the base of the union movement. This led to a series of organisational debates about how to increase the capacity of the labour movement, rebuild the unions at the base, and expand membership.

This combination of reversals and new developments face the unions with some tough problems and new opportunities. Membership is declining, real wages are falling, and strike action is proving costly and fruitless. On the other hand, trade unions now have access to forums where decisions are made on macro-economic policy, industry restructuring and workplace reorganisation and productivity.

Clearly the industrial relations system is in a process of transition. Not only are new institutions being established and old ones restructured, but the major actors are in the process of redefining their goals and their relationships.

1993 is likely to be the make-or-break year for the trade unions, and especially for COSATU as the leading actor in the labour movement.

Will COSATU be able to shape the new industrial relations system in its own interest? Will it be able to develop a labour centred agenda for macro-economic policy, for industrial restructuring, and for reform of the workplace? Can COSATU do this without being incorporated into the programme of employers and the state, and so losing its own independent base?



Kentucky Fried Chicken strike – one of the more successful of 1993

Photo: William Matlala

Can it manage the tensions within its own structures that come from engaging at so many levels? Can it at the same time develop adequate responses to falling real wages and job losses? Can it avoid being torn apart by the tension between new reverses and new opportunities?

Key issues

For COSATU and the labour movement more broadly, the five key issues will be the following:

1 Wages

The economic crisis will increase pressure on wages. Unions will have studied NUMSA and NEHAWU's defeats and be wary of taking strike action. On the other hand, they will experience pressure from their members who are experiencing ever more desperate living

conditions. Some unions may be dragged into strike action against the advice of their officials.

In 1993, for the first time some unions may offer wage restraint in exchange for training, an increased social wage, and negotiations over industry restructuring. For the past two years

NUM has accepted wage restraint to save jobs in the gold industry, but it has not explicitly offered wage restraint in exchange for other gains. At least one union is discussing whether to propose wage negotiations once every three years. If agreed, this would mark a shift away from wage mobilisation as the dominant thrust of union activity.

NUM has led the way in making path-breaking productivity and profit sharing agreements to cope with the crisis within the gold mining industry. This year there will probably be more negotiations over productivity, production bonuses and profit sharing in various sectors

Demands for moratoria on retrenchments are likely to be replaced by negotiations over funds for training or retraining retrenched workers. Such funds have already been established in the auto industry, metal and engineering industry, mining industry and by Premier Milling in the food industry.

2 Macro-economic policy and industry restructuring

This is the key new area for labour and it holds great opportunities and dangers. Participation in these forums provides the trade unions with opportunities for increasing the power and the influence of the working class, but participation also holds the danger of being co-opted into accepting the policies and programmes of business and the government.



The anti-VAT campaign opened the way for union intervention in economic policy-making

Photo: William Matlala

The labour movement may attempt to limit discussion in the NEF to specific issues where it has concrete proposals, and avoid getting drawn into "consensus making" on broad macro-economic policy. At this stage labour is likely to emphasise the concrete issues of job creation and the

training of unemployed people, VAT and food prices, and social wage issues such as UIF, pensions and a national health scheme.

Unions will experience similar dilemmas in participation in industry restructuring forums. However, unions and their members have more knowledge and experience at this level of the economy, and may find it easier to put forward comprehensive proposals. During 1993 tripartite committees on restructuring specific sectors – the auto industry, the clothing and textile industry, the electronic sector, and the mining industry – will deliver their first results. Many unions are pinning their hopes for job creation on industrial growth created through industrial restructuring.

3 Workplace reform

Over the past two years, management has taken the initiative in introducing schemes designed to elicit worker co-operation and participation. Management intended these 'worker participation' or 'participatory management' schemes (quality circles, green areas, TPQ, etc) to help overcome the high levels of conflict in the South African workplace, and to increase productivity. Most of these schemes have had very limited success, either because of lack of consultation with the unions or resistance from them.

However, several companies are initiating more far-reaching programmes of workplace reform based on the idea of consultation with

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trade unions. Some unions – notably NUMSA – are seizing the opportunity to influence change in the workplace, while others are more ambivalent.

In the course of the year COSATU is likely to develop clearer policies on these issues. The result will be a new focus on enterprise bargaining which will compliment the drive for centralised bargaining. COSATU affiliates will start to respond to management initiatives with initiatives of their own, or even place proposals on the table before management has done anything. COSATU affiliates will put forward a global approach to shopfloor change – linking productivity to training and skills upgrading, affirmative action, increasing worker participation in decision-making, and increasing worker autonomy on the shopfloor.

Unions will reject the notion that all productivity increases should come from their members working harder. Instead they will insist on a *multi-factor approach* to productivity – meaning that technology, work organisation, management effectivity and productivity, all have to be taken into account. The auto industry agreement to provide training for shopstewards to “ensure more informed and effective participation in industrial engineering principles, work organisation, quality performance and manning levels” is an indicator of things to come.

The NUM agreement on profit sharing in the gold industry – underpinned by regular consultation on company performance – opens up the debate on how workers can share the fruits of increased productivity. The 1991 production bonus agreement in the gold mining industry provided an extremely complicated way to measure and reward performance, and also undermined a multi-factor assessment – one reason why it collapsed. Although there are difficulties in measuring profits, it may be a more comprehensive way of assessing company performance. During 1993 there are likely to be a range of new experiments in different sectors and companies, including production bonuses, profit sharing and possibly ESOPS.

4 Organisational renewal

For both NACTU and COSATU organisational renewal and increasing capacity will be absolute priorities. COSATU and its affiliates will concentrate on improving management systems, rebuilding or strengthening shopfloor committees and locals, and on improving education and training for officials and shopstewards.

Unions will respond to the lack of membership growth with recruiting drives targeted on specific factories, sectors and areas. There may be a concerted drive to establish agency shops in order to solve the ‘free rider’ problem. Many COSATU affiliates will seek mergers or co-operation with smaller unions in their industrial sectors (see page 30).

NACTU is likely to concentrate on upgrading its educational services and media capacity. NACTU has not made much progress with its project of merging different affiliates in the same sector into single industrial unions. One success was the merging of four affiliates to form the Municipality, Education, State, Health and Allied Workers Union (MESHAWU) which claims a paid up membership of 21 500. Although NACTU will push for other mergers to take place, there appear to be political and organisational tensions between affiliates which are holding up progress.

For most trade unions these organisational issues, and the need to develop policies and strategies for the tough collective bargaining environment, and for industry restructuring and workplace reform, will take precedence over political involvement. Nonetheless, it will take time for re-organising to take effect. The gap between union leadership and base will increase, given the complexity of issues and pace of events.

5 Less political activity

1993 is likely to see less political engagement by COSATU, for two reasons. Firstly, with the end of the mass action campaign and resumption of negotiations between the ANC and government, COSATU has to some extent been marginalised from the political process.

Second, concentration on political activity over the past few years has meant neglecting workplace, organisational and economic issues. COSATU is likely to direct more resources into strengthening these areas. Unionists are calculating that establishing a powerful base on the shopfloor and within industry, as well as within institutions such as the NMC and NEF, will give them more power and influence in a new South Africa than putting all their energy into CODESA horse-trading.

Nonetheless, COSATU will continue to engage in the political arena. Its priorities will be establishing a reconstruction pact with the ANC, and mobilising for elections to a constitution-making body.

With a reconstruction pact, COSATU will aim to establish a concrete policy platform together with the ANC and other popular organisations in preparation for elections. COSATU will want the ANC to commit itself to specific policies on labour, as well as to a programme of economic and social reform.

Current thinking within COSATU is that such a reconstruction accord should rest on 'four pillars': job creation, the development of social services and the social wage, national human resource development, and the expansion of citizenship rights. For COSATU, the latter would include constitutional rights such as the right to strike, freedom of association and so on, as well as legislative proposals, for example compulsory establishment of industrial councils in all sectors, extending the LRA to farm workers and the public sector etc.

If there are elections to a constitution-making body this year, COSATU will devote considerable resources to this and probably neglect other areas. However, it is more likely that elections will take place in 1994.

It is highly unlikely that there will be a stayaway this year. This means 1993 could be the first year since 1985 (1984 if one includes the Transvaal stayaway in November that year) that the labour movement has not called a stayaway.

For the time being the era of stayaways is

over. This may seem a strange statement after last year's mass action stayaway, which many regard as the biggest ever, but it is important to recall that both business and labour made strenuous attempts to avoid it. The stayaway is a very blunt weapon, and costly in terms of organisation, energy, pay and dismissals.

Partly as a result of last year's action as well as the 1991 anti-VAT stayaway, political negotiations are now on track and COSATU has access to forums such as the NEF where unilateral government decision-making can be challenged. This will make massive displays of power less important. If necessary, the labour movement will probably use other kinds of tactics on specific issues.

Of course further security force atrocities or a collapse in political negotiations, could create conditions for a return to the stayaway weapon. But even then the labour movement is more likely to seek joint national protests together with other sectors of civil society such as the churches and employers, rather than a stayaway.

Other collective bargaining issues for 1993

The National Manpower Commission

This year will see the first full participation by COSATU, NACTU and FEDSAL in the restructured NMC. The labour movement is generally well equipped to deal with labour legislation and labour market issues, and will put forward well-prepared and supported proposals.

Centralised bargaining

The campaign for centralised bargaining and Industrial Councils (ICs) is likely to be a major trade union pre-occupation this year. PPWAWU, CWIU and SACCAWU will step up their campaigns for centralised bargaining in the packaging, paper and forestry, chemical, catering, retail, and finance sectors. TGWU will continue its struggle to extend the newly established IC for the contract cleaning sector in Natal to the country as a whole, as well as its campaign for ICs in the security and

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transport industries. CAWU expects to see an IC established in the civil engineering sector.

The Andrew Levy Annual Survey points out that the number of ICs continued to fall up to the end of 1991. This should not be seen as evidence of an ongoing trend away from Industrial Councils and centralised bargaining. It is significant that employer attempts to sabotage centralised bargaining ran into serious reverses last year. Two new ICs were established: one in the contract cleaning sector in Natal after a protracted campaign by TGWU, and one in the public sector (Transnet).

The settlement in the metal industry last year saw SEIFSA and NUMSA agree to strengthen the IC through limiting the right to negotiate wages at plant or company level.

Any movement in the direction of negotiating wages once every three years rather than every year, as well as the possibility of negotiating an incomes policy in industrial councils, will also make centralised bargaining more attractive to many employers.

It must also be remembered that the highly successful auto industry National Bargaining Forum which was established after a union campaign is also not a registered IC and is therefore excluded from figures for ICs.

Nor would further reduction in the number of ICs necessarily mean a reduction of their significance. There are a large number of local and company ICs and the collapse of these would not seriously affect the movement towards centralised bargaining. Likewise the merger of local or regional ICs to form a national IC (as SACTWU is demanding in the textile and clothing sectors) would reduce the number of ICs, but extend the scope of centralised bargaining.

Training

COSATU has developed systematic proposals for industry training, skills development, and grading systems. NUMSA has made the most

progress, and this year industry training boards will probably be established in the auto sector, the tyre sector and the metal and engineering industry, with full participation by the union. There will also be negotiations to finalise new grading structures in the tyre and engineering industries.

A number of COSATU affiliates regard this issue as a priority. The biggest struggle is for equal representation on industry training boards that are dominated by small craft unions.



Training: trying to break craft union control

Photo: William Matlala

Among others CWIU, PPWAWU, SACCAWU, SACTWU and CAWU are likely to push negotiations on these issues. The focus on training will be linked to negotiations over industry restructuring, affirmative action and retrenchment funds.

Extending bargaining units

A number of COSATU affiliates will table demands in company negotiations for their bargaining unit to be extended to higher grades of workers. This is motivated by several factors. The slowly increasing number of black artisans means there is more potential for COSATU unions to recruit in these job grades. Expanding the bargaining unit will enable unions to increase their membership at plants where they are already organised. Building a stronger base among more skilled workers will

also strengthen the negotiating position of trade unions in industry restructuring forums, and in negotiating workplace reform.

Labour unity

The slow drift towards co-operation between COSATU, NACTU and FEDSAL will continue, particularly at forums such as the NEF and the NMC. NACTU is likely to continue blowing hot and cold on the question of closer unity with COSATU. This reflects conflicting views between affiliates such as MEWUSA which appear to favour mergers, and affiliates such as SACWU which are highly cautious.

Gender

Women workers' issues and structures are gaining more prominence in both COSATU and NACTU. This may mean that demands that are more specifically directed at problems faced by women workers become more prominent on collective bargaining agendas in 1993. These are likely to focus on access for women workers to training and a wider range of jobs. Sexual harassment at work is also a hot issue, and unions are likely to demand tougher disciplinary action from management.

Public sector

COSATU will focus a lot of attention on the public sector this year. The federation sees an organising drive in the public sector as crucial to increase its ability to challenge the power of the apartheid bureaucracy, and influence the shape of the future state and the quality and extent of its services. It is seen as a sector with potential for membership growth. This year should see movement within COSATU towards the formation of one public sector affiliate incorporating NEHAWU, SAMWU and POTWA.

A burning issue will be restructuring of the public service. Finance Minister Derek Keys has declared his intention to reduce the number of state employees by 30 000.

White-dominated conservative staff associations will resist restructuring and retrenchment. NEHAWU, SAMWU and others

will also resist retrenchment, but will place affirmative action and deracialising the civil service on the agenda. SAMWU in particular is likely to develop proposals on how the local authorities can be restructured to ensure that services reach the black communities.

Farm workers

Extension of the Basic Conditions of Employment Act (BCEA) and the Unemployment Insurance Act (UIA) to farm workers early in 1993 will create new scope for organising farm workers in defence of these new rights, but the extension of basic trade union rights via the LRA will only happen in 1994. This means that there is unlikely to be a great surge of organisation on the farms, particularly given the weakness of both COSATU and NACTU organisation in this sector. The main arena of activity is likely to be the NMC where the extension of the LRA and the Wage Act to farm workers will be negotiated.

Make-or-break

Last year was the toughest negotiating year the militant democratic trade union movement has faced in a long time. Material gains were very few. On the other hand, the labour movement established itself as central to the process of economic reform and industrial restructuring, and so opened up new opportunities for the working class.

During 1993 the labour movements' capacity to utilise those opportunities – and avoid the many pitfalls – will be tested to the full. The economic environment will impose even tougher pressures on collective bargaining.

This will be the make-or-break year. Either the unions will find the capacity to drive forward and establish a new industrial relations and economic framework that entrenches labour at the centre of change, or it will be forced into a defensive and reactive mode.

Although the tasks are formidable, the labour movement has proven itself to be innovative and sophisticated in the past. There is good reason to believe it will succeed in rising to the new challenges. ☆

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

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

The changing industrial relations system

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

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

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

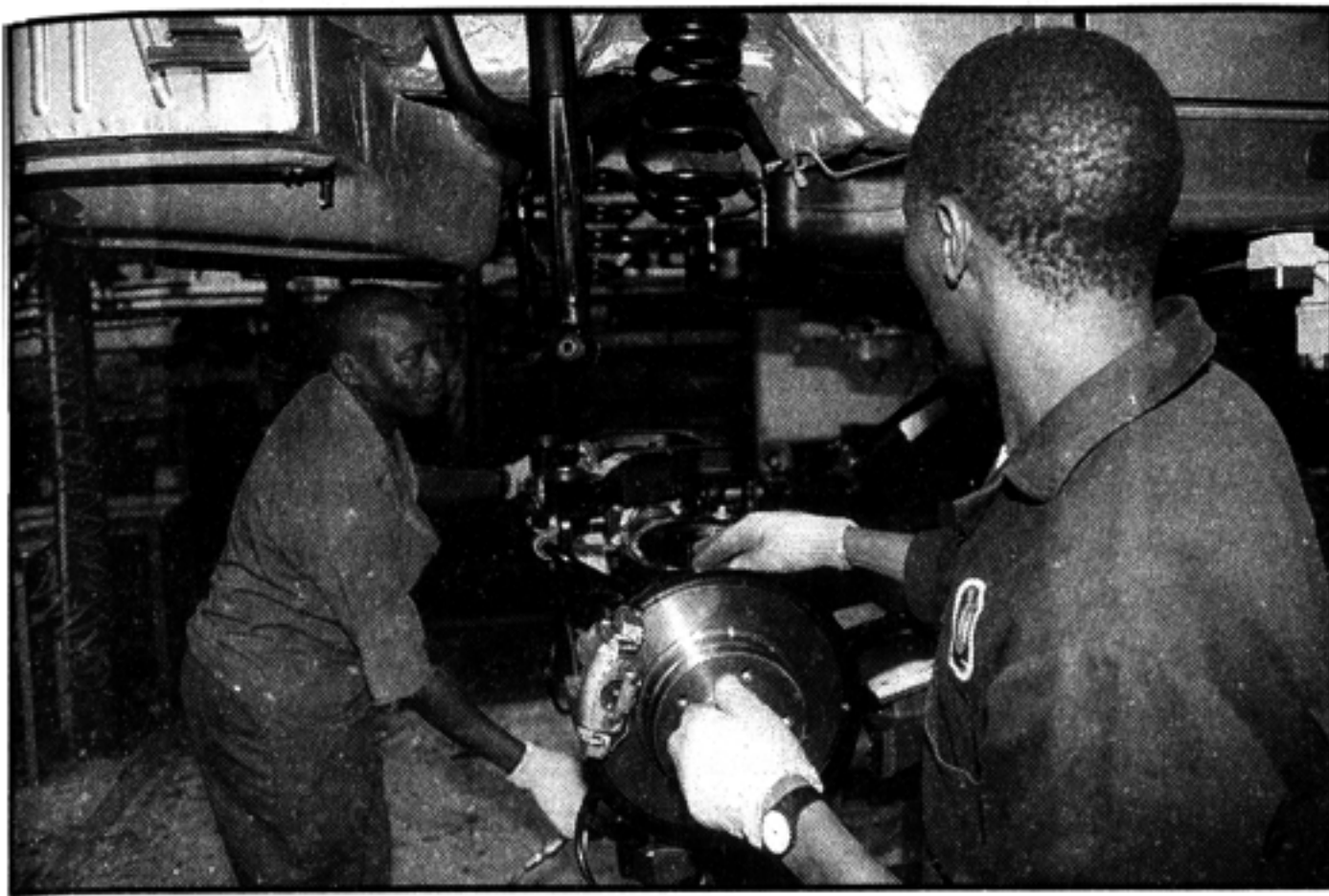
framework of the system. They were insurgents who had established their rights through struggle and they were under continual counter-attack from both management and the state. This was made very clear with the 1988 amendments to the LRA, which tried to roll back the gains won by the labour movement.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

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

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

Institutionalising industrial conflict

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



Shifting the relations of power in the workplace

Photo: Shariff

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

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

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

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

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

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

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

A new kind of negotiation

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

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

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

save companies and jobs.

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

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

Corporatism

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

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

There are several strong criticisms of corporatism from the left:

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

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

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

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

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

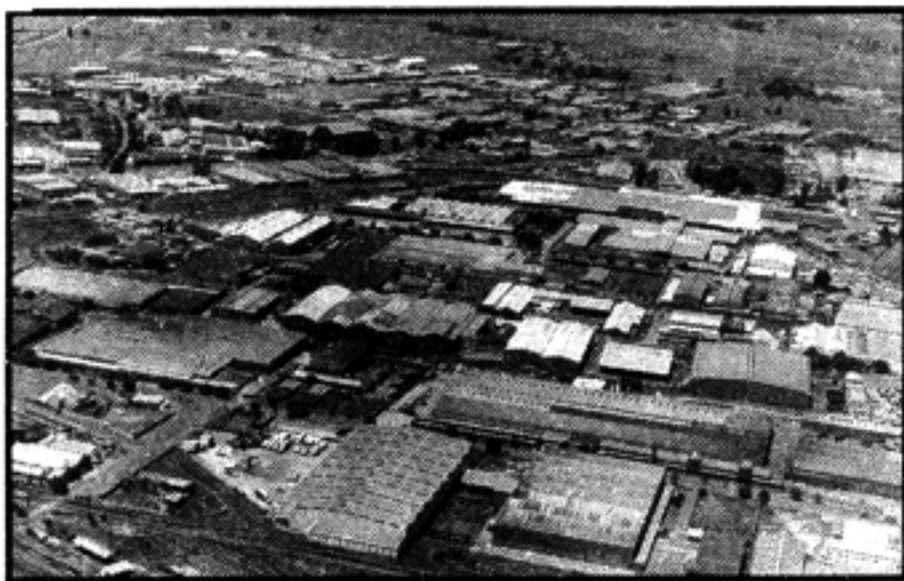
As an example, agreement between union and employers in the textile and clothing sector could potentially become collusion by powerful interests to keep prices high – to the detriment of consumers.

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

Counter strategies to strengthen the labour movement

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

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



Developing a labour perspective on the economy

Photo: Morice

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

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

skills.

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

STRATEGIC UNIONISM

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

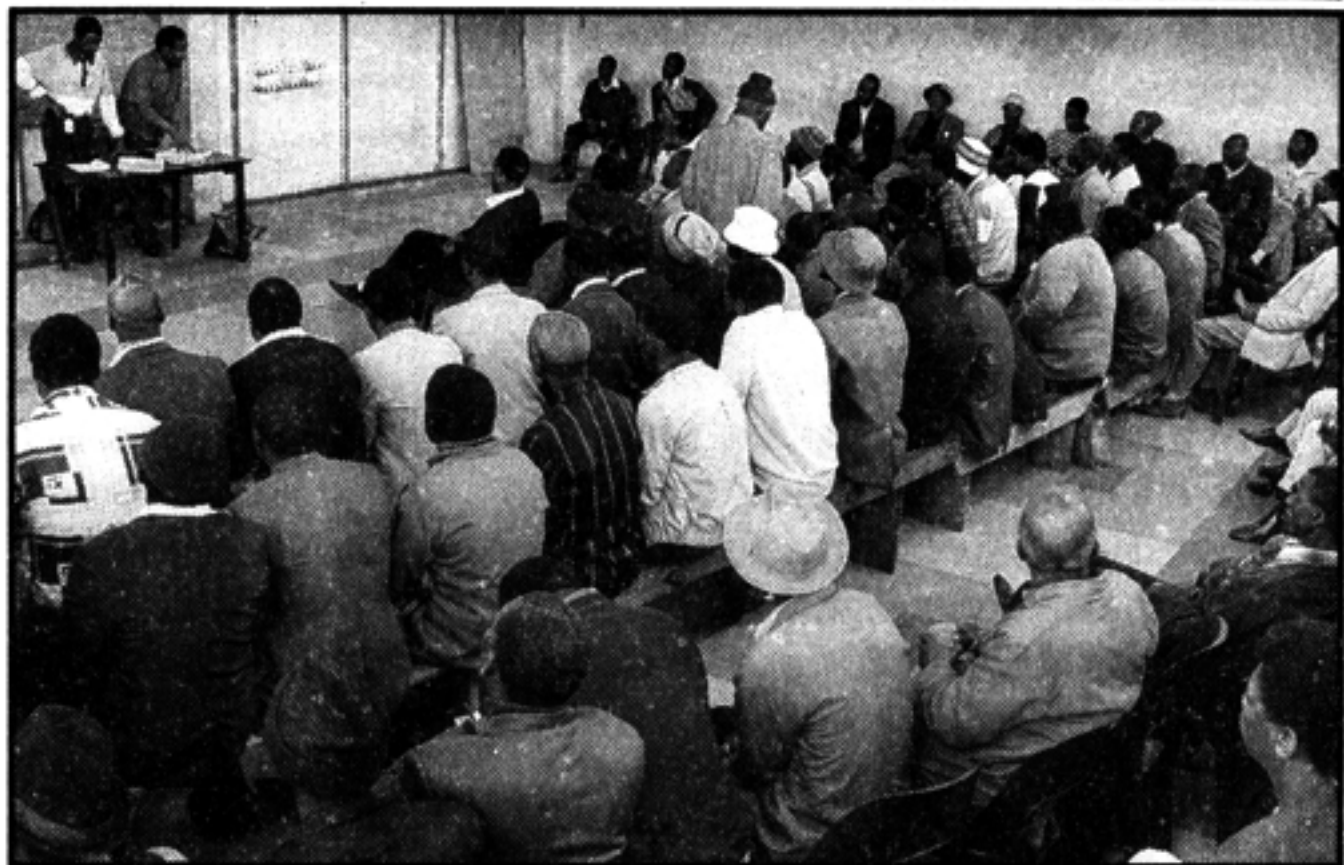
This is not the place to enter this debate. But if such a socialist strategy is possible (and I believe it is), it will only be so if the labour movement develops the strategies outlined above - that is, builds an active, mobilised and confident base around an independent popular programme for economic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

Gaining influence, losing power

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

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

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



Need to reactivate the base of the unions

Photo: Morice

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

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

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

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

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

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

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

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

Militant resistance

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

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

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

Conclusion: militant strategic unionism

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

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

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

In the last issue of *SA Labour Bulletin*, FIONA DOVE* identified the obstacles in a seven-year battle for gender equality in COSATU. Here she reports on a survey into collective bargaining for women's rights.

women *and* collective bargaining *parental rights*



Photo: William Matlala

Women are seriously disadvantaged in the South African labour market. African women have been particularly affected by the migrant labour system which

restricted them to the bantustans until 1986. Those who did enter the labour market outside of these areas generally did so "illegally". This restricted their job opportunities. The lack of child care, in particular, made it difficult for mothers of young children to seek employment at all.

Employers have always had gender (and race) based recruitment policies. Sometimes these have been supported by male workers – particularly in the craft unions. Women have been restricted to certain jobs and sectors, and where women predominate wages tend to be lower**.

It has been standard practice – until very recently – to pay women employees less than a man in the same job. Job security has been

threatened by pregnancy, sexual harassment and domestic problems. Also many of the low-grade jobs women do are increasingly being sub-contracted – to industrial cleaning and catering companies – which means retrenchments. Company benefits often discriminate against women regarding loans, pensions, housing and so on. Women are rarely considered for training or promotion, thus further increasing their chances of being axed when retrenchments occur.

Only 35% of African people employed in 1985 were women, mainly in the lowest paid jobs or sectors. The full implications of this statistic are disturbing when you consider that nearly half of women (excluding TBVC states) were also single mothers and household heads***.

How successfully is COSATU struggling against these disadvantages found by women in the labour market?

COSATU's 1985 policy points to three broad fronts for this struggle. Women must have the freedom to seek paid work and to be

* editor of *The COSATU Shopsteward*

** See studies by TURP on the retail industry, and Jackie Cock on domestic service.

*** ANC Women's League paper on *Educational and Economic Position of Women*, 1991 page 5 – 6 - .

equally considered for jobs in a work environment which treats women as equals and is supportive of women workers.

Recently *SA Labour Bulletin* and the UCT Labour Law Unit surveyed COSATU affiliates to find out the extent to which collective bargaining has impacted on improving women's position in the labour market. The survey revealed that most unions have campaigned successfully for maternity rights and equal pay. New proposals on child care, fair evaluation of "women's work", affirmative action in recruitment and training are being formulated. The National Union of Metalworkers of South Africa (NUMSA) is leading this process, followed by the South African Municipal Workers Union (SAMWU) and the South African Clothing and Textile Workers Union (SACTWU). Most unions have tabled demands that these areas be bargained over.

This article discusses the impressive progress made in winning maternity rights for women, as well as the challenges of organising child care for working parents. In the next issue of *Labour Bulletin*, I will discuss the unions' agenda for improving the position of women workers in the workplace.

Maternity rights

Maternity rights has been the most prominent campaign and to date, the most successful. The argument has been that although it is women who bear children, it does not follow that they should automatically be slotted into a secondary place in the labour market. Many women are single mothers and/or sole breadwinners who have as much of a need to earn a wage to support their dependants as do men. Trade unions have demanded employers accommodate pregnancy as an inalterable fact of life, and ensure women workers and their babies are not impoverished at this time.

In the process of collective bargaining around maternity rights, three important rights have been established: job security for women who interrupt work to have babies; financial support during maternity leave; and special

health considerations while pregnant.

However, job security is not yet an absolute right. In 1986, when the demand was first formally tabled by COSATU unions, this was the position: There was a statutory three months' maternity leave and normal unemployment benefits of 45% of wages for up to six months provided workers were not receiving more than 33% of normal wages during this period. But there was no provision for job security.

The Basic Conditions of Employment Act states a woman may not work from the last month of her pregnancy until the baby is two months' old. Most employers chose to interpret the Act to mean they had to terminate the woman's employment, without guaranteeing re-employment and unbroken service. The latter would become an issue during retrenchments and regarding service-related benefits like pensions, loans and bonuses.

A question of job security

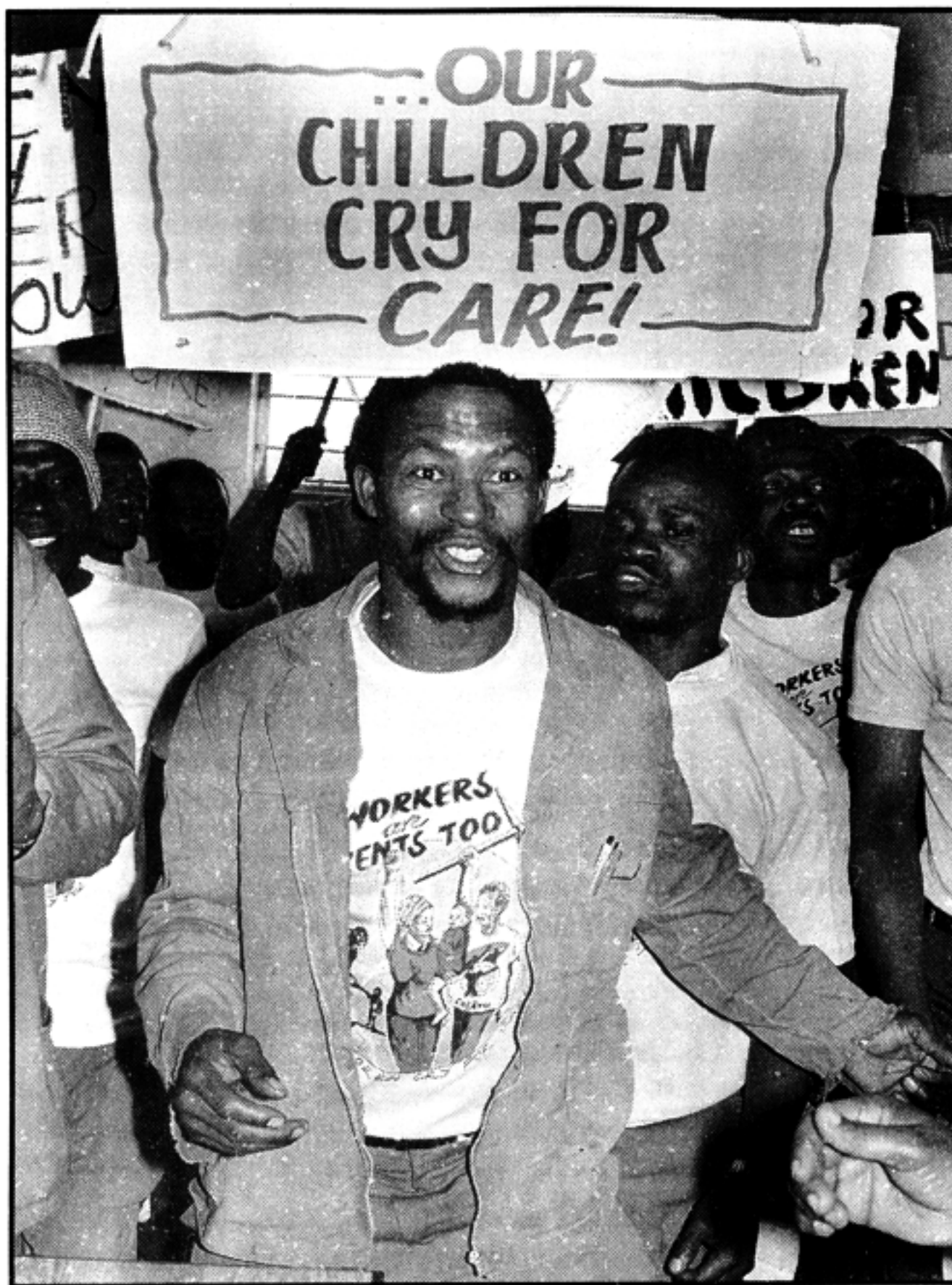
The burning issue then was job security. By 1990, the unions all felt job security and special health consideration of pregnant workers had been established across the board. Although there is no legislated job security, the industrial court has upheld arguments that the statutory protection for women having babies cannot be interpreted as licence to terminate employment*.

Nevertheless, unions have signed away full job security by agreeing to length of service as a basis to qualify for maternity benefits, including job guarantees. Most employers insist on benefits being restricted to those with at least one or two years service.

Only SACCAWU has won recognition that this is discrimination and that all pregnant women are entitled to the right to work and job security. In much of the retail sector, even those workers pregnant at the time of employment are entitled to leave and job guarantees. They do, however, forfeit payment during maternity leave.

The government has recently proposed that discrimination based on pregnancy be outlawed. It would be interesting to see how

* *CCAWUSAMs Mabula vs Asda Supermarket, 1989*



Parental rights: impressive progress

Photo: William Matlala

Paid maternity benefits are still largely seen by employers as an expensive and risky "investment" with no guarantee of a "return". Management fears women will either not come back to work or will not stick around long enough to be worth the investment. Without child-care provision, this effectively precludes women from being able to return to work and forces them into poverty. Or alternatively, it forces women back at the earliest opportunity, to the detriment of the babies left in the care of whichever other desperately poor women can take them on.

It is a negative and short-sighted view, and a self-fulfilling prophecy. Employers have to encourage women to see a future for themselves in

the industrial court would interpret such a law in respect of employers who refuse to hire pregnant women or to grant leave, job guarantees and even material benefits to women pregnant at the time of employment or soon after.

Useless without pay

The next step was financial support. Employers were being persuaded to give special consideration to the health of pregnant workers, grant leave and offer limited job security, but payment during leave was asking a bit much! Many employers argued they were already contributing to pay for maternity leave through the Unemployment Insurance Fund (UIF). But so were workers, and UIF only gave them less than half their normal income. This, at a time when more rather than less money was required.

the enterprise and make it worth their while to come back.

In 1986, the issue was propelled on to the central collective bargaining demands of all affiliates regardless of the proportion of women members in those unions. Most unionists interviewed attributed this to six months' paid maternity leave being a central demand of the Living Wage Campaign.

By 1992, the average won was three months supplementary pay and paid leave for ante and post-natal care. But there are still many sectors which do not pay any maternity benefits at all. These include most of mining, municipalities, finance and sectors organised by NEHAWU and TGWU.

SACCAWU's retail workers have set a high standard with six to nine months at an effective

75% of normal pay, a few fringe benefits like goods and medical aid contributions, and adoptive rights. NUMSA has achieved its goal of six months' paid leave. It should be noted that the UIF Act limits workers to receiving an additional 33% of wages from employers or else they forfeit their right to claim UIF maternity benefits. Women on maternity leave therefore cannot earn more than 78% of normal wages unless employers are willing to pay full wages.

In light of the effectively restricted leave, inevitable where there is insufficient financial support, and the ever growing numbers of women seeking paid work, child care is becoming an increasingly desperate need. While maternity negotiations are ongoing, child care is next on the agenda of most COSATU unions.

Personal challenge

An interesting spin-off of the maternity rights campaign was paternity rights, and the redefinition of the struggle as being one for parental rights. Given the low number of women negotiators and often rank-and-file members, it's worth speculating whether paternity rights helped to give male negotiators a stake in the bargaining around maternity rights. COSATU women are often heard grumbling in various forums about how male negotiators just drop demands, like those around maternity, because they do not have a personal stake in the results.

Paternity leave of one day for men in auto, three on average for PPWAWU, CWIU, SACCAWU (retail), SACTWU (textiles) and in a few NUM companies, has been negotiated over the last few years.

SACCAWU's approach from 1988 onwards was that the issue was one of parental rights rather than maternity rights. This did not necessarily empower women through increased representation on negotiating teams, but it did sensitise men negotiators to a range of personal challenges regarding their role in the domestic sphere. These agreements established the right to up to 10 days' leave at the time of birth, and a greater role in child care for those who

wanted this.

Battle far from over

To summarise then, women workers have made major gains regarding maternity rights over the last six years. They have achieved job security for longer-serving workers, a norm of three months' pay during maternity leave, and special consideration for the health and safety of pregnant workers. This has contributed to the development of a work culture which is more accommodating of women workers.

But the right to work still needs to be established for pregnant work seekers. Almost all employers would refuse to hire a pregnant woman. Women who turn out to have been pregnant at the point of being hired, could be penalised shortly afterwards.

The whole issue of paid leave has a long way to go. Although the principle has been established, payment is limited both by employers and the UIF Act. There are serious implications for children's well-being (particularly in view of the lack of child care) and impoverishment of families.

Child care

Parental rights thus far have only dealt with pregnancy, birth and the immediate period thereafter. But there is a bigger social question of what happens to the children while parents are at work (or seeking work).

Any child-care system for working class people that does exist is thanks only to non-government organisations' efforts or informal networking of women in the townships. Many children are sent to the rural areas to be cared for by relatives. The state, and even less so employers, have played almost no role in the provision of child care. It's been considered an absolutely private responsibility of parents – read mothers.

A significant number of women are single mothers and sole breadwinners. The economic climate and new social relations means there are many more women who have to seek paid work and cannot rely on a male breadwinner. The lack of child care means many women must seek jobs that can accommodate this –

domestic work, part-time work, informal sector work, notably child-minding. Women often have to take regular time off to sort out child-care problems when their systems break down, which is not popular with bosses. Or they have to leave work altogether. This impacts on their ability to compete equally in the labour market – they do not have the same opportunity to develop skills and gain work experience.

Child care has been on the agenda of COSATU since 1985. But it is only really since 1990, thanks to efforts of the COSATU national women's sub-committee, that the profile of the issue has been raised.

Broad commitment

Eight of the 13 unions surveyed have tabled a broad demand for child care to employers. Many retail employers, the auto sector, municipalities and the post office have agreed to negotiations. From 1983 onwards, SACCAWU won commitments from employers to get involved in the issue. After a day of action in September 1990, a few employers with whom CWIU, SACTWU and TGWU dealt initiated plans for child-care facilities, but the unions were minimally involved. That year, CWIU tabled the issue broadly with little success. In 1991, NUMSA got auto sector employers to agree to negotiate child care. The same year, the Construction and Allied Workers Union (CAWU) unsuccessfully raised the issue at plant and industrial council level, but CAWU admits "this has not been vigorously pursued".

Last year, SAMWU and POTWA won a commitment to negotiate child-care facilities in the bigger workplaces. NEHAWU and FAWU say they are working on proposals before they table the demand. NUM does not have plans to raise the issue, claiming it is a non-issue for them as most of their members live far away from their families. PPWAWU and TGWU have not considered the issue yet.

Many employers are chomping at the bit wanting to get involved, seeing possible benefits – being regarded as 'socially responsible', earning tax rebates, building

worker loyalty. Yet not one union knows what it is going to put on the table.

There have been circular debates about where facilities should be located – at work or in the community. NUMSA and auto employers have explicitly agreed to deal with child care as a community issue. Other unions are tentatively taking the approach that facilities should be located wherever workers decide they want them.

The caution is related to two main issues. The one is how to address child care as a broad social issue involving parents, the state, employers, child-care workers and community organisations. The other is whether formal creches are the most appropriate form of child care given the expense involved and the existing system of home-based child care which provides informal employment to many otherwise destitute women.

COSATU needs to put more resources into researching and networking with other organisations around this issue or the impasse will remain. It is an issue that should be integrated into negotiations around restructuring the public service, particularly with regard to the role local government could play in delivering and/or regulating child care, job creation and delivery of social services. The South African Domestic Workers Union (SADWU), as organisers of child-minders and SAMWU, in their relationship with local government, could play a particularly important role here.

The next step

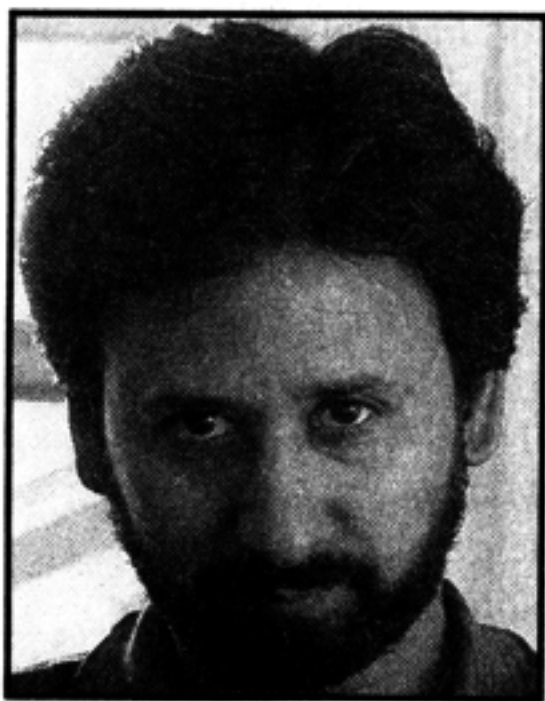
The progress towards establishing basic maternity rights is a great step forward towards giving women equal access to the labour market. But the fact is that not all women workers are mothers of small children. And even with these rights, women's work is still undervalued and generally restricted to certain poorly paid jobs and sectors.

The next step is for unions to tackle the discrimination women face in recruitment, training and promotion – in short, affirmative action. ☆

NEXT ISSUE: Affirmative action

A new **constitution,** *a* **Bill of Rights:** *protecting* **democracy** *or protecting* **privilege?**

Both the NP and the liberation movement are now committed to the idea of a bill of fundamental rights enforced by court. But they have very different motives. FIROZ CACHALIA* discusses the issues.



Firoz Cachalia

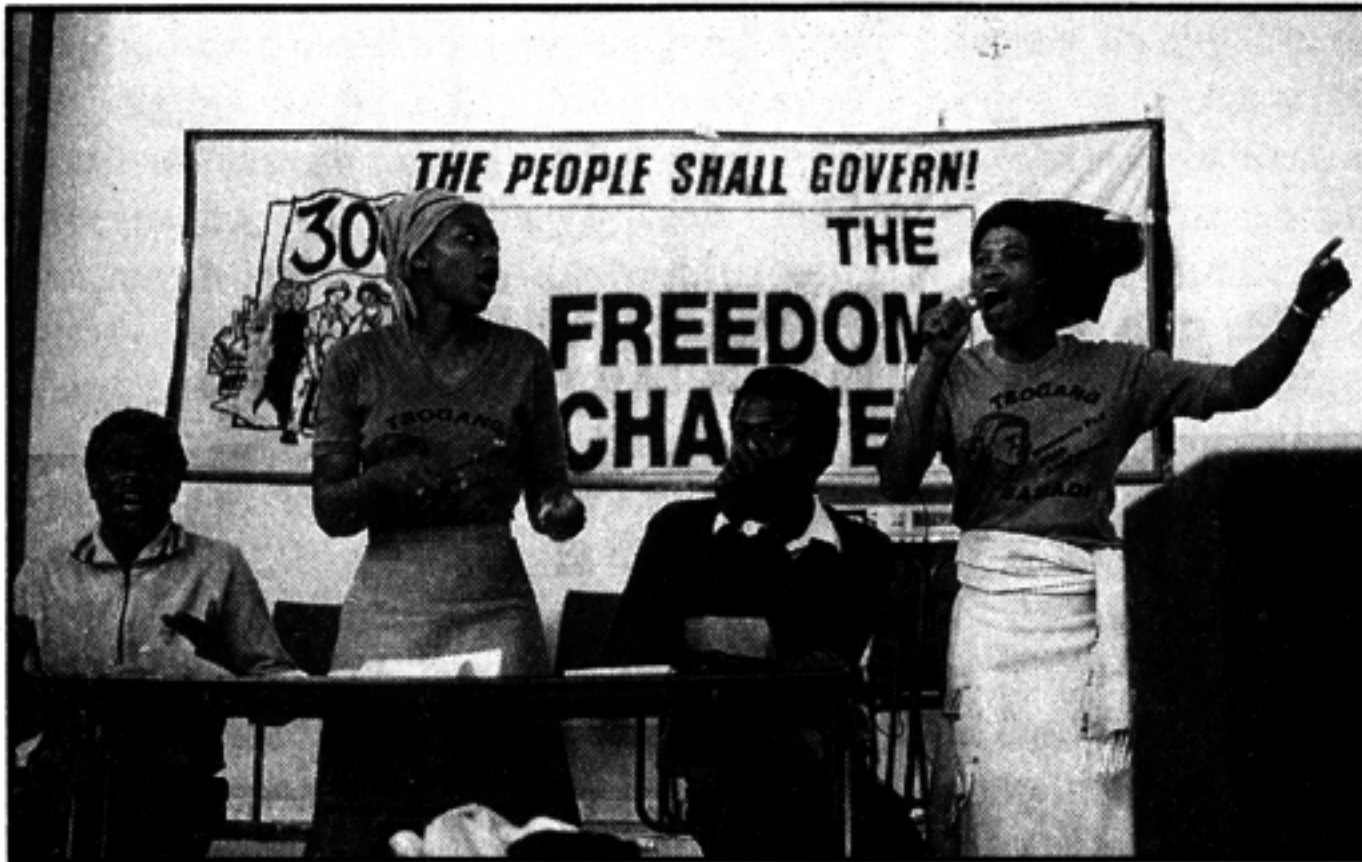
Photo: William Matlala

The National Party has abandoned plans to entrench racial classification, white power and privilege through racial vetoes and 'group rights'. It has now, to a large extent, adopted a 'colour blind' constitutionalist (see below) perspective, which will involve the extension of citizenship

rights to all South Africans. But of course, while this in itself will result in a thorough reform of social relationships, it does not mean that the NP has abandoned all attempts to preserve and expand their ill-begotten gains. The NP remains committed to protecting and preserving exploitative social relationships and 'private' class-power. It is interested in conservative constitutionalism mainly because constitutionalism limits state power and the decision-making authority of parliamentary majorities. It is not surprising that a party which no longer expects to control parliament, should suddenly become committed to limiting the power of parliament by means of fundamental constitutional rights.

The liberation movement is also approaching constitutional options from a constitutionalist perspective. It hopes thereby to establish stable institutions and a framework within which the domination, subordination and oppression inherited from the past can be

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The old days: fighting for people's power

Photo: Paul Weinberg

representative government responsible and accountable to the people through universal adult suffrage and regular elections.

- It might fragment governmental authority through a system of separation of powers, checks and balances. For example, laws may have to pass through two houses, such as House of Assembly and Senate;

dismantled. Whether these objectives can be advanced will depend in part on which rights are contained in the Bill of Rights, and which rights are excluded from it. It will also depend on how the government is structured. For example, will there be a "power-sharing" executive as opposed to a presidential or parliamentary executive? What will be the composition and powers of an upper house? What kind of electoral system will be used? Which government body will have the power to collect taxes?

What is constitutionalism?

Constitutionalism is the view that democratic government should be based on constitutional rights. These rights are not merely declared; they are inscribed in a Bill of Rights and enforced by the courts. The courts have the power to review the decisions of the legislature (parliament) and the executive (president or prime minister and cabinet) and declare them unconstitutional and therefore invalid. A constitution reflecting constitutionalism will also usually have the following elements:

- It will affirm the sovereignty of the people, but at the same time declare the constitution fundamental. It thus establishes a tension between popular government and constitutional rule.
- It will prescribe a blueprint for

there may be a division of power between an elected congress and an elected president. Governmental authority might be further fragmented through a territorial division of powers (regionalism/federalism).

Constitutionalism and national liberation

Modern constitutions almost always incorporate a clause giving expression to the principle of equal liberty. Equal liberty affirms that each individual is entitled to dignity and respect as a member of a political community. Equal liberty also upholds the principle of majority rule, since it states that each individual has an equal share of decision-making authority.

Equal citizenship is at the heart of the politics of the liberation movement. In the words of Jack Simon: "The national liberation movement demands equality; equality means, in the first place, equality in law; that is the removal of all statutory and public forms of racial discrimination; in short, of the colour bar."

But legal equality does not guarantee social equality. The principle of equal citizenship, and the rights implicit in equal citizenship (the right to vote, associate, organise, receive and impart information) guarantees opportunities for everyone, but it does not guarantee specific outcomes. For example, equal citizenship

guarantees the political rights of socialists, but does not guarantee that society will choose socialist policies. Certain structural features of constitutionalist constitutions furthermore, tend to place limits on the pace and scope of social transformation by requiring a broad base of support in different constituencies.



The new days: seeking constitutional agreement at CODESA

Photo: Shariff

Limits to the pace and scope of transformation

These structural features of constitutionalism which tend to limit the pace and scope of transformation are the following:

● **Fragmentation of government power**

Constitutionalism separates the executive (president or prime ministers and cabinet), the legislature (parliament or congress) and judiciary (the courts), and institutionalises a system of checks and balances. Power may also be divided on a territorial basis (regionalism/federalism). This system of separation and division of power promotes access to government by a diversity of political forces because it becomes possible for different political coalitions to control different institutions. It therefore encourages antagonistic political forces to act within the new democratic institutions, and in this way it serves to consolidate democracy.

But this separation and division of power also makes it difficult for a single political organisation or front with a national popular majority to win sufficient control over the organs of government, over a sufficiently long period, to effect radical change (for example, in the US, Reagan and Bush were Republican presidents while the Democrats had a majority in congress - so both parties were forced to

compromise). This is especially so if elections at different levels of government take place at different times, fragmenting the potential mobilising effect of a single set of national elections. So the separation and division of powers encourages compromise, and institutionalises consensus politics and incremental change, rather than rapid, coercive social change.

● **Public authority and private rights**

Constitutionalism creates a protected zone of individual liberty and private right, within which public authority may not intrude. This distinction has important benefits. It de-politicises potentially divisive differences, ethnic and religious ones for instance, by the promise of state neutrality and non-interference. It also protects the important value of individual autonomy.

But the protection of private rights has also been vigorously criticised, particularly in feminist literature, because it appears to place patriarchy and private class power beyond public control. It can also protect the power accumulated by racial groups, such as whites in SA, from state interference.

This potential has not been lost on the South African government's constitution-makers. The South African Law Commission for instance, has suggested a constitutional provision to outlaw any legislation which tries

to ban racial discrimination in "private". This would allow sports clubs, schools, churches and other organisations to continue to practice race discrimination.

The scope of the distinction between public and private is a key area of contest in the constitution-making process.

● **Amendment**

Constitutionalist constitutions usually prescribe complicated procedures for changes to the constitution itself. These usually require more than a simple 50% majority. Such amendment rules limit the ability of temporary or small majorities to change the constitution. They also contribute to the establishment of stable political institutions which permit long-term planning. 'Constitutionalist Revolutions' are therefore self-limiting. They are designed to achieve both change and stability. They may be contrasted with Permanent Revolutions, which 'drive' change through a revolutionary monopoly of power in the state and mass organisations.

● **Judicial review**

The idea that constitutional rights should be enforced by independent courts with the power to review, is central to constitutionalism. The effect of this is to transfer ultimate decision-making authority on matters contained in the constitution from a democratically accountable body such as parliament, to unaccountable judges. The content of a future Bill of Rights and the procedures for the selection of judges, have thus become sharply contested issues in the negotiations process.

It should be clear that there is a tension, perhaps an unavoidable one, between the concept of popular rule and constitutional government. To what degree is it legitimate to replace the decisions of democratically accountable legislatures with decisions made by courts?

There appears to be agreement that at least the first generation of rights – franchise rights, free speech, association rights and so on – should be enshrined in the constitution. It can be argued that since these rights are essential to the democratic process, the judicial protection

of these rights is consistent with democracy, rather than in conflict with it. No parliament, so the argument goes, should have the power to abolish democracy.

But the incorporation of a property clause, second and third generation rights and labour rights are much more controversial.

Controversial rights

Property

The incorporation of a clause guaranteeing private ownership of productive property in a Bill of Rights could be seen as inconsistent with democracy because it prescribes a particular economic system. Matters of economic structure and policy ought to be left to democratically elected legislatures. Incorporating a property clause could influence the interpretation of legislation over a wide field. It could make it difficult for the state to interfere with the right of property-holders, for example, by passing laws imposing the duty to protect the environment, or establishing rent control or minimum working conditions.

It could, however, be argued that including such a clause is necessary to persuade property holders who fear the seizure of their property, to accept majority rule.

If such a clause is included in the constitution, it would have to be carefully worded to ensure that a future government is able to address the violation of property rights under apartheid, undertake land reform programmes and enforce obligations on property holders.

Second and third generation rights

'Left Constitutionlists', committed to overcoming the limitations of classical liberalism, want to see second and third generation rights in a Bill of Rights (rights to housing, health care, nutrition and so on). Some liberal lawyers oppose such proposals, saying they involve the allocation of substantial resources and are not enforceable by the courts. Others argue that second and third generation rights should be included as 'Directives of State Policy'. The courts will



Constitutional rights: a tension between the sovereignty of parliament and the authority of the courts

Photo: William Matlala

then use these Directives to interpret the Bill of Rights. This is the solution adopted in Namibia and India.

Even many of those committed to real social equality, question the wisdom of incorporating second and third generation rights in a constitution. They might believe that in a democracy, decisions regarding collective welfare ought to be the responsibility of elected governments. They might also be sceptical about giving judges the power to interpret constitutional provisions which are phrased in very general language. Judges may use this power to make 'bad' decisions.

Those who are sceptical about constitutionalism may argue that decision-making based on constitutional rights is inherently conservative and incapable of coming to terms with unequal social power.

This is because all constitutional decisions have to be justified in terms of existing constitutional clauses. On the other hand, can it not be argued that the current constitution-making process provides us with a unique opportunity to move the entire society, and its principle institutions, in the direction of the collective welfare?

Labour rights

The same issues arise in respect of labour rights. Again, the two sides in negotiations have made conflicting proposals. The ANC's draft proposals contain a long list of "worker rights". The South African Law Commission's proposal on the other hand, contain many unheard of "employer rights", including the right to own productive assets, run business enterprises, make a profit, and lock workers out. There is a strong argument in favour of resolving employer/employee disputes through collective bargaining and

industrial democracy rather than through taking grievances to the constitutional court.

Conclusion

The adoption of a new democratic constitution which establishes the equality and rights of every citizen, represents the fulfilment of the main objective of the liberation movement – the establishment of one South African nation. But it remains an open question whether establishing fundamental constitutional rights will contribute to agendas to achieve substantive equality or undermine them. One way the struggle between different visions and different social forces will express itself in the future will be over the interpretation of the role of the constitution and constitutional rights in our society. ☆



Trade unions in Chile and Uruguay have entered social pacts during the transition to democracy. Trade unions in Argentina and Brazil failed to do so. RONALDO MUNCK* discusses the experience and concludes that a democratic social pact offers many advantages.

the **social pact** *in Latin America:* *advantages* **for labour**

As Ian Roxborough showed in *SA Labour Bulletin* Vol 16 No 4 ('Neo-liberal' offensive in Latin America), the new democratic governments in Latin America have betrayed the hopes of the working people who voted for them.

Instead of getting social and economic reform, working people have been confronted by governments applying the neo-liberal recipes of the International Monetary Fund with greater gusto than the military dictatorships which preceded them. While accepting the bleak economic scenario painted in Roxborough's article, I am not sure labour's alternatives are that limited. In particular, I believe the option of the social contract or social pact could be usefully explored.

Also, we need to ask whether a strategy for the labour movement can ignore the vital role played by the so-called 'new' social movements such as squatters and human rights activists in the struggle for democracy. These debates have an obvious relevance for South Africa.

It would be wrong to attempt a simplistic balance sheet of the social contract in Latin America as if it is either *good* or *bad*. In fact it is neither a democratic cure-all for labour nor just a means to contain and demobilise labour. Like most of social reality, the social contract is a contradictory phenomenon. That is hardly surprising when the usual three 'partners' to the contract – the trade unions, employers' federations and the government – have such disparate interests. Clearly who is pacting with whom and for what purpose will determine the meaning of any pact.

The social pact and democratisation

In this respect it is worth stressing that in Latin America (as in South Africa) the social pact debate occurred in the context of democratisation. These were semi-industrialised countries emerging from a long period of military dictatorship. The social contract debate in Western Europe during the 1970s seems to be a quite different type of experience.

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So, bearing in mind the specific context of democratisation in Latin America, we shall now look at arguments for and against the social contract. We shall then compare countries where social contracts did not materialise (Argentina and Brazil) with those where they did (Chile and Uruguay).

The organisers of a labour conference in Chile in 1985 argued: "Democracy cannot be consolidated and will find it difficult to survive in Chile if confrontation prevails over *concertacion*" (a Spanish word implying a more organic and harmonious arrangement than that implied by 'social pact'). Against the prevalent zero-sum (or 'all-or-nothing') conception of politics, the proponents of the social pact envisage a situation where all can benefit, or, at least, where all might suffer equally.

The social pact can thus be seen as a vital ingredient in the democratisation process insofar as it sets certain 'rules of the game' whereby opposed social interests can be mediated.

The other main argument in favour of the social pact is that it can, to some extent, make labour independent of the economic cycle. Straightforward militant direct action might 'deliver the goods' in the economic upturn but it rarely does so in the economic downturn. The social pact might thus, arguably, help cushion the impact of the economic cycle and also help 'pull along' less well organised sectors of the working class. So, while the dangers of labour being co-opted are clearly recognised, there were strong strategic and political arguments in Latin America in favour of trade union participation in a democratising social pact or contract.

Arguments against pacts

There are, of course, powerful arguments against trade union participation in a social pact. Clearly when trade union leaders participate in behind-the-doors dealings with employers and governments there is the possibility of trade unions becoming bureaucratic and inner union democracy and accountability being undermined.

The dangers of corporatism as the unions

become sucked in to state structures are also real. Ultimately, the tripartite state-dominated version of the social contract can lead to the demobilisation and demoralisation of ordinary trade union members.

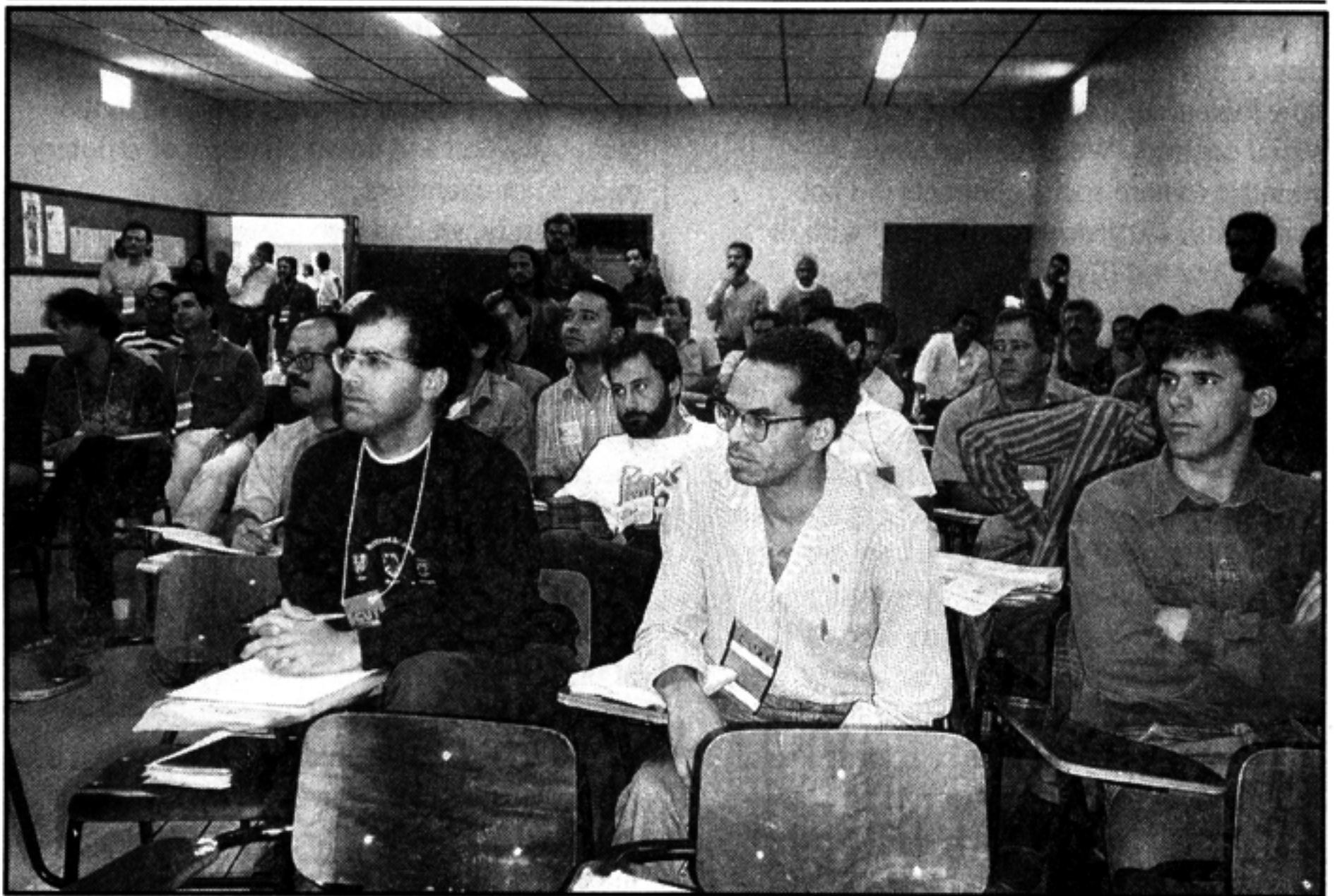
Certainly, we can also agree that social pacts are constructed on the terrain of capitalism and are not usually a springboard for the transition to socialism.

While all these issues are real, the critique is ultimately an abstract one because the critics of the social pact propose no viable alternative. But at best, a strong labour movement (as in Argentina) can only block a process of capitalist restructuring for a while. "Trade unionism as usual" – as advised by the critics of the social pact – is now simply inadequate. While accepting all the risks outlined above – and the obvious, if uninteresting, point that it is not socialism – the Latin American experience in recent years points to the social contract as the best strategy for labour's survival.

The dramatic economic transformations occurring under the auspices of 'structural adjustment' require a minimal degree of social negotiation and compromise to alleviate its effects. As Ian Roxborough points out: "Class compromise is inevitable; the point is to make sure that the terms of the compromise are as favourable to the working class as possible."

Latin American trade unions find their very prospects for survival threatened by the economic crisis and their maximum aspiration today is simply to maintain minimal labour rights and conditions. The social pact entails recognition of this socio-economic reality, while seeking, to varying degrees, to reform it. Its significance will depend on the conjuncture in which it is introduced and the relationship of social forces which prevail. We should also recognise, as Chilean trade union leader Eraldo Crea puts it: "Social struggles and *concertacion* are not mutually exclusive alternatives, but must be integrated in a unified strategy."

So, a realistic assessment of the need for class compromise through the social pact does not preclude mobilisation which can strengthen labour's position in, and extend the limits of the social pact or contract institutions.



Union leadership in Brazil: cautious attitude towards a social pact

Photo: Karl von Holdt

The progressive social pact

There are, however, serious weaknesses in the traditional corporatist model of social contract. In the first place, a progressive social pact would need to have built in specific mechanisms to ensure democratic accountability of the leadership. The 'new' social movements and some labour movements (such as that in Brazil) have stressed the value of grass roots democracy and a 'prefigurative' political practice (that is, not leaving socialist practices to the magic day after the revolution). The 'new' social movements have also helped take labour beyond the 'statist' conception of politics whereby all labour's problems will be met by a favourable government.

The second aspect where the corporatist social pact is weak is in its focus on organised labour only. As Bird and Schreiner have argued for the South African context, we need a multi-partite model as a counterweight to the corporatist tendencies of the tripartite social contract: "This model could be based on guaranteed representation for the organisations

of civil society with a mandate and notable national interests, which are independent of the state and are not contesting parliamentary power. In this conception, civics, women's groups, associations of the unemployed and the aged, consumer and rural organisations, and so on, would be guaranteed the right to participate in ongoing negotiations in appropriate bodies, on key aspects of state policy, together with the Big Three" (*SA Labour Bulletin* Vol 16 No 6). Of course, this is no magic formula and the problems of representativeness, accountability and the differential power of some of these groups, would be considerable. But the cost of *not* pacting is also considerable – as we shall see.

Social pact fails in Argentina and Brazil

Since the return of democratic government in 1983, the trade unions in Argentina have been involved in several attempts to set up social contracts. In Argentina, given the severity of the military era and its precipitate fall, one could have expected *concertacion* to have a chance. However, the various parties

concerned had different conceptions of what *concertacion* would entail. For the government, it was a way of compensating for the weakness of its social base. For employers, it was a way of subordinating the unions to a rationalisation project and of influencing the government. Most trade unionists came to oppose *concertacion* for its failure to prevent factory closures and wage reductions as the economic crisis deepened. At best, *concertacion* achieved a limited non-aggression pact between the various social and political actors, and thus allowed for a level of dialogue, even if a mythical social consensus was never really a feasible option.

When the new democracies of Argentina and Brazil came to apply their economic stabilisation projects, the Austral and Cruzado plans, the time for *concertacion* had clearly passed. The language of economic warfare sat ill at ease with the democratic discourse of citizenship and co-existence. Now, the Peronist President Menem has turned his back on his supporters in the trade unions. These mainly conservative nationalist unions have little alternative to offer when 'their' President offers the most anti-worker economic policy since the 1930s.

In Brazil too, the civilian governments since the military finally withdrew in 1985, have attempted to draw the powerful independent trade union movement into a social pact. Towards the end of 1991, President Collor called, for the third time since taking office, for the construction of a social pact to deal with the economic crisis. Yet the "consensus agenda" which the President called for seemed no more likely than in the past.

In fact, throughout the democratisation period in Brazil, it was workers' struggles for a living wage which were being portrayed as the cause of inflation and a threat against democracy. In this context it was the trade unions which were being asked to do most of the "compromising". The new independent trade unions are for their part wary of any arrangement which smacks of corporatism, given the long years of union subordination to the state in Brazil.

While union caution about a social pact is understandable, it has to some extent helped isolate the organised labour movement from the mass of the labouring poor in the cities and the countryside who lack basic organisation.

Under the new coalition government which has replaced the impeached President Collor it is possible that the union and employer agreement to create economic growth and rising living standards, rather than an IMF-induced recession, will prevail in government circles.

The social pact in Chile and Uruguay

A more successful social pact emerged in Chile when the Pinochet dictatorship gave way to a coalition civilian government in 1989. The left and the trade unions in Chile were painfully aware of the need for a stable democracy after the collapse of the Popular Unity government in 1973. There was thus a certain convergence between the left and the Christian-Democrats on an economic project which would respect private property while seeking to meet people's social and economic needs. Thus, the social pact was part of a much broader *political* pact on the nature of democracy and the compromises it entails.

In Chile, the trade unions are currently seeking to redefine their strategic role in society after the difficult Pinochet years. There is a certain tension between those currents advocating a decisive intervention in the political arena through the mechanisms of the social and political pacts, and those who seek to address the postponed economic claims of the working class through social mobilisation. There is, however, general consensus on the need to focus on the democratic reconstruction of the country and not engage in precipitate actions which could still today trigger a return to the Pinochet dictatorship. The trade unions and the other social movements such as the squatters' organisations played an important role in the democratic campaign to overthrow Pinochet; they are now set to consolidate their social and political role under the new dispensation.

Finally, in the much smaller country of

Uruguay, we see another relatively successful social pact experience. As in Chile, the transition to democracy took place after a political pact between the outgoing government and most political parties, including the Communist Party. Then, the National Programmatic Contract was set up bringing together representatives of government, the employers and the trade unions, but also student and squatter movement representatives, among others.

While democratisation created the atmosphere and the procedures to negotiate labour demands, the repression of labour under the military dictatorship meant there was a high level of labour conflict under the new regime. There was no smooth transition from confrontation to co-operation, but at least the mechanisms now exist to create a framework in which social demands during a period of economic crisis do not lead inevitably to a crisis for democracy. To overcome a crisis of governability might be of benefit to the dominant classes because capital accumulation acquires a stable setting. It is also, arguably, a precondition for a labour movement to strengthen its organisations, its social alliances and its role in society generally. So, while the social contract has not led to social peace (how could it?) it has ensured an unprecedented period of trade union freedom and activity in Uruguay.

Having examined some general arguments for and against the social contract, we have also had a cursory look at countries where the social pact has and has not come to fruition.

Challenge to labour

On balance, the price to be paid for *not* pacting seems greater than the risk involved in participating in some kind of democratic social pact. The old model of capitalist accumulation in Latin American countries, centred on the state sector and oriented towards a protected internal market, is in deep crisis. Capitalism is being forced to restructure in order to overcome this crisis. Labour will ultimately lose if it engages in a defensive rearguard action to resist restructuring. Old strategies,

social alliances and political aspirations seem simply to evaporate as social classes and fractions within them jockey for positions as the old socio-economic edifices crumble. Rather than simply being reactive in this situation, labour faces the challenge of being pro-active and actually taking responsibility for the future of the whole country.

The project of *concertacion* which some Latin American unions have developed (particularly in Chile), while running the risk of co-option, contains at least the possibility of overcoming trade union sectionalism and corporatism, and the inevitable political impotence which flows eventually from these. The alternative is, certainly, a wholesale weakening of the labour movement and its chances to offer an alternative vision to the weakest in society.

We must conclude that labour in Latin America cannot continue with the old strategies under the new democratic regimes. The new economic model being ushered in by structural adjustment (as described by Roxborough's article in *SA Labour Bulletin*) is the unavoidable context of any alternative labour strategy. The 'new' social movements have taught the trade unions that democracy is essential both as political regime and internal practice.

The history of the different countries discussed above, furthermore, points towards the social pact or contract as a means of developing a viable labour strategy under difficult circumstances. What is not clear is how the trade unions might broaden their traditional role to embrace (while not strangling) the 'new' social movements which have emerged in the community.

Here I suspect the South African experience may have highly relevant lessons for South American trade unionists. We certainly need to challenge the situation whereby capital works with a broad international project, while labour remains imprisoned within its national boundaries, failing to recognise common interests, comparable experiences and, ultimately, a shared future with workers in other parts of the world. ☆



the **ICFTU** *in* **South Africa**

KARL VON HOLDT and SNUKI ZIKALALA spoke to members of the ICFTU delegation which visited South Africa recently.

Enzo Friso, general secretary of International Confederation of Free Trade Unions (ICFTU), believes that if violence which is going on unabated is not stopped, there will be an explosion in South Africa. On the question of COSATU's affiliation to the ICFTU, he says: "I am not really interested in affiliation. We will help trade unions even if we differ and they have wrong perceptions about us. It is not the first time we are helping organisations which are not affiliated. It is our duty to help those who are still fighting for freedom and democracy."

He said the fact that he had come with the biggest delegation that the ICFTU has ever sent anywhere shows how seriously it takes COSATU and NACTU and the concern it has about the violence.

However, it is well known that ICFTU is extremely keen for COSATU to affiliate. What is the significance of COSATU for the international labour movement?

"The two need each other," says Friso. He believes that COSATU can play a very important role in strengthening weaker trade unions in Africa. "Its militancy and democratic principles would be an asset to the ICFTU."

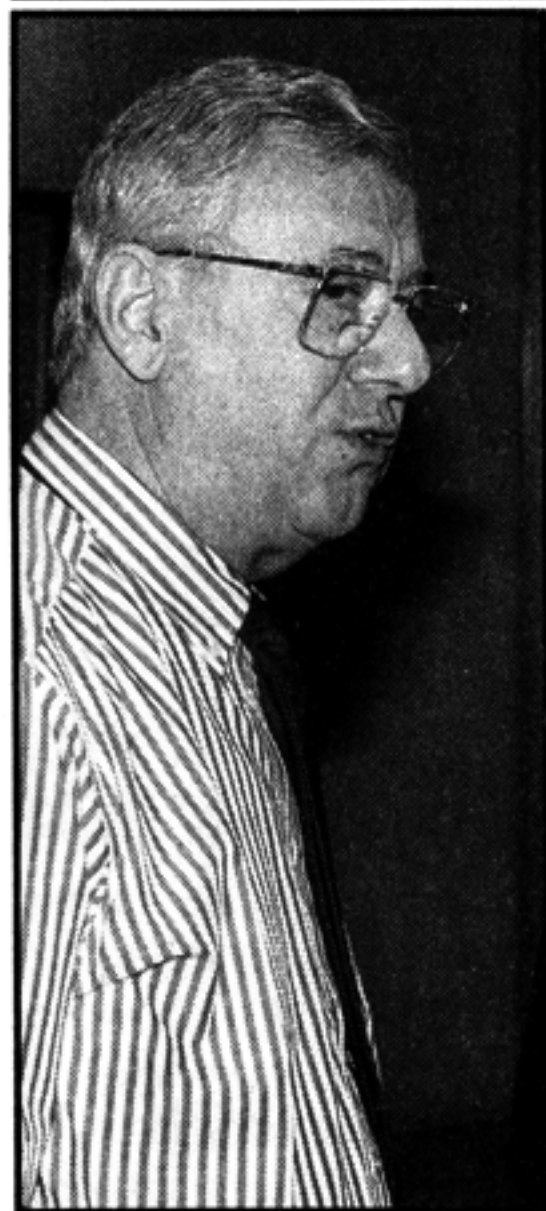
The notion that the ICFTU is an imperialist organisation is wrong. "As the general secretary of ICFTU, I have been involved in negotiations and fighting against military

ICFTU

dictatorships in Latin America. I have been arrested, harassed and even went and lived illegally under very dangerous conditions in those countries. The main aim is to fight against dictatorships. What they are saying about the ICFTU is not true."

If COSATU says that it wants to change the ICFTU, that is accepted. "I am a progressive person myself. If they believe that they can make us more progressive, they are welcome."

What is important, according to Friso, is that all believe in one thing: independence. A union is a real union if it is independent from the government, political parties and employers.



Photos: William Matiala

New challenges for the ICFTU

The world has changed tremendously over the past five years, both economically and politically. What new challenges does this pose for ICFTU?

Friso points to many new problems: rising unemployment in the industrialised countries, falling trade union membership, poverty and misery in the developing world.

In terms of exports, the industrialised countries have lost \$72 billion per year in the last five years. Two million jobs per year have been lost. Friso suggests this gives the workers of Europe and the US a real interest in promoting development in the rest of the world. Development would mean expanded markets and increased trade. "Developed countries will have to develop a real sense of solidarity, where everybody has to understand that the problem is a global one and needs a global approach."

ICFTU and the struggle for democracy
Concretely, in what way can the ICFTU help

in solving the crisis? In struggling for the democratisation of the developing countries, says Friso. "The assistance which we once gave to official unions, used to go into the pockets of presidents like Mobutu Sese Seko of Zaire, Ferdinand Marcos in the Philippines and Papa Doc Duvalier. This money never reached the workers."

The ICFTU is no longer going to give assistance to trade unions which support a one party system. "It must now be targeted for the democratisation of those countries."

In the past, the ICFTU has not had a warm relationship with many of the militant new labour movements in the South. But CUT Brazil has now affiliated. The Korean Congress of Trade Unions has applied for affiliation, but is being opposed by the official 'yellow' trade union centre. How will ICFTU respond?

According to Friso, "The official trade union centre in Korea is organising a conference in March. KCTU will also be there and we hope that discussions on affiliation will be held."

Does ICFTU have a strategy for countering World Bank and IMF policies on deregulation and structural adjustments?

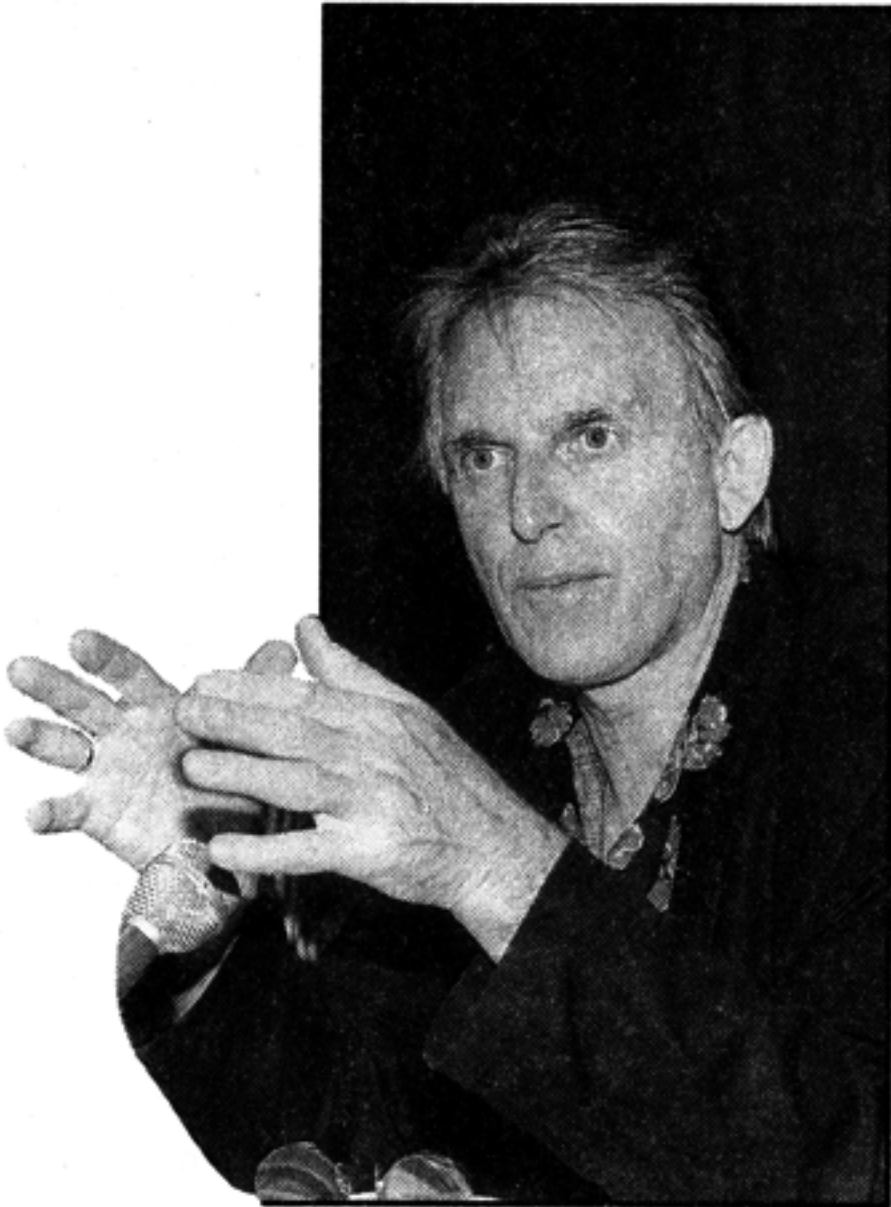
Friso says that the ICFTU is not happy with their policies of structural adjustment. "This policy has no principles."

The problem is that they seldom get in touch with those who represent the poor. "We want that before they impose their conditions on structural adjustment, they should listen and not only impose. We are now in contact with senior officials of the World Bank about this."

Friso believes that pressure can be exerted on the World Bank and the IMF. He says that policies of these organisations are determined by governments. "Our affiliates in each country must raise these issues, so the governments involved in formulating Bank and IMF policy must feel the pressure from the organisations in their respective countries."

He concluded by saying that, "you have to fight everywhere for trade union rights. First, get the guarantee to exist, then you make a philosophy." ♦

Bob White, president of the Canadian Labour Congress (CLC) and chair of the ICFTU human rights committee, says that the confederation is facing enormous challenges. "The decline in trade union membership, the reduction of government support for international activities has had an impact on us."



ICFTU

New challenges

White says that the challenges confronting the ICFTU are the new trading blocks, and the relations that the developed countries have with the least developed countries. The problem is that the economy of the industrial world is in trouble. "For example, in Canada unemployment is 11%. It is so easy now to pull back into your country and say that we have to deal with our issues domestically. I think that it is one of the main issues facing any international organisation."

These issues are raised for Canadian workers in a very concrete way by the establishment of the North American Free Trade Zone, which includes Canada, the US and Mexico. Multi-national corporations invest in Mexico, where unions are weak and wages low, rather than in the US or Canada. "The

Mexicans are saying: 'For us who do not have jobs, five dollars a day is better than no dollars per day.'"

This is the central problem facing labour internationalism – global capitalism tends to put workers in different countries in a competitive relation with each other. Investment goes where wages are lowest. What is the solution?

"Cheap labour cannot build a strong economy," says White. At the same time, the economies of the developed countries should not be destroyed. "Workers should not have to compete over the carcasses of a few jobs. If trade relationships are to work, workers in the new countries where jobs are going must have an income, not only to buy the products they are building, but to purchase from other countries so the flow of trade goes both ways."

How can the international labour movement make this happen?

White believes that pressure can be exerted by the international and local organisations so that the multi-nationals pay a living wage.

"Fundamental to that is the building of trade union movements in those countries, so that the workers have a voice." He admits it is a long term solution.

National governments used to be one of the key instruments for intervening in the international economy. Now de-regulation of international trade and finance markets are undermining national sovereignty and the ability of governments to intervene.

White cannot accept "the notion that money has no borders, as if money does not belong to somebody. There is a person who takes investments out of one country and puts them in another country."

He rejects the idea that the democratically elected governments no longer have a role to play. Germany did not re-build its economy after the second world war with a deregulated

society. They had investment policies, infrastructure policies, trade union policies and social policies. Japan has a trading policy that builds their national base as well as their exports. "A totally deregulated world is an absolute disaster. It won't work. Thatcherism and Reaganism show that you lose your national base and the ability to compete in the world market."

To White the real place to confront these issues is in the national labour centres, at grassroots level in the ICFTU affiliates, and in the regional markets and trading blocks. "That's where the power is - you cannot proclaim it from Brussels."

He is also heartened by recent political developments. "If Bill Clinton can indicate that regulation is back on the agenda, if Canada does that, if the EEC realises that inside the community regulation is required - then you start to develop new international criteria."

What about the World Bank and the IMF? White concedes that in the past, the ICFTU has not been particularly challenging, but says this is changing. The ICFTU is now placing representatives in Washington to monitor the Bank and the IMF.

Finally, we asked Bob White and his colleague Rick Jackson, international director at CLC, about the relation of the ICFTU to the new militant unions of the South. Has ICFTU missed the boat by associating with the old, tired and undemocratic unions of those countries, rather than the dynamic new unions? They acknowledge that past criticism is legitimate, but believe it is changing. "The only way to change it is to be inside it. COSATU could be a major player in this process."

Jackson points out that CLC has been instrumental in having undemocratic centres expelled in Latin America. The same must happen in Africa and Asia. The

Malawian Congress of Trade Unions may be expelled because of its links with Banda.

Is it true that ICFTU blocks the affiliation of some progressive centres because only one centre from each country can affiliate? They say not, pointing out that CUT Brazil has been accepted. Both COSATU and NACTU could affiliate.

The ICFTU has been known to be very hostile to the KMU in the Philippines. Would it accept KMU affiliation now? According to Jackson, the KMU has never shown any interest in ICFTU affiliation. If it did, the main fact would be whether it has a democratic constitution. "There is unlikely to be an objection," he said. ♦

ICFTU visits SA

In February COSATU and NACTU hosted the most high profile delegation ever to visit any country. This signals improving relations between ICFTU and COSATU in particular. Although COSATU maintains its official policy of 'active non-alignment', many believe it is not a case of whether it affiliates, but of when and how.

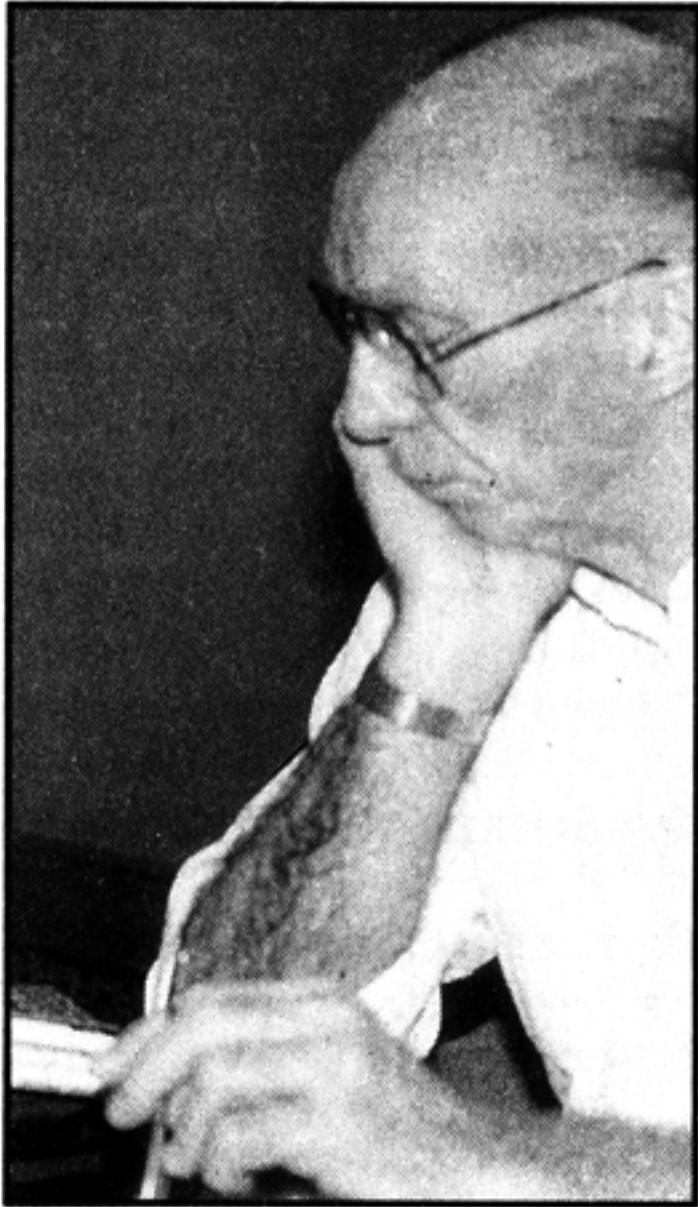
The delegation was in SA to investigate the violence wracking the country. It was led by ICFTU general secretary Enzo Friso and Canadian Labour Congress president Bob White. It included trade union leaders from the Scandinavian countries, Netherlands, Britain, US, Italy, Japan and Zambia. The ICFTU represents 164 national trade union centres with 113 million members in 117 countries.

In addition to travelling to different regions and meeting a wide range of organisations, the ICFTU Co-ordinating Committee on South Africa met in Johannesburg for the first time since it was formed in 1976. Representatives of a number of industry-based international trade secretariats (ITS's) were also present.

The meeting discussed the social, political and economic situation, the violence, the role of women in trade unions and an investment code for SA.

It also addressed the trade union situation in Malawi and Mozambique, as well as how international trade union assistance to SA unions could be co-ordinated. ♦

Thomas Donahue, treasurer of the US Labour Centre, the AFL-CIO, is "impressed by the debates going on in SA about the union structures, about relations with political parties, about the new concept of strategic unionism".



ICFTU

According to Donahue, the US unions were some years in advance of the Australians in developing a programme to give the unions more voice in the economy and greater impact on society. Negotiations with the last democratic president, Jimmy Carter, were inconclusive, but Donahue believes Bill Clinton's new administration will be receptive.

According to Donahue, US labour law is extremely backward. Basic trade union rights are not protected by law. Legally striking workers can be permanently replaced. Maternity rights are also not protected by law.

"Clinton's administration has already said that it will support basic trade union rights, this year we are sure that the bill will become a law".

The US labour movement has lost hundreds of thousands of members through retrenchments and closures. "We have to look at this and ask, can we grow with the classic

approach of the past, which is to organise work place by workplace, employer by employer, signing up people one at a time. To make up for our losses and to get back to a position of real strength in the economy we will have to organise millions of workers. I am not sure that you can do it one at a time." Donahue says that the labour movement needs to examine the possibility of centralised bargaining institutions similar to our industrial councils. "This will give us a structure through which we can organise members. It will be a structure which can affect an industry and can affect a large number of employers in order to get their attention."

Donahue says the AFL-CIO is proposing to Clinton that he establish a commission to examine this question.

The North American Free Trade Zone poses problems for US labour. The AFL-CIO has been losing members "as a result of industry restructuring and the movement of our manufacturing industry to Mexico and South East Asia. It is very clear to us what will happen under the free trade agreement. Mexican workers will be highly exploited, the environment destroyed and jobs taken from the US."

Donahue believes that it was an enormous mistake to establish a free trade agreement between two economies which are as unequal as that of Mexico and the US. The temptation for US companies to move to Mexico where they can pay low wages is too strong. "We had an obligation to provide aid and assistance to Mexico in an effort to build up the economy. At a point where the economies are equal you can talk about free trade regions."

Donahue hopes that Clinton's administration will help tackle this problem. "The president has spoken of giving incentives to those who invest and create jobs in the US". The labour movement is also campaigning against the implementation of the free trade agreements. ☆

Photos: William Matlala



"Trade unions need to look at the possibility of 'quota systems' where unions would include in their constitutions reserve seats for women in decision-making structures..."

NACTU women *speak out*



CRECENTIA MOFOKENG from NACTU's Women's Unit and THEMBI TSHABALALA from NACTU's Information

Unit believe trade unions need to embark on affirmative action programmes to encourage the participation of women.

In South Africa, participation of women in the managerial structures of companies is very low. Only 11,5% of people occupying middle-level positions are women, while only 6,7% of those in high level positions are women. There are reasons for this low level of representation of women in managerial structures. Few women reach matric, receive vocational training and attend universities. This problem has not been adequately addressed.

Trade unions

In NACTU alone, women exceed more than 40% of the membership.

A survey was recently conducted by NACTU

Women's Unit on the status of women within the federation and its affiliates. This survey pointed out that there are only two women general secretaries; two women presidents and three women vice-presidents.

The level of women's participation in meetings, national congress, national executive and education activities is very low. Even in affiliates where women constitute more than 80% of the membership, male domination is highly visible.

Women's Unit

The NACTU Women's Unit was formed in 1984, following a resolution taken at the Joint Executive Council of the Council of Unions of

South Africa (CUSA). When CUSA merged with the Azanian Congress of Trade Unions (AZACTU) in 1986 to form the National Congress of Trade Unions (NACTU), the Women's Unit was adopted as a structure of the federation.

The main objectives of the Women's Unit are:

- to ensure full participation of women within NACTU and its affiliates;
- to create a platform for women's issues;
- to examine problems encountered by women in the workplace and the union and to conscientise women about the economic, social and legal issues affecting them;
- to eliminate discrimination

suffered by women on the basis of gender, race and marital status in education, health and safety employment opportunities, promotions, pay, social benefits and so on;

- to integrate women into trade union activities through trade union education and to give women access to decision-making in all trade union structures;
- to develop assertive leadership and self-sufficiency in women to build strong unions;
- to research and propagate issues faced by women and conduct workshops and seminars.

Structure and activities

The unit has a committee composed of two women per affiliate at the local, regional and national level. It holds a monthly meeting and a national congress once a year.

The Women's Unit of NACTU co-ordinates and runs its educational activities based on the women's identified needs.

Problems faced by women

It is not enough for a trade union to be a non-sexist organisation when women continue to be under-represented in the decision-making structures.

In the various education activities of NACTU Women's Unit, problems women experience both at work and in the trade unions

have been raised. These can be summarised as follows:

Problems faced by women at work:

- low wages;
- lack of promotional opportunities;
- restricted paid maternity leave;
- extremely long hours;
- damage to health and threat to safety;
- limited sick leave;
- expensive childcare;
- sexual harassment by supervisors and others.

Problems faced by women in the trade unions:

- Lack of confidence among women is rife because of their under-representation in decision-making structures of the trade unions.
- Lack of discipline in the unions. There are still male comrades within the unions who regard women as sex objects, not as equal partners. This discourages women from participation in trade unionism.
- Lack of support by husbands to share responsibilities on the home front to allow women to participate in trade unions activities.
- Lack of information about the trade union and women's rights as members of the trade unions.
- Lack of women role models. The paucity of women shop-stewards, organisers and national leadership figures does not encourage women to see

themselves as able and united trade unionists.

- The timing, locations and agendas of union meetings can discourage instead of encourage women to see the union as being concerned about women's issues.
- Few women's issues are a priority on the union bargaining agendas.

How can the situation be addressed

Trade unions need to have clear policies on women's issues, to address barriers to women's participation and to deal with the concerns of women.

There is a need for the Women's Unit to be positively supported, strengthened and incorporated into the union constitution and structured according to the overall structure of the trade union.

Trade unions need to embark on affirmative action to develop and encourage the participation of women and to look at the possibility of a 'quota system', whereby unions would include in their constitution reserve seats for women in decision-making structures.

Finally, the issue of women's participation must be looked at very seriously by addressing barriers to women's participation. A code of conduct must be formulated for the protection of women against sexual harassment by their own comrades. ☆

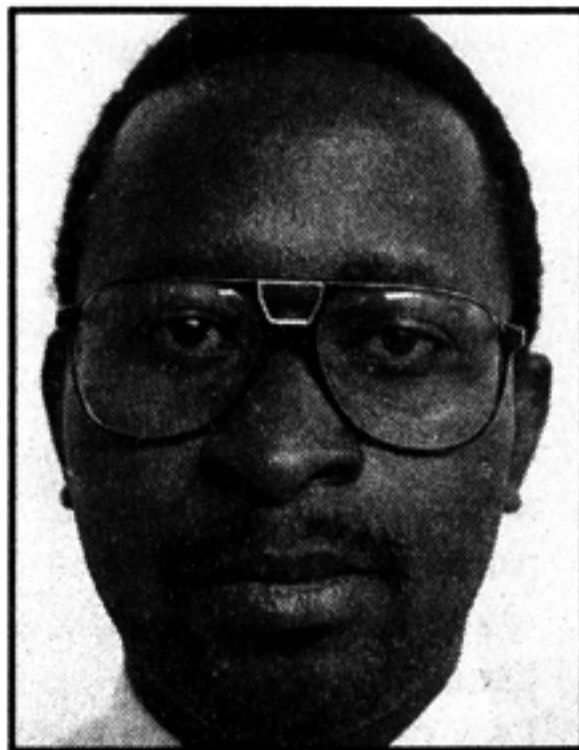
The user-friendly post office will remain a pipe dream while racism reigns behind the counters, say Post and Telecommunication Workers Association (POTWA) members. Jeppe St Post Office workers believe commercialisation is putting their jobs on the line. They speak to SNUKI ZIKALALA.

Commercialisation of Post and Telecommunications: racism and retrenchments

On 1 October 1992, TELKOM and SAPOS celebrated the first anniversary of their official separation. Though the state is currently the only shareholder in both companies, we believe it is preparing to privatise them once they become profitable.

We are totally against privatisation and we are not going to let the two companies sell state shares to private companies. Posts and telecommunications is a public sector and as such is supposed to serve the nation. At the same time the service should be affordable.

We think commercialisation will result in mass retrenchments. TELKOM and SAPOS have stopped recruiting and training new personnel. The two companies demand a lot from us and now they talk of overstaffing. We fear a number of black workers



Shultz Ramaila, a shopsteward at Jeppe St Post Office

Photo: William Matlala

are going to lose their jobs. TELKOM and SAPOS must first consider retrenching whites of pensionable age before looking at us.

As workers, we understand the state could not sell posts and telecommunications in its present form. The buildings are dilapidated, the service poor, and the sectors are structured in

a racist fashion.

With the current state of affairs, prospective buyers cannot commit themselves. They would have to invest too much money in refurbishing the buildings, installing new technology, training, retraining and improving the quality of service.

No motivation

The past 12 months have been very hectic. The two companies are very demanding. Despite our lack of training in, for example, customer service, we are expected to be lively, well developed, eager and ambitious – and at all times ready to satisfy the customer.

The quality service demanded from us will not be effected now. The management has to introduce motivational programmes for our staff. There is nothing to motivate us. We are still

being badly treated by our white colleagues.

As long as we are being neglected and not consulted on various issues that affect our performance and productivity, our level of efficiency will be low.

As a state institute, posts and telecommunications has been a home for the privileged whites. The majority of them hardly have Standard 8, yet they have received preferential treatment in promotions, training and recruiting.

In the past, if you were a black clerk in these sectors, you were expected to know your place. This is still the case, but in a disguised form. We feel insecure behind those counters and always have to fight naked racism in the workplace.

As workers, we believe conditions of employment are important. We cannot be productive and deliver a quality service if our working conditions are abnormal. There should be workshops on worker-to-worker relationships.

TELKOM and SAPOS are trying to become much more customer focused.

Commercialisation has taught them that otherwise they will not stay in business. But again, the internal dynamics of posts and telecommunications must be properly addressed before the two companies can achieve their goals.

Structural changes

Commercialisation has brought about a number of structural changes. The title

'clerk' which was used for black workers has been replaced with 'counter officer'. Duties of a counter officer include financial transactions and dispatches. Workers who sort the mail are now called 'handlers'.

But the mail handlers and the counter officers do not earn the same salary. Most mail handlers are blacks (coloureds, Indians and Africans) while most counter officers are white.

More black superintendents who have neither say nor power have been appointed. They are being disregarded by their white counterparts and cannot tell white workers what to do. They even panic or blush in front of these junior employees instead of disciplining them if there is a need.

'Flexibility' is another concept that makes us less competitive and efficient. We are always expected to stand in for our colleagues who are ill or absent from work.

Though it is good to be familiar with various jobs and responsibilities, we are opposed to being shifted from one place of work to the other. This does not happen with our white counterparts.

Merit assessments

As black workers, we are assessed every six months so we are under more pressure than our white colleagues who are evaluated only after a year. They have the privilege of staying in one place for a longer period without being

changed or evaluated.

Black seniors who are supposed to represent us only attend meetings and never take part in decision-making. Despite the fact that they are in charge of us, and are in contact with us, they are always told what to do by their white counterparts.

White supervisors, some of whom have never seen nor talked to us, have the right to assess us. It is really unfair.

Some black counter clerks for 15 years have never been commended for their service. It is only those who are blue-eyed boys of the managers and those who agree to denigrate themselves by cutting a senior supervisor's grass over the weekend who get patted on the back.

Some blacks, who are university graduates, are placed on counter points where they do not belong. Their academic knowledge is not utilised properly. They could play a very progressive role in changing the whole structure of the former racist institution. They are young, energetic and innovative.

Although we are against privatisation, we believe that if the companies are sincere and have the interests of customers at heart, they should start addressing problems which have been caused by the apartheid regime. It is only through worker participation and consultation that TELKOM and SAPOS will learn how to redress the past and achieve a quality service in their sectors." ☆



Industrial Council Digest: Statutory Institutions for Centralised Collective Bargaining in South Africa, 1979 – 1992

Shane Godfrey

Industrial Relations Project, Dept of Sociology,

University of Cape Town, August 1992

Reviewed by JANE BARRETT*

This 300 page book may prove to be a useful source document for researchers, and for



Photo: William Matlala

industrial relations practitioners (including trade unionists) who wish to find out specific details on a particular industrial council. The author has undertaken an enormous task of collecting information on all

industrial councils in South Africa, and combining this in a single volume for the first time. The Digest also contains an interesting 20 page section on the history of industrial councils.

However, as a contribution to the debate on centralised bargaining, and the potential reform of the industrial council system, it is highly limited. The limitations of the book derive largely from the fact that it is based entirely on secondary sources. While trade union and management press statements and interviews are quoted, not a single interview appears to have been conducted for the purposes of the book. This seems an extraordinary omission, and results in some irritating loose ends. For example, on page 56 the author states "it is not clear how this, [a dispute over the extension of

an agreement in the engineering industry to non parties – JBJ] was resolved because the Agreement was finally extended".

The absence of primary interviews also means that the book contains few pointers as to how unions and other players are dealing with some of the inadequacies of the system. For example, there is no mention of the fact that the Industrial Council for the Contract Cleaning industry in Natal has a constitution based on proportional representation, as opposed to the equal representation of all other councils which have multiparty membership.

No mention, either, is made of the fact that some industrial council wage agreements make provision for increases to minimum wages only (for example, the Transvaal Goods Transport Industrial Council), while others make provision for increases across the board (for example, the Iron, Steel, Engineering and Metallurgical Industrial Council) – or, more importantly, that there are struggles being fought within some industrial councils around this issue.

No mention is made of the problems experienced in a number of industries as a consequence of the Minister exempting from agreements small industries and those which have been in business for less than one year. No explanation is provided as to why certain unions are not members of industrial councils, (for example, why SACCAWU is not a member of the various Tearoom industrial councils, and Transport and General is not a member of the various

* *National organiser of Transport and General Workers Union (TGWU)*

Laundry and Dry Cleaning industrial councils).

The author correctly points out that the structure and functioning of industrial councils is diverse, and that the "challenge is the welding of this diversity and differentiation into a coherent system of national bargaining structures that can provide real benefits to workers and ensure their active involvement in the negotiation of those benefits". However, in the same way that the book would have been enriched by interviews with relevant players at an industry level, some reflection on strategic developments within the trade union movement would have been illuminating.

There is no mention, for example, of the fact that the well publicised negotiations towards a revised Labour Relations Act have included submissions on the question of ministerial discretion with regard to the gazetting of agreements. Nor is there mention of the fact that during the course of 1991 and 1992, numerous complaints were lodged with the Minister of Manpower concerning the tardy gazetting of agreements.

Passing reference is made in the chapter on the Iron, Steel, Engineering and Metallurgical Industrial Council to a 1991 agreement on training and industry restructuring (see pg 82), but no mention is made anywhere else of the fact that such agreements are increasingly being looked to within COSATU as a whole, and that such agreements form part of an overall approach to economic restructuring on the part of the Federation.

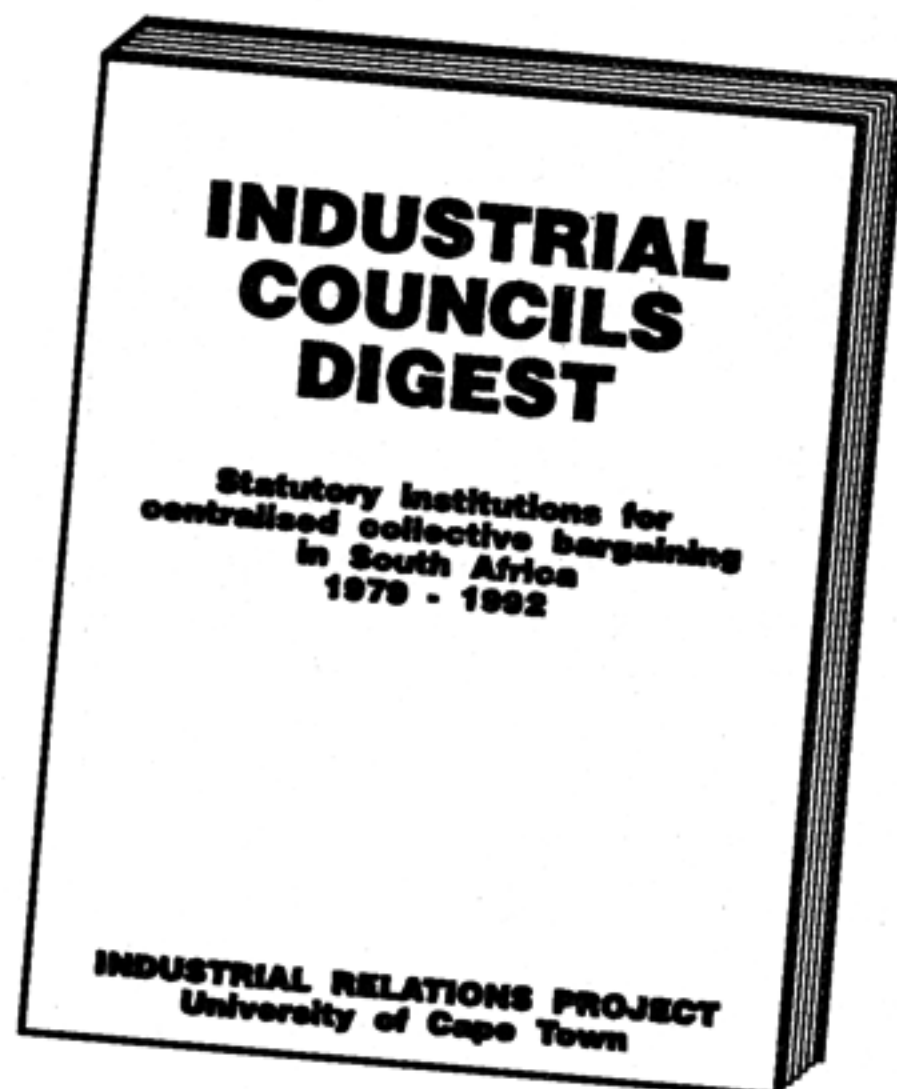
In addition to the omissions of the book, there are some annoying inaccuracies. For example, no mention is made anywhere of the fact that an industrial council has been established for Transnet. The author may put forward the Industrial Registrar's refusal to supply a list of registered industrial councils as an excuse (see pg 4). However, had the author approached any one of the labour federations or their affiliates to assist him, he would surely have succeeded in gaining access to such a list.

An historical inaccuracy appears on page 27, where it is argued that the registration was not a major issue in the period 1979 - 1982. While this was the case within the Federation of South

Africa Trade Unions, it was certainly not the case for the trade union movement as a whole.

It remained at this time a major issue in the Unity Talks which ultimately made way for the formation of the Congress of Trade Unions in 1985.

The scope of the Passenger Transport Industrial Council in Natal is incorrectly described in that no mention is made of the fact that the scope does not include non members of the Bus Owners Association - thereby excluding



the major passenger companies in the region, namely Putco, DTMB, and Kwa Zulu Transport (pg 215).

One last criticism - the typeface and layout make it an extremely difficult book to read.

It is a pity that a project which by its own admission consumed large resources and a great deal of time, could not have made a more significant contribution to the debate on centralised bargaining, and in particular to the debate on the limits and possibilities of industrial councils. For, as stated above, centralised bargaining has become the key to COSATU's policy on industrial restructuring and the development of a coherent and consistent wage policy. ☆

In the Nov/Dec issue of the *Bulletin* we looked at the obligations on bargaining parties during the course of industrial action. Here we discuss the balloting requirements of the LRA and how the SEIFSA judgment could affect future strike ballots.

striking out **irregularities** *in the* **ballot**

by Paul Benjamin of the
Centre for Applied Legal Studies,
University of the Witwatersrand

The legal battle last year between the Steel and Engineering Industries Federation of South Africa (SEIFSA) and the National Union of Metalworkers of South Africa (NUMSA) has been widely reported.

SEIFSA challenged the lawfulness of a national strike called by NUMSA after the breakdown of negotiations in the metal industry. In the fourth week of the strike, the Supreme Court declared the strike unlawful on account of irregularities in the ballot.

The decision raises serious questions about how appropriate the balloting requirements contained in the Labour Relations Act (LRA) are. The unions will have to

motivate for these to be reformed. However, until that happens they will have to live with the SEIFSA judgment. This note considers how best unions can comply with the judgment, which deals with:

- who can vote in a ballot;
- what information the union must have about a ballot;
- how voting must be arranged so members can vote in secret and privately.

Who can vote?

Who can vote in a strike ballot? Only the members of the union in good standing employed in the area and "undertaking, industry, trade or occupation" in which the strike is to take place. In order to call a strike, a

majority of the members in good standing must vote in favour of the strike. It is not enough that a majority of those who vote support a strike, it must be a majority of the total membership concerned.

Which members are 'in good standing'? The LRA defines them as union members who are less than three months in arrears with their union dues. All members on stop-orders will be in good standing.

The LRA also authorises unions to exempt members from the payment of subscription fees. This can be done where the employer refuses to grant stop-orders and where hand-collections

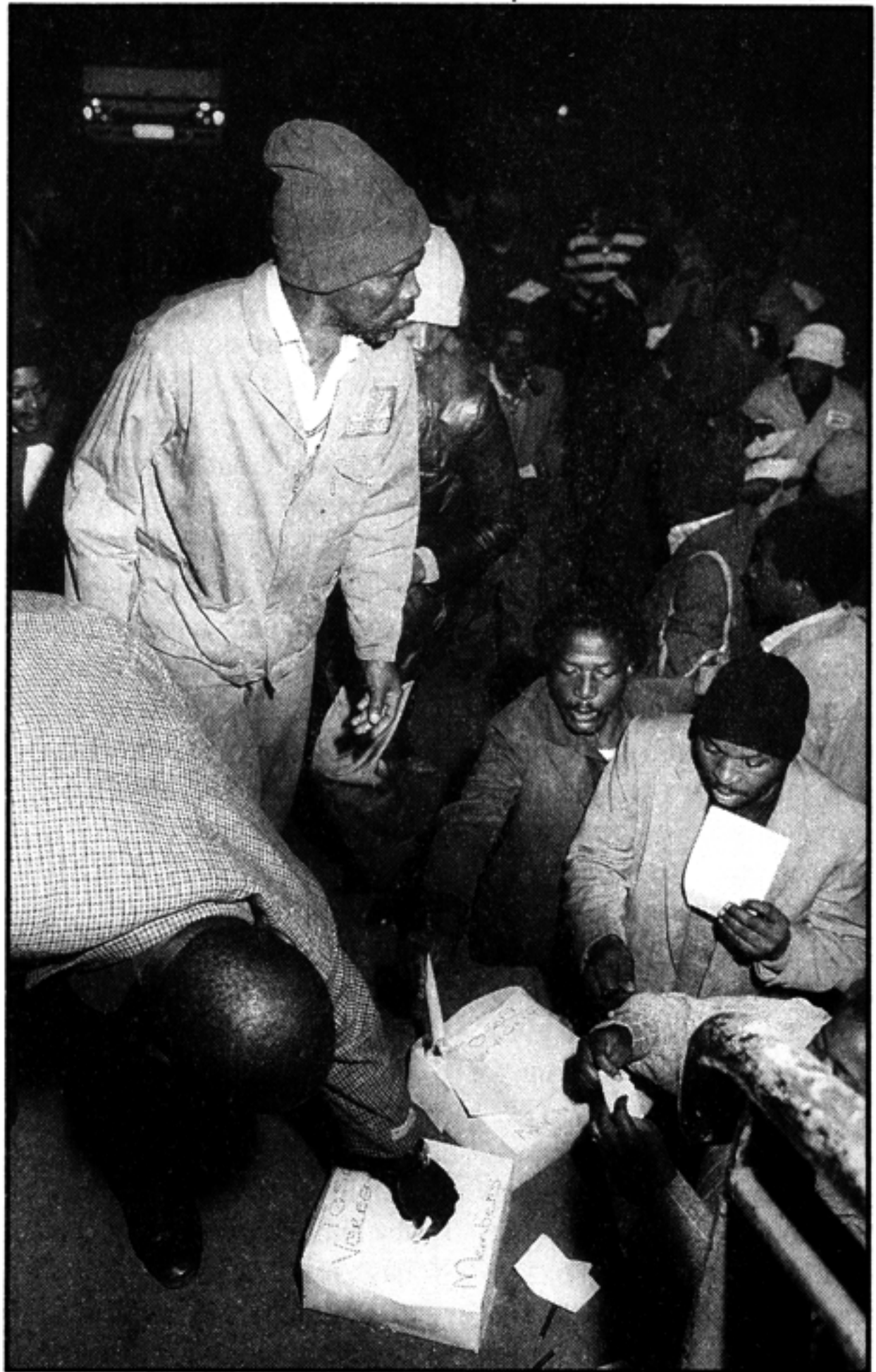
are not practical. These employees would also be in good standing. A union is not required to ballot non-members (or members who are not in good standing). If the union wishes for some reason to ballot non-members, an entirely separate ballot should be held.

Which members of the union are party to the dispute? Generally this is an easy issue. It is clear in what area, industry or occupation the dispute is called. If the National Union of Miners (NUM) calls a strike in the coal mining industry, it must not ballot its members in the gold mines.

There may be more difficult cases. Say the union represents A and B band employees in negotiations at a particular factory. The union also has a few C band employees as members but the negotiations do not determine their wages. In this case, a strike by the C band employees would be considered a sympathy strike. A separate dispute would have to be referred to either the conciliation board or industrial council. (The Supreme Court has recently held in the case of *NUMSA v Goodyear* that there must be a separate referral of the dispute in all sympathy strikes).

One member, one vote

One effect of the SEIFSA judgment is that many employers will challenge the correctness of strike ballots. If



Strike balloting: new problems for unions

Photo: Cedric Nunn

this happens, the union must show:

- the total number of members in good standing qualified to vote;
- the number of those who did vote;
- the number who voted in favour of, and who voted against, strike action.

How does a union go about proving this? It will need a

list of all its paid-up members in every plant involved in the dispute. The total number of employees on these lists is the total number of members entitled to vote.

When an employee comes to vote, her/his name must be clearly marked off on the list and s/he must be given one ballot form. This must be done to prevent members

from voting more than once. Members should present a satisfactory form of identification (preferably with a photograph).

The court said the union must be able to show that no member voted more than once. Thus piles of forms must not be handed out to a group of employees because then it will be impossible to tell how often they voted and how many of them voted.

There must be proper control of unused ballots. The stewards, or whoever conducts the ballot, must remove unused ballot forms. The union must be able to say how many ballot forms were handed out. This figure should be the same as the total number of votes counted. Some unions number each ballot and give each factory enough forms for paid-up members only. This system still requires a list to ensure each member can vote once only.

Finally, the ballot box must be properly sealed. The process of counting the votes must also be strictly supervised so management cannot claim the counting was used as an opportunity to add extra votes.

Secret, private voting

Each member must be able to vote privately and in secret.

The NUMSA ballot may have infringed this requirement at some factories. First, some workers may have marked their ballots while they were part of a group

crowded around a table, so the vote would not have been secret. Second, at some factories "YES" and "NO" ballot boxes may have been provided, enabling others to see how individual workers voted. (Using "YES" and "NO" boxes would not violate the LRA if the worker could put his or her ballot in the box without anybody else observing, but it is not a desirable way to conduct a ballot.) Third, shopstewards may have placed the ballots in the ballot boxes on behalf of voters. This could provide an opportunity to look at the ballot, so the vote would not have been secret.

Implications of the judgment

The approach of the court is that the employer need not prove the ballot actually broke the law to get an order against the strike. All the employer need show is that the balloting procedure could have resulted in:

- voting by non-members;
- voting more than once by a member;
- voting not being private and secret.

If the company alleges this, the union will have to prove it did not happen.

NUMSA was unable to prove this during the urgent interdict brought by SEIFSA and therefore the judge held that the strike was illegal and ordered the union to end it.

Most readers are probably now wondering whether it is possible for a union to

conduct a ballot that will meet this test, particularly in a national strike. All that can be said in response is that every ballot must be carefully planned to ensure it complies with LRA requirements.

This note has concentrated on how the SEIFSA judgment has changed the test for ballots. There are many other requirements. The most important concerns the wording of the ballot form. The dispute on which workers vote must be the same dispute that was referred to the industrial council or conciliation board. In addition, all ballot forms must be kept for at least three years.

Should unions involve management and independent scrutineers in the balloting process? The lesson of the SEIFSA judgment is that it is advisable, where possible, to involve management. This is to ensure the union has adequate time and facilities to conduct the ballot. Presently, employers are able to sit back, watch the ballot and then raise problems at whim. This is usually done by way of urgent interdict as the strike is about to start.

It is important for unions to try to force management to raise its objections at an earlier stage so that the union can address, and if necessary correct, these problems. The use of an independent scrutineer to supervise both the voting and counting may also reduce the prospect of management challenging the outcome. ☆



Economic Notes is supplied by the Labour Research Service (LRS), Cape Town

Prospects for 1993

Will the economy grow in 1993?

Let's hope we've got it right this time

Predictions of growth in 1992 were wrong. The economy shrank by between 1% and 1,7%. What will happen in 1993?

Basically, the revival has been delayed. Most economists now expect a very slow recovery in 1993. But it may not be evident until the third quarter, and will not pick up steam until 1994.

Standard Bank and Sanlam both say growth will be 2% in 1993. The positive factors are the recovery in the world economy, also delayed from 1992; the expected build up of stocks; a normal agricultural year; heavy government spending; lower interest rates and lower inflation; and stabilised company profits.

Gross Domestic Product

Economy is getting smaller

But Old Mutual warns that the recession might spill over into 1993. A full recovery

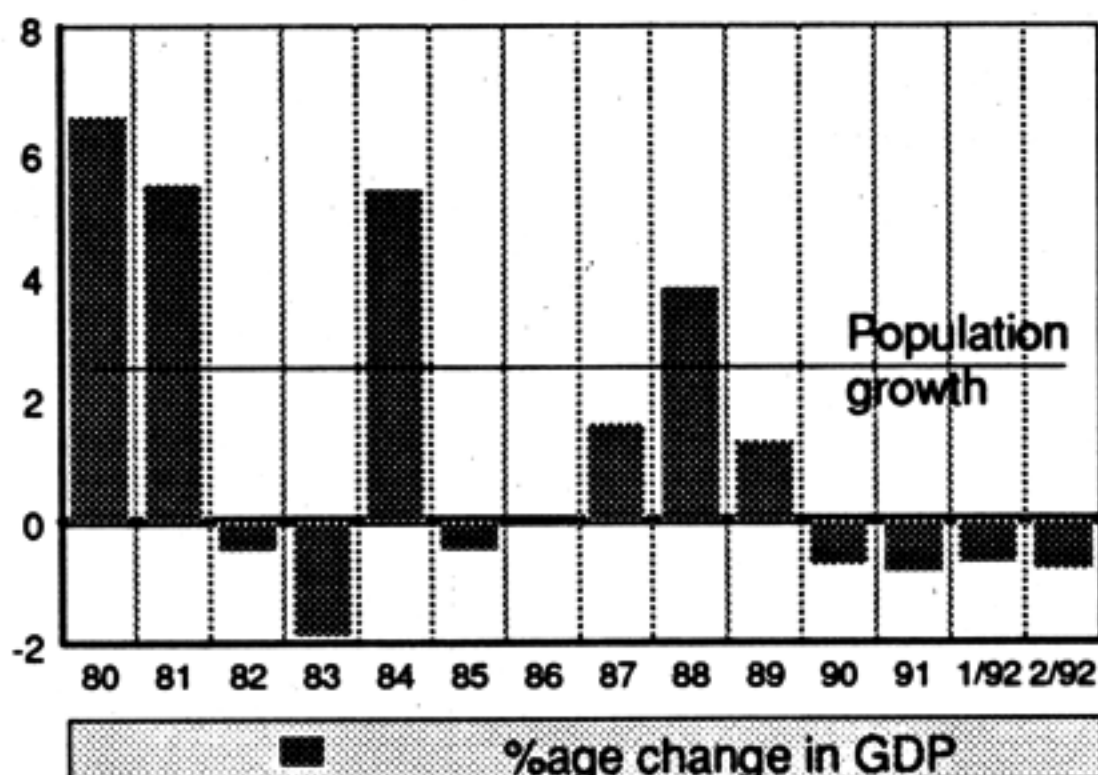
might be delayed until 1994.

The negative factors are:

- Heavy debt of government, companies and consumers.
 - Low confidence levels amongst consumers and companies.
 - Poor state of government finances.
 - Slugging world recovery.
- Old Mutual expects wage increases to be very low in 1993. Workers must rely

Gross Domestic Product

Economy is getting smaller



Note: the 1992 figures are for the first two quarters of the year

instead on lower interests rates and inflation to provide some comfort.

The manufacturing sector may do better than other sectors. The expected devaluation of the rand against the dollar will make exports cheaper-and therefore exports will grow. We can also expect some growth in stocks – if only because they are now too low to be sustainable.

Exporters have obtained several new advantages. Exports are now zero-rated for VAT, local inflation has been reduced, and the costs of circumventing sanctions have been removed.

But imports are also likely to increase. Some grain imports will still be required as a result of the drought. South Africa normally has a surplus on its trade in food – but in 1992 it went into deficit owing to the drought. There will be some carry-over of food imports in early 1993.

And a growing economy always needs more imports, especially of machinery and equipment.

International prospects

IMF says world economy will grow by 3%

The International Monetary Fund says that the world economy will grow by 3%. Some economists believe that the figure will be lower. Whoever is correct, a 3% or

lower growth rate will be insufficient to help commodity markets-which are very important for South Africa.

So expect no boom in mining or base minerals in 1993.

The United States economy will give the biggest boost to trade since it began to recover in late 1992. The USA will grow by 2,3%. The French economy is also expected to be strong with 1,8% growth.

But exporters to Japan will be disappointed by low levels of growth there.

“Disappointing” in the Japanese context means growth of about 2,4%. The British economy is also expected to be sluggish at 1,2%.

In Germany, enormous growth is expected in the eastern half, formerly East Germany. But the cost to the German economy will be high, limiting its growth prospects overall to about 0,6%. Of the 13 largest market economies, only Sweden will decline.

The economies of the former Soviet bloc in eastern Europe shrank by a massive 17% in 1991. Eventually they will recover, but this is not expected to have positive impact on the world economy for some years.

In short, a modest recovery in the world economy will give some opportunities to South African exporters of manufactured goods. For minerals, the outlook is flat.

There is better news about inflation. Price increases are expected to be no more than 3% or 4% in the world's largest economies.

But unemployment is still very high, despite the growth. In Germany, 7% are unemployed, in Spain 15% and in Switzerland – where unemployment has never been a problem – it is 3,5%. Unemployment is very high in Britain at 10,1%, and in the USA at 7,5%. The priority of capitalist government has been inflation-at the cost of jobs. They have succeeded in taming inflation. In the process, they have discovered that high levels of unemployment *can* be tolerated – by the majority of voters, if not by the trade unions.

Enormous dangers still hang over the world economy. These include the share markets where prices are still extremely high and do not reflect real value; the Japanese property market which is extremely fragile and would take many financial institutions with it if there was a collapse; the prospect of a full-scale trade war between the new European free trade area and the North American free trade area; and Third World debt which is now regarded as manageable but is still large and in arrears.

Finally, political disturbances in the Balkans could boil up into a real war with disastrous consequences for Europe.

Final round-up

What can trade unions expect?

The year 1992 was disastrous for most unions. Jobs were lost on a massive scale – 106 000 in the year of June 1992 alone. Real wages were reduced in most sectors and numerous strikes were lost.

In 1993 elections may be held and an interim government installed. It will be handed a poisoned chalice:

- Government finances are in crisis thanks to Mr. Barend Du Plessis' last budget. The government should cut wasteful spending: it will probably raise taxes.
- Investment in new factories and machinery is too low to encourage growth. The government will feel pressurised to make concessions to capital-owners to bribe them to invest. This could include restrictions on trade unions and limits on wage increases; or lower taxes on profits and higher taxes on workers.
- Unemployment is high enough – about 40% – to threaten social stability. But it will not fall until investment increases.
- Consumer spending is falling for the first time since 1985. That hits retailers and manufacturers. When factory orders fall, companies cut wages and retrench – and that reduces

consumer spending further. There is no sign of a break in this vicious downward-spiralling circle.

Unions have not for a long time entered a new year with grimmer prospects for wage bargaining.

In the mining industry retrenchments will continue in gold. There may be a slow recovery in other minerals, leading to a more stable environment for bargaining.

Consumer goods industries will perform badly in 1993, and the retail and wholesale trades likewise. Consumers' real spending power will be lower due to real wage reductions and retrenchments. Bargaining will be difficult in these sectors.

In the public service, wages and jobs will be cut in 1993. Government finances are in such a poor way that workers will be forced to make large sacrifices. Local authority finances are in better shape but pressure from property owners will keep rates below inflation-and wages will probably follow.

In the manufacturing sector, large exporters like the paper industry will continue to do well, and may do better. But industries which cannot compete internationally, such as textiles, tyre and rubber, glass and chemicals, will be severely threatened by the reduction in import protection. South Africa has to reduce its protection levels in order to join GATT, the General Agreement on Trade and Tariffs, which regulates

world trade. So expect lower wages and more retrenchment in 1993 in industries which are vulnerable to foreign competition.

The engineering industry is unlikely to grow, except in exports, until fixed investment picks up. There is no reason for this to happen in 1993. Expect poor bargaining conditions in this industry overall.

Keep a special watch on companies with large debts. The collapse of the Tollgate group was not the last bankruptcy. Many companies which just manage to survive a recession are paradoxically unable to survive the recovery phase, as they cannot find any more cash to expand. Expect several more large bankruptcies-leading to retrenchments-among companies with heavy debt burdens.

Hopeful signs

There are some hopeful signs.

Companies which export may do well in 1993. If the rand is devalued as many expect, exporters will do even better. So will manufacturers selling to the local markets, as imports will become more expensive.

Union drives to mobilise workers' savings for productive and socially responsible investments will also gather pace in 1993. The beauty of retirement funds is that they are contractual, not discretionary, savings

ECONOMIC NOTES

vehicles. So the members' contributions keep coming in whatever the state of the economy.

In the year in which the unions' *collective bargaining power* will be weaker, the unions' *investment power* will assume even greater importance.

The move towards centralised bargaining will also strengthen unions' hands in 1993. Centralised bargaining raises all wages throughout an industry, which makes wage increases more palatable to competing companies. With their backs to the walls, unions may find central bargaining forums a defence against wage cutting.

Finally, unions have the opportunity to form a strong political lobby to urge economic reforms on the government. This has already begun with the national Economic Forum. It remains to be seen whether the unions have yet formulated a strategy to use their *political power* as effectively as they use their collective bargaining power.

In their political lobbying, unions will also have to make difficult choices. Will they demand government protection *against* competition, or will they ask for assistance to make their own industries *more* competitive?

One key demand could be for a substantial *devaluation of the rand* against foreign currencies. Devaluation would save the gold mines, help manufacturers to

Area	Inflation	Consumer Price Index (1990=100)	Annual rate of inflation (% increase over 1 year)
		Sept 1992	Sept 91 - 92
Cape Town		136.7	14.5%
Port Elizabeth		135.7	13.8%
East London		135.2	14.2%
Durban		132.5	13.4%
Pietermaritzburg		137.3	15.5%
Witwatersrand		134.9	13.1%
Vaal Triangle		129.6	11.5%
Pretoria		134.2	13.7%
Klerksdorp		133.5	12.1%
Bloemfontein		130.1	14.8%
OFS Goldfields		131.7	10.1%
Kimberley		134.5	14.6%
South Africa		134.7	13.5%
Source: Central Statistical Service			
Area		Oct 1992	Oct 91 - 92
Cape Town		137.4	12.9%
Port Elizabeth		135.8	11.8%
East London		135.6	12.2%
Durban		132.3	10.6%
Pietermaritzburg		137.1	12.9%
Witwatersrand		135.4	11.5%
Vaal Triangle		130.3	10.6%
Pretoria		134.7	12.0%
Klerksdorp		134.1	9.9%
Bloemfontein		131.1	12.7%
OFS Goldfields		132.7	9.9%
Kimberley		134.8	11.8%
South Africa		135.2	11.7%
Source: Central Statistical Service			

compete with imports locally, and make exports more competitive abroad. The dangers of inflation resulting from devaluation could be curtailed by various fiscal means, such as cutting import levies and fuel tax.

Finally, will the employers respond to the challenges set by the trade unions, who want more jobs and higher living standards? A social contract

requires agreement from three parties-government, employers and trade unions-who in South Africa have never worked co-operatively before.

1993 will be an interesting year. ☆

Sipho Kubheka, *general secretary of the Paper, Printing, Wood and Allied Workers' Union (PPWAWU)*, talks to **Snuki Zikalala**.

"The labour movement has to fight for its independence. The ANC will not be able to address the contradictions between capital and labour."

Things have changed dramatically. We are now moving away from the politics of resistance to that of reconstruction. The current situation in PPWAWU demands innovative leadership, to cope with vibrant debates on macro and micro economic issues. Education and job creation will be our main focus for the year. We have to recruit highly skilled people who will bring in fresh ideas.

The labour movement has to fight for its independence from political parties, regardless of who is in power. I do not see the ANC being able to address all the ills and the scars of apartheid. The ANC will also not be able to address the contradictions between capital and labour.

The trade unions as part and parcel of the civil society need to be very strong, or an ANC-led government will not be able to deliver the goods. Trade unions will have to address the bread-and-butter issues of workers. They will not be immune from politics.

I am one of the people who supports the wearing of two hats. But one must have priorities. Membership of a political party should not affect a person's duties in the labour movement. The elected position must take priority. I am a member of the SACP but because of the pressure of work in PPWAWU, I cannot participate fully in its activities. I joined the SACP because of its long-term socialist project, whereby person-to-person

exploitation shall be removed.

It is unfortunate the SACP does not have a coherent economic programme. It is still linked to the political programme of the ANC and this confuses workers.

Early life

I was born on 29 August 1953 in Alexandra township, where I grew up. I come from a family of five. My mother was a domestic servant.

I went up to Standard 9 at the Alexandra Secondary School. Because of our poverty, I had to sell coal from a wheelbarrow in the township. On weekends I was a golf caddie at Glendower golf course.

My family was separated through apartheid. In 1964, the state alleged that my parents did not qualify under Section 10 to stay in Alexandra. They had to squat in Soweto and from then we never lived a normal life or had a house of our own. I remained in Alexandra with my uncle, who played a very important role in my life.

Starting work and union activity

For financial reasons, I was forced to start work at an early age. In 1972, I was employed as a clerk by a wholesale company called Imextra House. There I met ANC veteran Alias Mance, who organised us as a force in that

company.

During that year, I was introduced to the Industrial Aid Society (IAS), formed by the South African Congress of Trade Unions (SACTU) [then operating underground - *ed*] and Wits students. Our white IAS colleagues had been rejected and isolated by the black consciousness movement.

During weekends I attended classes on labour and politics organised by SACTU members in the IAS. Although the Wits lecturer Phil Bonner and trade unionist Bernie Fanaroff were not in full agreement with SACTU politics, they played an important role. They taught us trade union politics.

Debates at IAS centred around the formation of industrial and general unions. I initially supported general unions but was later convinced industrial unions were the most formidable force of the working class.

The influence of IAS became stronger. At Imextra, my activities and the influence I had on the workers was not welcomed by management. In 1974, two of us were summarily dismissed. Workers went on strike for a week, their demands being our re-instatement and the recognition of a workers' committee. The company agreed to recognise the workers' committee but they were not prepared to take us back.

My dismissal case was taken to the Supreme Court. I lost it. I was then employed as a full-time organiser for the IAS.

IAS and the formation of MAWU

IAS at that time dealt mainly with workers' grievances: bad working conditions, long working hours, starvation wages and arbitrary dismissals.

Organising workers was not that easy. Workers were afraid to be associated with people involved in politics, because of bannings and the incarceration of our leaders, like Nelson Mandela, on Robben Island.

I visited factories at lunch-time and pretended I was looking for employment. I would ask about conditions of employment and wages. Workers were open with me. I would target and befriend the most influential and

outspoken worker, explaining about the IAS and the role that could be played by workers in solving their problems at plant level. Most individuals I approached became the main organisers.

We concentrated mainly on metal and engineering workers because of the importance of those industries in the economy. I was instrumental in the formation of the Metal and Allied Workers Union (MAWU) in 1975.

In 1976, like many other union leaders, I was served with a banning order and that stopped me from being very active in trade unions for five years, though I did attend seminars organised by IAS. Together with Gavin Andersson, who was the secretary of MAWU and was also banned, we bought old machines from an auction and formed a woodworkers' co-operative. We sold furniture to workers and community organisations at reasonable prices.

From MAWU to PPWAWU

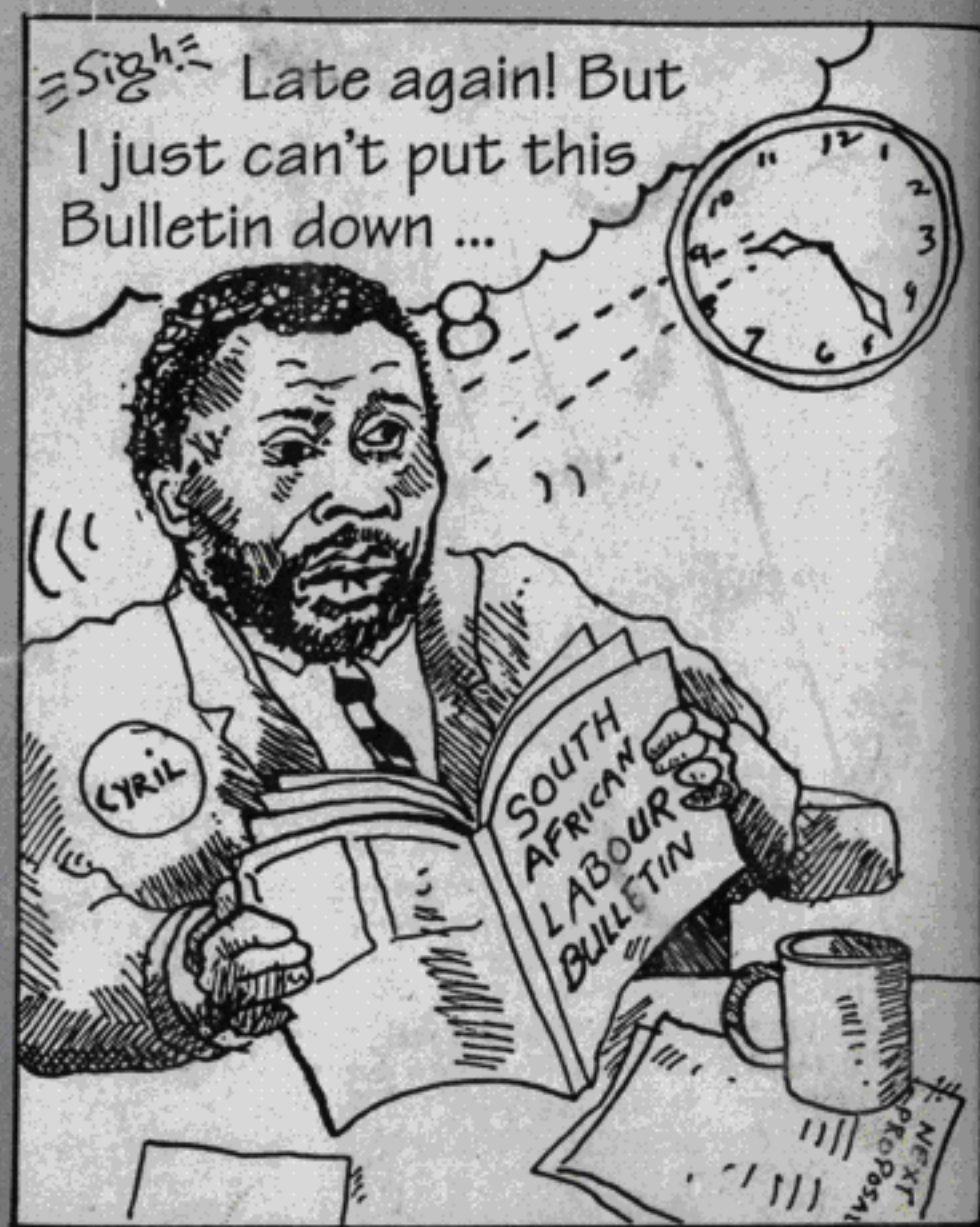
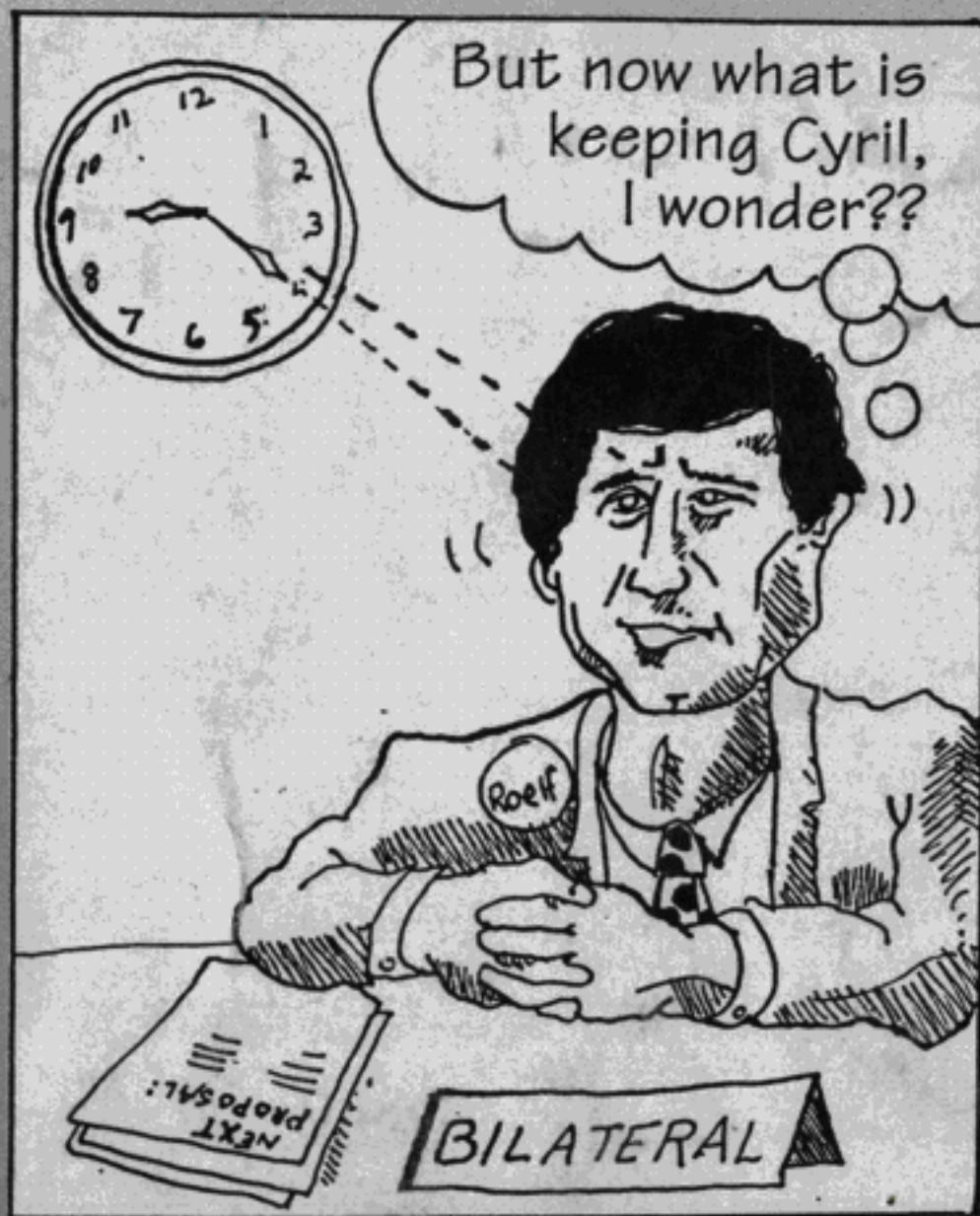
My banning order expired in 1981, but I only rejoined the unions in 1984.

I found I had missed a lot. There were hot debates around registration and the participation of unions in the Industrial Council. MAWU had affiliated to FOSATU, confining itself to shopfloor issues. My desire was to involve workers in the politics of resistance.

I applied to rejoin MAWU, but my application was never answered. I was not surprised as I had political differences with the leadership of MAWU at that time. They were vehemently opposed to the involvement of workers in the political struggle.

In 1984, the then general secretary of Paper Wood and Allied Workers Union (PWAWU), Refiloe Ndzutha, and branch secretary Jeremy Baskin, asked me to join the union.

I was employed as an organiser. I organised workers from pulp and paper, wood and waste paper factories into the union. Though big companies like Mondi, Sappi and Nampak were already organised, small wood and waste paper companies managed by conservative whites were fighting against the unionisation of their companies.



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