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SOUTH AFRICAN LABOUR BULLETIN

May/June 1992 Volume 16 Number 5

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Forestry
Toyota speak
workers in 1992:
COSATU evaluates
Bobby Marie

COSATU:

gaining influence,
losing power?



Socialism is democracy tour

The Workers Organisation for Socialist Action (WOSA)
will be hosting a tour by

Ernest Mandel

a leading member of the United Secretariat of the Fourth International and world renowned socialist and Marxist scholar.

Mandel is the author of many well known books including:

Late Capitalism, Marxist Economic Theory,
The formation of the economic thought of Karl Marx,
Trotsky - a study in the Dynamic of his thought,
From Stalinism to Eurocommunism,
Beyond Perestroika - the future of Gorbachev's USSR.

Some of the highlights of the tour will include:

- The future of socialism - *UDW, Monday 25 May*
- Late capitalism - *UWC, Wednesday 27 May*
- The socialist alternative to reformism
- *WOSA Cape Town, Thursday 29 May*
- Social democracy & the social contract - *Cape Town, Friday 29 May*
- Socialist strategies for today: Panel discussion with SA socialists
- *WOSA Johannesburg, Tuesday 2 June*

"Yesterday, people said yes to Stalinism because it was falsely identified with communism. Now, these same people say no to communism because it is identified ... with Stalinism."

*"Yesterday the dilemma was 'socialism or barbarism'.
Today it is changed into: 'socialism or death'."*

"... this class struggle will always give rise to a political current that will look to go beyond immediate demands and attempt to replace capitalism with a more humane form of society. Because of this the future of communism is assured ..."

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Vol 16 No 5 May/June 1992
Table of Contents

Editorial notes	1
Letters to the Bulletin	2
Broadly speaking	
<i>Red Eye</i>	4
Labour Action	
★ May Day ★ NUMSA denounces auto management ★ SACCAWU plans countrywide pickets ★ Construction workers establish wage policy ★ Victory for TGWU cleaners ★ Chemical workers want centralised bargaining ★ Poverty wages in Transkei textiles ★ Round up on VAT actions ★ Durnacol clamp down on NUM ★ POTWA march ★	6
Features	
Focus on COSATU:	
Thumping the table: interview with Jayendra Naidoo <i>Interview by Sakhela Buhlungu</i>	14
COSATU faces an organisational crisis <i>Bobby Marie</i>	20
Restructuring COSATU headquarters <i>Snuki Zikalala</i>	27
Shop Stewards & Worker Control <i>Dot Keet</i>	29
Focus on forestry in South Africa	
Giant forestry companies 'rationalising' workers' conditions and forest communities' lives <i>John Evans</i>	40
Forestry workers: problems and prospects for PPWAWU <i>Snuki Zikalala</i>	47

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Cover:

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Growing the Cape: 'establishment' and 'liberation' forces in regional co-operation

Alan Hirsch

55

Debates

TOYOTA South Africa: the workers' voice

NUMSA Shop Stewards Council

59

Democratic socialism and social democracy: an attempt at conceptual clarification

Winfried Veit

63

International

Constructing the new internationalism: Australian trade unions and the Indian Ocean Regional Initiative

Rob Lambert

66

Columns

Women

Edna Sethema

74

On the shopfloor

SAMWU

76

Reviews

Four books on the economy

Bill Freund

78

Benjamin on Law

A look at the law on Pension Funds

Paul Benjamin of the Centre for Applied Legal Studies (CALs)

86

Economic Notes

★ The 1992 budget: more social spending ★
 Company profile: Samancor ★ Industry profile:
 Engineering ★ Inflation ★

Labour Research Service

89

Profile

Godfrey Oliphant: always in touch with the workers

Interview by Snuki Zikalala

93

The Labour Bulletin is moving up in the world - one floor up.....

From mid-May 1992, our new address will be:
 8th Floor Medical Arts Building
 220 Jeppe St corner Troye St. Johannesburg
 Our telephone numbers and fax number remain the same, as does our box number.

COSATU: gaining influence, losing power?

These days COSATU seems to be everywhere. In anti-VAT campaigns and committees, in the National Economic Negotiating Forum, in regional development forums such as WESGRO. COSATU is even at CODESA - if not formally sitting at the table, at least present in tripartite alliance working groups and in a programme of mass action designed to "thump the table pretty hard" if the government tries to delay the transition to democracy. The influence of the giant trade union federation has never been greater. Its leaders exude confidence about their ability to help shape economic, political and social developments.

The mood was summed up in a cartoon in *The Weekly Mail* last year. The cartoon shows US President Bush and USSR (former) President Gorbachev reaching agreement on the reduction of nuclear weapons. Gorbachev is saying: "Look George, I would really like to sign this ... but ... don't you think we should run it by Jay Naidoo first?" Bush answers: "Yeah ... you know how mad he can get."

Losing militancy, democracy

Yet, despite the trade union federation's power and influence - and indeed partly because of this - the federation and its affiliates face an internal organisational crisis which threatens slowly to undermine the very basis of its power.

The crisis is generated by a number of factors. The interview with Jayendra Naidoo reveals the complexity of negotiations on political and economic issues. At the same time the collective bargaining agenda itself has become increasingly complex, and the scale of organisation has grown dramatically.

Internally the unions suffer from inadequate management structures and practices, a shortage of skilled and experienced personnel and a widening gap between base and leadership. The article by Dot Keet reveals a steady erosion of worker control.

Bobby Marie analyses these developments as



well as the changing context in which unions operate, and points to the danger of the trade union movement losing the very traditions through which it was built - mass militancy and democratic workers control.

The articles on the difficulties facing PPWAWU

in its attempts to organise the forests and sawmills point to another problem for COSATU: its weakness in a number of key sectors such as forests and farms, the public sector, and the building and construction sector.

These organisational weaknesses hold deep dangers for COSATU and the labour movement more broadly. As COSATU seeks to influence processes of transformation in all arenas, its leadership will be drawn into more and more complex bargaining and even co-operative relationships with the state, political parties and capital.

If this is accompanied by a trend for militancy, initiative and democracy to be eroded at the base of the union movement - or to become disconnected from the leadership - the union federation will be in serious trouble.

Historic opportunity

Any attempt at a labour driven restructuring of the economy or society depends on a militant and active base. The NUMSA shop stewards at Toyota show how important this is for resisting the strategies of management. If COSATU loses that active base its influence will wane even as the leadership is involved in negotiations and committees. While the leaders are talking, both capital and the new democratic state could then step by step implement their own programme for restructuring with very little resistance from labour.

The SA labour movement would be driven onto the defensive. It would have lost its historic opportunity to play a central role in the transformation of our society. To avoid that fate, it is essential for the labour movement and its supporters to open up a broad and deep debate on the issues raised by Marie. We hope this issue of *Labour Bulletin* contributes to that debate. ☆

Worker control still?

Editor

I am concerned about the developing trends in the labour movement and especially in our federation COSATU. *Is worker control still a principle that guides our federation?* We all talk about worker control but in practice it is no longer there. If you look at the recent developments, power has shifted from the workers who are the cornerstone of our federation to a few bureaucratic officials.

To support my statement:

- Debates are conducted and controlled by the officials. Currently debates on issues like the Constituent Assembly and Interim Government are led and conducted by union officials. The majority of us don't understand these concepts and we are only told that we have to demonstrate and take mass actions that they implement.
- Information is centralised and is not shared with the workers who are not in touch with current debates. We don't know what is happening behind the curtain of the National Economic Forum, CODESA and Alliance debates. We don't even control debates that are going on in the federation.
- The Executive Committee of COSATU now consists of more officials than workers.

I would therefore suggest COSATU summer schools



Where you, the Labour Bulletin reader, can have your say ...

which are dominated by workers. We need to be educated on trends and developments that are taking place in the economic and political sectors.

Such education must not be conducted at academic levels or style, but at the level at which workers can use their practical experience to comprehend the most difficult politics or economics.

COSATU must intensify its educational programme. Affiliates must be forced to reconstruct their educational programmes which are presently weak or sometimes don't even exist in some unions. I am talking about weaker unions so that they can meet the challenges.

COSATU must change its attitude of contacting us only when mass action is needed from us. There must be proper consultation and preparation before any action can be taken. Information must be filtered down to the grassroots.

Bongani Maseko
Farm organiser,

Social contract is not a magic solution

Editor

I absolutely agree with the aim of Enoch Godongwana (*SA Labour Bulletin Vol 16 No 4, March-April 1992*), but do not entirely agree with his means to achieve this aim. It is our task to analyse the forces at work and the objective material conditions in our own country in order to apply our strategy and tactics correctly for the benefit of the people in general and the poor in particular. We have to explore the Cuban or Swedish model, take what is right and use it constructively to raise the standard of living of the working class.

Struggle is not only collective bargaining in the world of industrial unions. Has Godongwana analysed the interconnection between economic power under conglomerates and political power? Economic power is being used to retard the development of the workers in terms of job skills; while the machinery of state suppresses the working class.

This anchor of the capitalists must be uprooted. All institutions of the state must be democratised. The involvement of peoples' organs - civics and other formations - is essential to any political economic and social decisions concerning the life of all the people.

A future ANC-led government must be dominated by working class leadership, and it must also involve the

workers - especially as regards economic restructuring. Thus we cannot leave the ANC alone to deal with the IMF or the World Bank. We cannot wait until we get a social contract, because the ANC will already have made a deal.

In this situation, the approach of Alec Erwin and Sam Shilowa is dialectical. Quantity must be used effectively in order to address the question of quality. If the aim of workers is to achieve socialism, controlling industries is their priority, but without skills and involvement in the decision making of industrial restructuring - whether the social contract is there or not - this aim will not be achieved.

The correct approach is to try to prepare arsenals for intervening against economic power: weakening the strong before destroying them.

If we should be guided by a socialist perspective and working class democratic practices, as being put across clearly by Godongwana, we have to think in terms of transforming the situation by responding to the resistance of the capitalists against change.

Godongwana knows full well that we are dealing with a class which knows that it lives by exploiting another class. The first clause of the freedom charter "The people shall govern" means the state should be the administration of the people for the people. Therefore the state and the

workers should not be separated by a social contract.

Thobile Maso,
Transkei

May Day blues

To the editor

May Day has come and gone with very little impact. Workers have won May Day as a public holiday and this is a great victory. But any visitor to the city centres of South Africa on May Day is likely to feel that it is just like any other public holiday.

Instead of appropriating the heart of the city, the labour movement seems locked in the politics of resistance, with our ritualised rallies, boring speeches and low turn out.

Has the time not arrived for the labour movement to change its style on May Day - to follow its counterparts in many other countries, and occupy public spaces more imaginatively? May Day is the occasion when working people demonstrate their power, signal to the ruling class their demands, and mobilise their collective strength.

This, we believe, can better be done by public marches through the centres of our towns and cities on May Day. These marches should include not only organised workers, but their families, the unemployed and the informal sector, progressive professionals and intellectuals and all the organisations which make up the labour movement. May Day should become a festival

of working class culture, as it once used to be.

In the early years of the century, for example, huge crowds of people, decorated with red rosettes, would congregate in Johannesburg's Market Square (now the Library Gardens). It was a multi-cultural event, with speeches delivered in many languages and socialist songs from all over the world.

In the thirties, with the addition of platteland women to the industrial working class, May Day picnics became very popular - a chance for working parents and their children to escape from the inner city yards and enjoy the fresh air with sporting events, singing competitions and outdoor food.

Sure, let's have speeches, but make them brief and allow working people to participate more directly in May Day. It should be a day for the labour movement to come together and celebrate as a community.

In Johannesburg, for example, a march could begin at the Library Gardens and end at Mary Fitzgerald Square (she was known by workers as 'Pickhandle Mary', a name she earned because of her militant resistance to baton charges by police in the 1914 strike). The Square adjoins the Market Theatre, and galleries and music venues; and a variety of events appropriate to present day cultural needs could be planned for workers of all ages.

Luli Callinicos
and Eddie Webster,
Johannesburg

Lenin's body headed for Brazil

The Communist Party of Brazil (PC do B) is intent on rescuing Lenin from the collapse of Moscow socialism. At its recent Congress, the PC do B - until recently aligned with Albania - resolved to try to persuade the Russian authorities to have Lenin's body sent to Brazil for safekeeping with the party.

PC do B clearly fears that Lenin's body will be finally buried - along with state socialism - if it remains in Russia. Some believe that the PC do B intends replacing its own aging leader (he is 80 years old) with Lenin's body in the hopes that this will revitalise the party! ❖

Still so white?

Our editor has just come back from a visit to Brazil with two other comrades from South Africa. RED EYE hears that one night, the three comrades attended a meeting of residents in a *favela* (shanty town) just outside Sao Paulo.

The residents were a bit startled by the fact that our editor is white and is at the same time part of the progressive movement. They asked whether he was indeed South African. He answered that his family had lived in South Africa for 170 years and so he was definitely South African.



One sharp old lady observed: "You've been in Africa for 170 years and still so white!"

What could our editor say? ❖

ANC borrows NUMSA's secret weapon

In the last issue of Labour Bulletin RED EYE revealed that NUMSA has a secret weapon in the form of Bernie Fanaroff: he has a special way with black holes, which are "so powerful they simply destroy any matter that crosses their gravitational field".

RED EYE was joking at the time, but then Barend du Plessis landed up in hospital and announced his resignation from politics because of "exhaustion". Remember that Bernie is the chairperson of the VAT co-ordinating committee, and Barend's decline started with the anti-VAT campaign.

Now RED EYE hears that the ANC has asked NUMSA to second Bernie to their CODESA negotiating team. ANC strategists seemingly want to enlist the powers of Bernie and his black holes. RED EYE hopes to see many

government leaders announce their retirement from politics soon ... ❖

Where are the workers?

Recently an international trade unionist visited Zimbabwe to investigate health and safety conditions in the mines there. On three occasions, the unionist was taken in a convoy of union leaders to visit the mine workers.

The union convoy would pull up outside the mine club, the leaders would go inside, drink beer, eat and chat with management. When the international unionist asked when they were to meet the workers, he would be told that it was not possible as workers were already on shift or had gone home.

On the third such mine visit, he insisted on meeting the workers. One of the union officials asked him why he was so keen to meet workers when they are "uneducated and know nothing about health and safety".

A management official noted his distress and suggested that he stay behind when the union delegation drove back to town.

Management would arrange a meeting with the workers and would also provide him with a lift back to town later.

And so the international unionist finally met the workers - no thanks to the union! ❖

Let us start advising the West!

Western leaders are always so fond of advising us what economic policies to follow, to avoid state intervention, to promote the free market etc. Now Bush's backyard has blown up in his own face with the devastating riots in Los Angeles after an obviously racist court judgement acquitted four white policemen of beating up a black motorist.

Bush says he is surprised and outraged at the rioting. But the problems of inner city decay, racism and declining opportunities and services for black Americans have become much worse under the free-market policies of Bush and Reagan. Clearly Bush and his government are content to ignore the relation between racial conflict and economic injustice.

RED EYE thinks that the non-racial democratic movement in South Africa understands these problems far better than Bush or his advisors. Isn't it time that the ANC started to advise the West and its leaders instead of meekly listening to their

lectures? Isn't time that the ANC started to strengthen its relation with democratic and progressive forces in all countries of the world instead of always hobnobbing with the rich and the powerful? ❖

New strategy to nationalise the economy

Labour Research Services, Syfrets Trust and a number of trade unions, including the National Union of Mineworkers have just announced the launching of a new unit trust, the Community Growth Fund (CGF). This unit trust has been formed as an investment vehicle to channel pension and provident funds, workers' savings and union funds into companies with sound labour relations and social policies.

Investments must also be profitable, according to unionists at the launch. The unit trusts will be controlled by a board made up of representatives from participating trade unions.

The launch of the unit trust was greeted with enthusiasm by business and financial observers. For example,

Business Day editorialised: "With members' pensions tied up in companies occupying the 'heights of the economy', organised labour will find its socialist and nationalisation rhetoric increasingly uncomfortable to live with."

Or *Times Media's* Steven Mulholland: "The formation of the CGF flies in the face of the policy of nationalisation." Times Media immediately authorised the transfer of R1 million into the new unit trusts fund. Syfrets itself has committed R2 million.

RED EYE hears that one boss pitched up at NUM the day after the fund was launched with a cheque of one million Rand for the fund.

Foolish bosses! Don't they realise the unit trust is actually a new strategy for the unions to take control of the economy? In ten years time, when the trust fund becomes the majority share holder of Anglo American, James Motlatsi will boot out Ogilvy Thompson and Jerry Matjatladi will replace Bobby Godsell. Moses Mayekiso will become MD of Barlow Rand and Jay Naidoo will run the Stock Exchange. ☆



Can this really be true?? Red Eye is pink with shame!!!

Cartoon: Weekly Mail



LABOUR ACTION

May Day celebrations - dull and disappointing

May Day 1992 turned out to be disappointing. Before the unbanning of the ANC and other liberation movements, and before May Day was declared a public holiday, workers used to throng the stadiums and community halls to celebrate workers day.

Banners would be unfurled, ribbons and badges of liberation organisations defiantly worn. Police with their casspirs would surround meeting places and open fire on workers after the rallies. But this did not deter the workers. They stood their ground until their demands were met.

Despite the fact that COSATU/NACTU worked together to ensure that this would be a major celebration, the turn out did not meet the high expectations. It was even lower than last year (see SA Labour Bulletin Vol 15 No 8).

According to the *Bulletin* distribution officer, the Rustenburg rally was " a real let down." Well known and popular leaders like the secretary general of the SACP, Chris Hani and the secretary general of COSATU, Jay

Naidoo had to wait for workers to assemble. Only about 1 500 workers turned up for the rally.

Violence and intimidation can be counted as one of the factors. But the current negotiations process has demobilised the workers. They are not driving the vehicle of liberation any more, and feel they are 'back-seaters'.

COSATU's report on the 1991 rallies was very critical of the organisational style and content of the rallies. It also said that decentralised rallies were better attended. A better performance this year was expected.

Attendance

However, according to a survey of eight COSATU regions (except Eastern Cape) conducted by the *Bulletin*, 27 rallies together drew less than 150 000 people (see box).

Wits, which is affected by violence, attracted about 24 000 workers, while Natal

which shares the same problem had one centralised rally and attracted approximately 30 000 workers. In the Northern Transvaal where workers are living under the iron fist of Mangope, the rally attracted only 6 000 workers.

Elsewhere the turn out was poor. The Western Transvaal, for example, attracted some 12 000 workers and the Western Cape 10 000, down by 18 000 workers from last year.

The turn out in decentralised rallies in the Northern Cape was very poor. The Bloemfontein rally was attended by only 300 people and the one at Kuruman by 200.

'We used all the available resources to make this day a success, but in vain,' said COSATU's OFS/N Cape regional secretary.

"Loudhailers and pamphlets were used. It is heartbreaking. There is political apathy in our region."

The regional secretary of COSATU in the Highveld, said that decentralisation gave them many problems especially in co-ordination. They had to secure venues in many places and COSATU did the organisational work alone as the alliance

Attendance estimates at May Day rallies

Region	Attendance	No. of Rallies
North/South Natal	30 000	1
W.TVL	12 000	3
N.TVL	6 000	2
Wits	23 000	6
W. Cape	9 500	4
N. Cape	8 600	6
E. Cape	not available	
Highveld	15 000	5

structures were not functioning.

COSATU's Southern Natal secretary said that workers were not properly mobilised by their affiliates. COSATU had to finance the transportation of workers to the Curriesfontein stadium in Durban. Nevertheless, the Durban rally was exciting as workers were entertained with music and poetry.

Content

Information coming in from the regions was that content of rally speeches was not dynamic.

Speakers from AZAPO/PAC were defending their position of not participating in CODESA. COSATU and NACTU were demanding an interim government and the constituent assembly and the ANC was explaining its position on CODESA.

The Jabulani rally was nearly disrupted as the audience demanded the removal of the AZAPO speaker from the podium.

The Secunda meeting was reported to be a success as speakers were using the local language and had workers glued to them.

Conclusion

The regional officials we spoke to say that COSATU/NACTU organisers must move with the times or the spirit of May Day rallies will be eroded. They have to find dynamic ways and means of attracting workers to such important occasions. Regional officers felt that this

day must be a festive day including sports and other activities. Speakers should be people from the region who know and understand the problems of the community.

This May Day was a disappointment and should be a lesson for the future. ❖

Snuki Zikalala



NUMSA denounces auto management restructuring strategies

NUMSA accuse management in the auto sector of deliberately blocking negotiations this year in order to create a situation in which they can drastically reduce manning levels and impose cut backs in wages and higher productivity in the industry.

Management want to undo their agreement signed last year with NUMSA for a moratorium on retrenchments. They are making a revision of this agreement a pre-condition for proceeding with this year's wage negotiations.

Last year, in the metal industry, 35 000 workers were retrenched, and this year more than 6 000 workers have already lost their jobs. In the auto and tyre sector, however, management has

not been able to impose such job losses because of the moratorium - which they now regret having signed.

The auto workers union points out that there have, in the period, been advances in productivity. In Toyota South Africa, for example, productivity has gone from 400 units an hour in a 45 hour week to 465 units an hour in a 40 hour week. One union official says they are ready to discuss productivity further together with other issues, but in the context of the existing retrenchments moratorium.

As the negotiations were supposed to be in progress, production at Toyota's Durban plant, which employs about 6 000 workers, was brought to a halt. Amongst other things, workers were protesting enforced overtime.

At the same time, NUMSA reports that many other auto workers are working short time - as with 4 000 workers at Nissan's Samcor plant, working at 66% time and wages.

Management are refusing to place anything on the negotiating table until their first demand is met. NUMSA views this as extremely bad faith bargaining which will certainly result in a deadlock and possible confrontation.

NUMSA members have decided to embark on lunch time demonstrations in order to focus attention on management's strategy to unilaterally restructure the auto industry. ❖

Dot Keet

SACCAWU plans nationwide pickets in demand for centralised bargaining

More than 300 delegates of the 100 000 strong South African Commercial, Catering and Allied Workers Union (SACCAWU) met on 9-12 April at Wits university to formulate its demands for centralised bargaining and a moratorium on retrenchments.

Delegates at the national bargaining conference acknowledged the fact that restructuring is not temporary and that economic changes being made now will be permanent and will affect their jobs. Of vital importance is to "campaign effectively and to negotiate these changes so that jobs can be protected," said the assistant general secretary Kaizer Thibedi.

The conference looked into the serious administrative problems that the union is facing. Delegates were very critical and open about their problems:

- Weakness in administrative structures is a stumbling block to the national industry level campaign to stop retrenchments and wage freeze.
- There has been a failure to build campaigns to negotiate the terms of restructuring.
- Organising Collective

Bargaining Units (OCBU) structures are either non-existent or not functioning, and there is chaos in the allocation of transport for negotiating teams.

- Shop stewards are not well versed about the National Economic Negotiations Forum.
- COSATU and SACCAWU campaigns are not discussed at the locals, most of which are not functioning.

The conference took a decision that a code of conduct be drawn up so that members of SACCAWU act in a disciplined manner. Shop stewards have to report back to the locals and build structures of the union.

Organisational and strategic questions were left to the commissions, which met for two full days deliberating on SACCAWU's future plans. It was decided that all the employers in the commercial and catering sectors be called to a joint meeting in June 1992. The following demands were agreed upon;

- a national industry forum
- a moratorium on retrenchment
- no to flexibility and casualisation
- a living wage and no to a wage freeze
- a national provident fund
- a national industry training board.

The conference resolved that if the employers do not come to the joint meeting in

June to discuss SACCAWU's demands, workers will declare disputes, apply for conciliation boards and conduct strike ballots. The strike ballot will be aimed at a national strike action, including occupation of major stores, hotels and banks. Nationalisation of the service industry will be demanded.

SACCAWU's programme of action was endorsed by more than 2 000 workers who assembled at the Standard Bank Arena on 12 March.

Thibedi summarised saying: "I am quite confident that we will meet the new challenges. We have outlined a well formulated programme of action. This is not from the top but from the shop stewards who are mandated to give a report back to workers within a month. We have to strengthen the union from the bottom. Workers have been demobilised by the negotiation process. They must be brought back to the fold, and take the lead." ❖

Snuki Zikalala

Construction workers establish wage policy

The 28 000 strong Construction Workers Union (CAWU) held a wage policy and collective bargaining conference in Bloemfontein. The conference was attended by 76 delegates from all the regions.

According to CAWU's president David Ngcobo, who opened the conference: "It



was the first of its kind, since it reached consensus on differences resulting from the Regional Collective Bargaining Workshops conducted in all Regions on 8/9 February."

During the conference, the Consolidated Regional Collective Bargaining Workshops Report was read, and delegates broke into seven commissions and discussed wage policy and wage demands for the year.

The commissions also discussed strategies for strengthening the centralised bargaining forums for the manufacturing sector and the civil engineering sector. After a thorough debate, the commissions reached consensus on a number of issues.

Wages policy

CAWU noted the fact that there are still differences on minimum wages in the three sectors of the Construction Industry. The union must demand similar wages and conditions of work.

- They will combine across-the-board increases with the percentage system to cover the lowest paid workers as well as those who are on higher grades.
- CAWU should strive to

settle above the inflation rate.

- Wages must be negotiated at industry level, and procedural matters at plant/company level

Centralised bargaining

In the manufacturing sector, CAWU must propose a centralised negotiation forum to the Civil Engineering Industry Board.

Retrenchment

The union was mandated to produce a new retrenchment procedure that will provide alternatives to retrenchment as well as a higher severance pay.

New workers must be given on the job training.

CAWU will submit these demands to the Industrial Council of the Building Industry and the Manufacturing sectors.

Delegates took a decision that a National Women's meeting be convened to discuss gender issues.

National administrative secretary Dumisani Ntuli said the conference was "unique in the sense that for the first time construction workers formulated a well-defined policy on wages. In the past, we were tabling different wage demands and there was no coherent policy on wages. Now we have common demands and we will confront the employers with a single voice." ♦

Snuki Zikalala



Historic victory for TGWU cleaners

The Transport and General Workers Union and the Natal branch of the employers National Contract Cleaners Association (NCCA) signed an historic agreement on 6 May, covering wages and working conditions for all workers in the contract cleaning industry in Natal.

The agreement is the culmination of five months of intensive negotiations, following a five week strike of 8 000 cleaners in September of last year. The agreement makes provision for "almost unprecedented increases" of between 18 and 28% bringing the minimum wage of cleaners in the Durban area to R610 per month.

Other significant aspects of the agreement include transport for night-shift workers, guaranteed maternity leave, a commitment to literacy training, various shop steward rights, and automatic stop order facilities for TGWU members.

Agreement has also been reached to further negotiate a retrenchment procedure for the industry, as well as health and safety provisions.

In addition to these substantive issues, the parties have agreed to the formation of an industrial council for the contract cleaning industry in Natal. An application for such a council has already been published in the government gazette, and it is expected that the council should be registered by July at the latest. The agreed wage increases and other conditions will be implemented as soon as the council is registered.

Meanwhile, 12 000 contract cleaning workers in the rest of the country are in dispute with the employers on account of the NCCA's reversal of an agreement to establish a national industrial council. TGWU's national executive committee is about to meet to decide whether to conduct a strike ballot amongst contract cleaning workers in the Cape, OFS and Transvaal. Consideration is being given to strike action after the NCCA failed to attend a conciliation board hearing last week. ❖

Dot Keet

Chemical workers take a strong stand for centralised bargaining

Over 150 delegates from different sectors and branches of CWIU met at Wits University on 4-5 April to plot the way forward within the industry. The key issue at the conference was how to fight for centralised



bargaining.

A keynote address was delivered by COSATU general secretary, Jay Naidoo.

CWIU president, Don Gumede outlined the purposes of the conference "to address progress and problems, to plan our path in order to provide a clear programme towards centralised bargaining as a result of proper analysis".

He urged delegates "to push employers into joint employers' forums to negotiate on proper wages, job creation and an end to retrenchments".

Acting General Secretary, Muzi Buthelezi outlined the progress made in the struggle for centralised bargaining. "We have to note that the chemical bosses are very tough on this question. They do not want to negotiate, meet or do anything as an industry. They want to keep all activities at a plant or company level."

The remainder of the conference was given over to the task of redefining the sectors within the chemical industry, developing core demands and outlining a programme of action.

□ Sectors

The conference reaffirmed the resolution taken at

CWIU's National Congress that sectoral bargaining should provide the stepping stone to centralised bargaining within the entire chemical industry.

However, the number of sectors was streamlined to facilitate organisation and accommodate those companies that previously were not part of any sector. The five sectors, each of which has its own shop stewards council, include:

- petrochemicals (petroleum, gas, energy and heavy chemicals);
- rubber;
- plastic;
- glass/ceramics;
- consumer chemicals (pharmaceuticals and consumer products).

□ Core demands

There was a lot of debate over which demands should provide the core demands for the union during 1992.

Eventually it was agreed that the union would have a list of demands around which to mobilise the membership. The key issues identified were:

- centralised bargaining;
- wages;
- common wage implementation dates;
- job security;
- National Provident Fund;
- education and training;
- non-discrimination;
- tax;
- parental rights.

These demands will be made at different levels: from the factory, through the company and sector, and in

the National Economic Negotiating forum.

□ Programme of action

The conference stressed the importance of mass action to win demands.

A clear programme was outlined:

April to June: mobilise membership through marches, stickers, pamphlets.

Mid-May: national shop stewards councils in each sector meet and plan action. The National Executive Committee meets to assess progress.

Mid-July: A letter of demand sent to employers in each sector to attend meetings to discuss the above demands. The meeting to take place not later than 25 August.

If this fails, a dispute will be declared and preparations will begin for national industrial action. ❖

Labour correspondent

Poverty wages in Transkei textiles

The South African Clothing and Textile Workers Union (SACTWU) has taken on a Pepkor Group subsidiary over the poverty wages it pays to workers in a Transkei blanket factory.

Over 550 SACTWU members at Pep Textile Industries in Butterworth went on a month-long legal strike from 7 April, bringing production to a halt.

According to SACTWU's Mark Bennet, workers would actually suffer a five percent

drop in real earnings if they accepted the company increase of 10,8 %

Apartheid decentralisation was the chief reason why the company - the third-largest blanket manufacturer in South Africa - could pay workers on the lowest grade of R124,20 for a 46-hour week, while less than 89km away workers doing the same job in East London earned R172,10.

Workers at both Pep Textiles Industries and its East London competitor, Cone Waverly Blankets, are organised by SACTWU, yet union members in the Transkei earn only 72 % of their 'South African' comrades.

"Managers are paid huge incentives by the South African government to invest in the Transkei. They give themselves massive salaries, while Pep employees there earn only 57% of Unisa's Supplementary Living Level (SLL)," said Bennet.

The SLL is an estimate of what an average South African family needs to sustain a modest but low standard of living.

SACTWU's 'homeland' members were excluded from national industrial council negotiations. Their extremely low wages undercut hard-won advances by workers in the 'South African' industry, which is already reeling from closures, buy-outs and retrenchments.

The strike came after a month of patient negotiations.

In an effort to resolve the strike, officials of the union head office went to Transkei to try and negotiate a settlement. A meeting between the SACTWU head office and the MD of Pep Manufacturing failed to resolve the strike.

The company has refused a full disclosure of its financial books to a union-appointed auditor to verify its claims that it is unable to pay.

Pep Textile Industries falls under the manufacturing division of the Pepkor Group and employs more than 620 people. The Pepkor Group includes such retailing chains as Pep Stores, Checkers, Shoprite, Stuttafords-Gretermans and Smart Centre. ❖

Cape Town correspondent

Round up on continuing VAT - actions

The lengthy and determined campaign against the implementation of Value Added Tax (VAT) in its present form, has achieved some measure of success.

Former Finance Minister, Barend du Plessis claims that his decision to maintain the VAT rate at 10% and to maintain the zero-rating on certain foods was made following discussions with business and church leaders. It is crystal clear, however, that the work of the Co-ordinating Committee on VAT (VCC) in bringing public pressure to bear was

LABOUR ACTION

the decisive factor in the government's decision.

The following foods are still zero-rated: milk products like powdered milk, mealie rice, mealies, samp, legumes and pilchards.

Following massive support for the COSATU/NACTU call for a national stayaway to protest the implementation of VAT in November 1991, the VCC launched a series of events to highlight the plight of ordinary consumers and raise serious questions about the massive food price increases, as well as the inadequate state programmes for poverty relief.

Public hearings

Public hearings were set up by the VCC throughout the country on 14 and 15 February. The objective was to allow the South African public to express their views, and the hearings received an unprecedented response. Seven hundred and thirty six submissions were received by letter and telephone, and by people coming into offices in eight centres from Cape Town to Pietersburg. They expressed their overwhelming rejection of the present system of taxation. People called in to toll-free lines in Johannesburg from as far afield as Oudtshoorn and Welkom.

The evidence on how VAT was affecting ordinary South Africans was compiled in a report by the VCC. Extracts from the evidence show:

Effect on the general cost of living

- A Transvaal worker testified he could only afford about five foodstuffs per week, and hundreds of his co-workers testified to shrinking grocery baskets.
- Referring to a "staggering rise in food prices", a Lenasia doctor estimated there had been a 25% shrinkage in pay packets among his patients.
- In the words of a machine operator from NUMSA: "VAT means I can't support my family of five on my income. VAT means I can't prosper in life. I can't even save. Pensioners also complained about the additional burden of VAT:
 - "Meat, except for mince meat, is something we don't even think of. Agreed VAT is operating at 10%, but since its introduction, many items in the grocery range have increased 20 to 40%."
 - An especially moving comment came from a writer who complained that her main link with the outside world was being cut because she could no longer afford stamps and telephone calls after they came to be taxed by VAT.
- Taxing the necessities of life
 - A worker from Botha's Hill in Natal wrote: "The shop charges me VAT for the food I buy. If I am sick I go to the doctor, he charges me VAT, and the Electricity Department

charges me VAT and the Water Board charges me VAT, and there is VAT on the services I must pay.

- A NUMSA member from Brits said: "If water can be taxed then nothing can ever be cheap!"
- SACP General Secretary, Chris Hani criticised the imposition of VAT on electricity: "Electrification provides the means for economic progress, educational development and socially upward mobility. By making it harder for people to come by, government is effectively hampering the advancement of South Africa's disenfranchised."
- VAT on medicines and medical services
 - Many doctors who attended the hearings had horrifying facts to relate. They said that:
 - malnutrition cases had risen steeply since 30 September last year;
 - many patients were unable to afford medicines;
 - many South Africans were becoming disease carriers and the country was running a greater risk of epidemic disease.

Food price summit and the poverty relief forum

These two events were held in the run-up to budget day on 18 March which culminated in a major protest march by more than 100 000 workers and other organisations in the VCC. ❖

Lucy Nyembe

Durnacol management clamps down on NUM leadership

About 2 000 workers at Iscor's Durban Navigation Colliery (Durnacol) in northern Natal have lost their jobs.

This happened after 3 000 workers staged a sit-in underground and held 15 white mine officials hostage to highlight wage demands and in protest against the arbitrary dismissal of NUM leaders at Durnacol.

The mine officials were rescued by the National Union of Mineworkers (NUM) leaders who persuaded workers to return to the surface.

In retaliation, Durnacol dismissed 2 000 workers who were involved in the sit-in. This dismissal of almost all the black mineworkers between 26 and 31 March, has been referred to the Industrial Court.

According to NUM information officer Jerry Matjatladi, Durnacol's management has been using ethnic tension that exists in the mines. Zulu workers have been used against Xhosa and Sotho speaking workers.

NUM has sent a strongly worded letter to the Kwazulu government urging it to stop meddling with the industrial dispute between mineworkers and Durnacol.

There has been tension at Durnacol since the 1990 inter-group violence, which was instigated after the NUM

POTWA living wage march

About 6 000 postal and telecommunications workers marched in central Johannesburg on 11 May to demand a living wage.

The Post and Telecommunication Workers Association (POTWA) members marched to Joubert Park Post Office to present a memorandum to management.

The march coincided with national wage negotiations between Potwa and Telkom, which resumed on 11 May 1992, after a two week break which allowed POTWA to report-back and get fresh mandates and management to re-examine their offer. ♦



POTWA workers massed outside the Joubert Park Post Office

Photo: William Matlala/COSATU

won wage increases averaging 31 %.

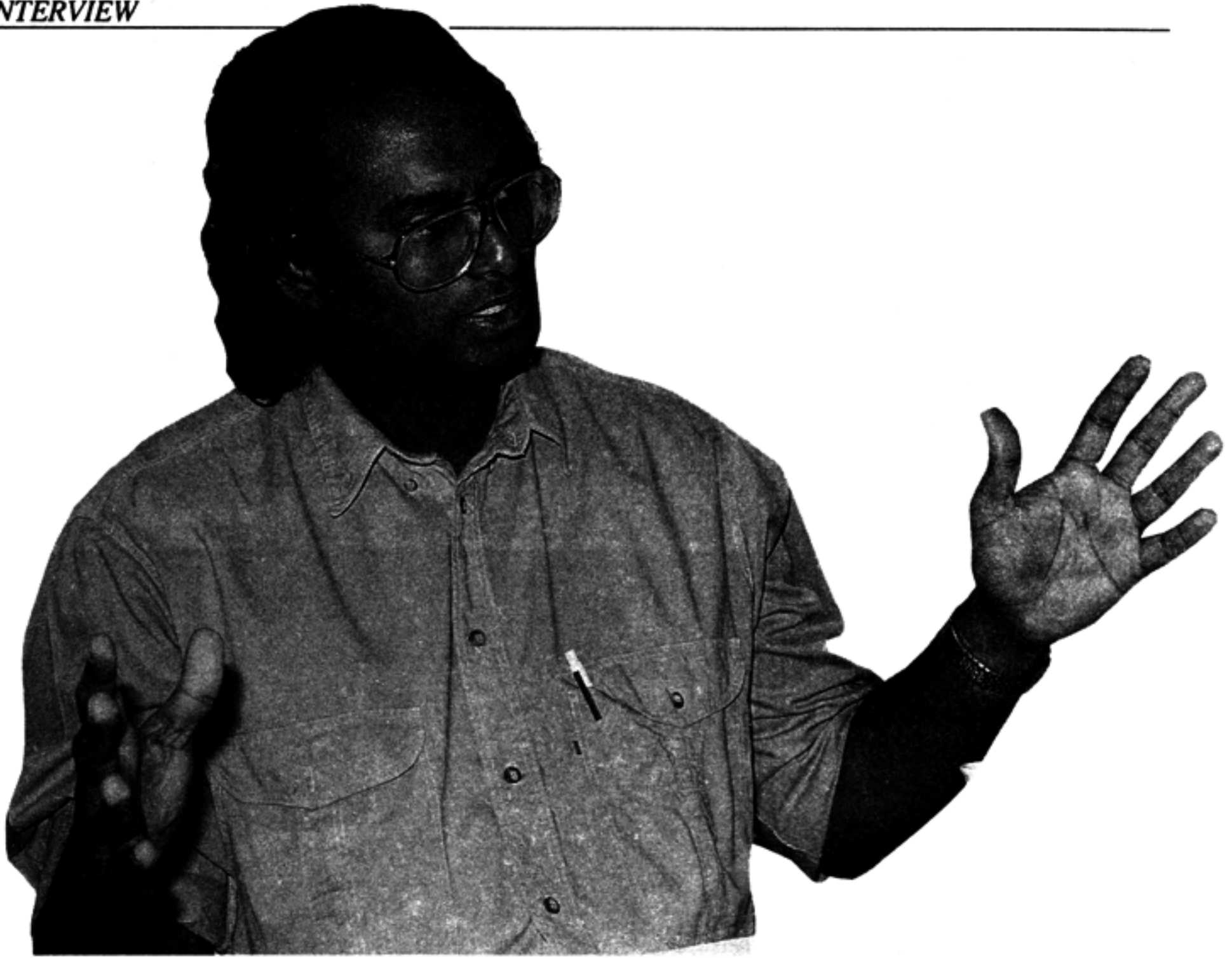
At that time, 1 400 workers were ejected from the mine. Their case is due to be heard on 15 May, at the Industrial court in Durban.

Matjatladi said that Xhosa speaking workers, were forced to leave the mine in 1990 after the management failed to guarantee their safe return. The management instead employed workers from villages around Kwazulu.

Now the workforce at Durnacol is dominated mostly by Zulu-speaking workers. Despite this, NUM managed to organise the majority of workers.

Iscor's industrial relations are "appalling." In 1991 the entire NUM membership was dismissed while on a legal strike over wages and conditions of employment.

Once again this year, NUM leadership have been summarily dismissed. ☆
Snuki Zikalala



THUMPING THE TABLE

COSATU Negotiations Co-ordinator JAYENDRA NAIDOO speaks to Sakhela Buhlungu*

Sakhela Buhlungu: *How is COSATU participating in CODESA?*

Jayendra Naidoo: COSATU CEC (Central Executive Committee) decided that, while we are waiting for our formal application to join CODESA to be considered, we would negotiate with our allies to have participation through the tripartite alliance. So we now have four people participating through the SACP in three of the working groups. We also have joint meetings from time to time with the ANC

where we get reports and we discuss strategies.

The CODESA process is very complex and very fast moving and it's difficult if an organisation is not in it to make meaningful contributions at a level of strategy.

Within the political negotiations at this stage, having recently crept in through the SACP, we are really bit players - partially observers, not really main shakers-and-movers.

The political task force of COSATU processes all the information coming out of CODESA and then reports to COSATU

* Formerly Assistant General Secretary of PPWAWU. Presently writer for the forthcoming COSATU shop stewards magazine.

EXCO. It's an imperfect process because, when things are moving from day to day at such a pace, you need a fairly extensive machinery to keep up. So, we've confined ourselves at EXCO level to a set of eight basic bottom-line positions (see box on p 19) which are the ultimate mandate and directive to our people participating in joint forums with the ANC, and those participating in the Working Groups.

Buhlungu: *How are the COSATU participants in the Working Groups mandated and how do they report back?*

Naidoo: Within COSATU, the broad mandate is produced by EXCO but it is not capable of coping with the demand for day to day consultation. The COSATU political task force meets on a weekly basis, and evaluates what's going on, and attempts to give some meaningful inputs.

We have communicated the bottom line position of EXCO through rallies, such as the May Day rallies. Through the usual report-back processes that affiliates have from EXCO it should permeate down to their branches and locals etc.

One of the difficulties is that you can't report back on all the detail, because it's so complex. There are 19 parties each producing documents and proposals. We need to focus our report-backs on the principle positions, where there are any shifts and so on.

Buhlungu: *Members of COSATU are saying they don't know exactly what's going on at CODESA.*

Naidoo: It's a problem and it results from the very complexity of the process, as well as the poor level of the alliance's communication flowing from the CODESA negotiations.

Buhlungu: *Some complain that CODESA negotiations are mainly between the ANC and the government and that the ANC is making secret deals and compromises with the regime on very important issues. What is COSATU'S*

comment on this?

Naidoo: We have a regular weekly consultation and our sense is that there are no secret deals. On the ground there is considerable confusion about what is being done at CODESA, what is being achieved and so on. Lack of information always fosters suspicions and rumours.

At the same time, I think that one should say that a negotiation process will inevitably involve compromises. Certainly there will be compromises made in CODESA. We are aware of that, and the ANC is aware of that, and every party involved is aware of that.



"... we are really bit-players - partially observers, not really main shakers-and-movers"

Buhlungu: *Some organisations have noted that the political negotiations have demobilised their membership. What is the situation in COSATU?*

Naidoo: Mobilisation of members and maintaining them in an alert state depends on the way one approaches negotiations, and our approach has always been that you have power at the table if you have power on the ground, and if you have no power on the ground, then you are just a fly on the wall.

We see that as the most important feature of the whole negotiation process, and this is where the weakness lies. I think the question about the demobilisation of membership is partly correct, and is something that has to be addressed at an alliance level.

As negotiations progress and as COSATU organisation becomes more mature, there is a sign that the grassroots are getting left behind. Our locals are becoming dominated by activist shop stewards, rather than mandated shop stewards. But that is something that has been developing for a number of years, even before negotiations, and it's a problem that COSATU

has to address very strongly.

Buhlungu: *What does COSATU see as the major obstacles to a solution being reached in the negotiations, and how can they be overcome. Violence is obviously one of them.*

Naidoo: The major obstacle is a desire by the government to create the impression of

conceding power, while at the same time retaining power. The government is playing a very complex and intricate game and you see that on all fronts.

Violence too is a difficulty. But violence should not be used as an excuse to prevent the process from going forward. This is what the government is attempting to do. They suddenly say that 'until the violence is solved, we can't go forward, there's no climate for elections'. But

the violence has been created by forces under their control.

We want to see a situation where a clear time-frame is set for CODESA to pass into history. It's just a step on the road. The next phase is the election phase, and we should get into that phase without any delay.

So, at the alliance summit, we will be pursuing the question of time limits, deadlines etc so that we can enter into the real phase of elections, and move into interim government as soon as possible. In that context, we are going to be raising points about grassroots campaigning and mass action and grassroots involvement.

Buhlungu: *What are the latest developments regarding an interim government and a constituent assembly?*

Naidoo: Essentially there is an agreement on the principle that there is a two-phase interim government: one appointed at CODESA,

which ensures that we can get to elections, and one which comes out of the elections and which manages society while the constitution-making body meets and completes its process.

The issue which has to be resolved in the next week, is the nature of the powers of the interim government and its sub-councils in the first phase: whether it's an advisory body to the government, whether it's simply a preparatory body making recommendations for post elections, or whether it's an executive body, and if so, what precise executive powers it has.

On the constituent assembly, my understanding is that there's agreement that there should be an elected body drawing up the constitution, but the details of that, and how it will be elected still have to be sorted out. The information, at this stage, is that group two which is dealing with this, has just begun to get to grips with the question. There are a number of proposals about the way in which regions should be accommodated in the elections, but in principal, there's agreement about the way in which we need to go.

Buhlungu: *What about the forthcoming elections?*

Naidoo: COSATU will not contest the elections. However, the CEC has discussed releasing people from the leadership of COSATU, to be available to stand for election to the Constituent Assembly on an ANC platform if we are approached by them.

Such people would of course, have to be bound by all the ANC structures of accountability, but if we as COSATU are consciously releasing people, as a strategic decision, they should also have a relationship with COSATU. That is the way we are going to propose it. They'll be elected as the ANC but they'll have a sort of ambiguous dual accountability.

Buhlungu: *Once the constitution has been drafted and agreed to and a new government is to be set up, would COSATU recall them then, or would they continue as ANC people?*



"... you have power at the table if you power on the ground, and if you have no power on the ground, then you are just a fly on the wall"

Naidoo: That's a difficult question. We would release them for the period of the constituent assembly, which would imply that we would like them back after that. But I think by that stage, individuals may also make their own decisions. We expect to lose some along the way.

Buhlungu: *COSATU has said there must be an interim government by June this year and a constituent assembly by the end of December. What will happen if the regime uses delaying tactics?*

Naidoo: We're saying we're not going to tolerate delaying. That's out of the question. If there is a long drawn out process with no light at the end of the tunnel, then we would really be looking at mass action as a way of shaking it loose.

We would have to discuss with the ANC as to whether the process is blocked, or whether the process is just being extended a couple of weeks longer than our time frame. But if there's going to be a delay, then we're going to thump the table pretty hard.

Buhlungu: *What does COSATU specifically want to see in the new constitution?*

Naidoo: We haven't yet formulated a document saying what should go into the constitution. But our general approach would derive from the Workers Charter and from COSATU economic policy. We would like certain key workers rights, such as the right to strike, to be enforced in a constitution.

With regard to property rights, we wouldn't like anything to be enforced in the constitution, which would undermine the ability of the state to use nationalisation in sectors of the economy if necessary. And we would not like anything in the constitution which compels the state to be a particular sort of state, such as a capitalist state, to use old-fashioned formulations.

Buhlungu: *Why is COSATU demanding a separate economic negotiating forum from CODESA?*

Naidoo: CODESA is a forum which has a short brief to get us to the point of an election and a constituent assembly. The economic forum is going to exist longer to deal with economic and social questions. It will involve the main players in the economy and they are not all the same people as at CODESA.

Buhlungu: *What are the central issues for COSATU in the National Economic Negotiating Forum?*

Naidoo: In broad terms, COSATU is concerned about the issues that affect workers and their day to day lives: unemployment and job security, retrenchments, public works programmes and job creation schemes generally, the investment of workers' pension and provident fund money, taxation policy, trade and tariff policy and centralised bargaining.



"... the major obstacle is a desire by the government to create the impression of conceding power, while at the same time retaining power"

Buhlungu: *What response have you had from government?*

Naidoo: The National Negotiating Forum drafting committee met with Derek Keyes in April, and put the agreed proposal to him that business and labour have formulated.

Government has now appointed a sub-committee of so-called senior economic ministers to liaise with the process business and labour have started. It is a pretty positive indication compared to where they were a few months ago.

Because business and labour have endorsed this forum so enthusiastically and comprehensively, government cannot really stay out.

Buhlungu: *Is this then the beginning of a social contract?*

Naidoo: The answer which COSATU has given is this: if we look at our own experience, we have been negotiating with employers for the last 20 years - starting at the shop floor level, and at industry level - about a whole range of issues which we think are important. Management tried to keep certain issues as managements prerogative and we have chipped away at that idea bit by bit.

We now have a situation, at the point of transition, where we are in a position to talk not just about industry-based, or local-based things, but things which affect what we've been doing at a national level. For example, it is not possible to talk seriously about job creation without talking centrally to government and employers, and that is why this forum is essential.

So, we have to negotiate with government as well as

with business, and what we are doing is pulling them into one negotiating forum.

It's another stage of advance in the negotiating process that we have been participating in for the last 20 years, moving it logically onto a higher level because we are unable to solve certain things unless we bring the government in.

Buhlungu: *Will such agreements not tie the hands of a future government?*

Naidoo: Our conception of the economic forum is that we don't want it to be cast in concrete. What kind of government we get out of the elections, what sort of power-sharing arrangement, and how dominant within that arrangement the ANC is, would open the way to another range of possibilities for the way in which the state could become involved in the process. Any arrangement needs to be flexible to accommodate the changes in the transition process and in the new phase after a democratic

government is in place.

At the same time, for quite a considerable period, the government will require consensus and support from major actors in the economy. There is no way this economy is going to be turned around without involvement of labour, and without being able to carry with it business support. So, there will be a need for this sort of multi-interest approach to remain.

Buhlungu: *What will happen to the tripartite alliance if the ANC wins the elections and forms a democratic government?*

Naidoo: The alliance obviously changes shape and form under the new circumstances. Our alliance with the ANC has, in the pre-negotiation phase rested on our common goal to get rid of the apartheid regime.

In a post-election period, with the ANC as government, the basis of the alliance will have to change and it's already moving in this direction. It will have to be based on common goals with regard to economic, social, and political transformation of society.

We are already having discussions with the ANC about an agreement on an election platform and I think this is the way in which the relationship between COSATU and the ANC and the future government will be developed.

Will the alliance survive, will it collapse, or will it change? Those questions are being asked all over the world as well, because the experiences of other liberation struggles don't hold out great hopes for a permanent alliance.

We are aware of all those experiences, and we're aware that once ANC is in government will have a broader responsibility and constituency beyond the working class - including people who are our so-called class enemies. There will be demands from different sectors of society which will put pressures on the ANC to take positions that we may disagree with.

Our approach to that is that we have to contest with different sections of society about the sort of positions that will be dominant within the ANC and which, as government, it



"... people from the leadership of COSATU might be released to stand for election to the Constituent Assembly on an ANC platform"

will respond to in the future. Secondly, whether there are points which we disagree with or not, we should work to build on the points which we agree about; and that will be the core of alliance.

Buhlungu: *What are COSATU's own strategic perspectives on the transition period?*

Naidoo: COSATU's goals in the transition period are:

- At the political level to achieve a government which is democratic, based on universal franchise, is not locked into arrangements which undermine its ability effectively to become involved in transforming society, in removing the inequalities of the past, addressing apartheid policies.
- At the economic level, we want to be able to achieve the basis for the social and economic transformation for redistribution to take place, for growth to take place so we can begin to accommodate rising unemployment and provide for people what they want on the basic level: better medical care, housing, a better transport system, electrification and all those sorts of things that affect the standard of living of the people.

Buhlungu: *What about COSATU's goal of building socialism?*

Naidoo: The struggle for a social order which we call socialism is in broad terms a society based on people rather than profits. It is not going to be an over-night struggle, particularly now in the context of changes internationally.

The test is this: are the steps that we are taking, are the things that we are involved in, the campaigns that we are involved in, taking us forward to the goal of a society which is structured around people and not around the need for profit? Is it increasing the power of the working class or not? Is it undermining the power of the working class or not? Is it increasing the knowledge of the working class or not? Is it raising the standards of living of people?

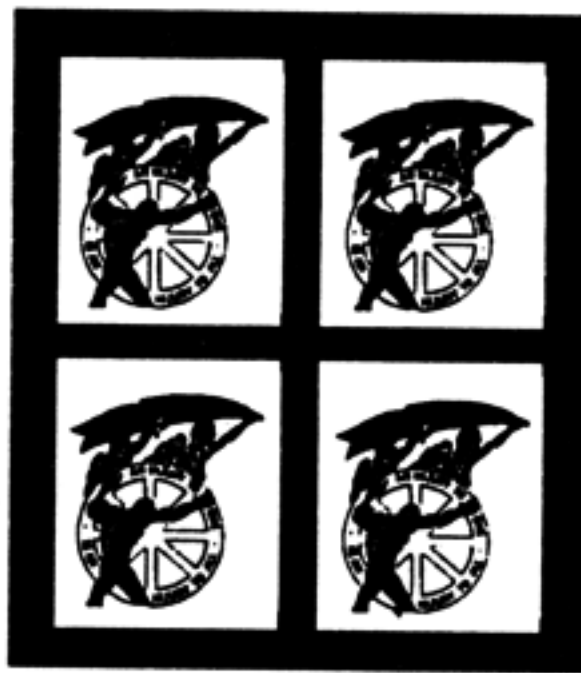
I think those are the sorts of tests to apply to see if the way that we engage in negotiation process now, or next year or the year after, are moving us towards a socialist society. ☆



"... if there is going to be a delay, then we are going to thump the table pretty hard"

COSATU's eight bottom line positions for CODESA

- 1 We want to achieve an elected constituent assembly which makes decisions by a two thirds majority thus ensuring the broadest consensus in the constitution making process.
- 2 In preparation for the election CODESA appointed interim government must be established, by June 1992, with the brief of ensuring fair and free elections, and to limit the possibilities of abuse of state power by the NATS and any homeland organisation.
- 3 All political prisoners must be released and exiles must be able to return home.
- 4 A large international presence is required to monitor the elections: to ensure that it is both fair and free and to ensure a climate of free political activity.
- 5 After elections, a new transitional authority must be constituted which will have the responsibility and authority to effectively manage the country during the transition.
- 6 As the key goal is elections, CODESA 2 must not drag on to another CODESA 3, but must finalise all the key issues to enable elections to be held this year.
- 7 The security forces must be integrated under a single command structure accountable to the transitional authority.
- 8 All citizens of the TBVC states must be granted full South African citizenship rights to enable them to participate in the elections. ❖



Tensions are increasingly evident in COSATU between national decisions and local initiative, between efficiency and participation. BOBBY MARIE* argues that the trade union movement is in danger of losing its traditions of militancy and democracy. "Quick fix" improvised styles of work will not solve the problem.

COSATU faces crisis

"Quick fix" methods and organisational contradictions

There have been significant changes recently in the context in which unions organise in SA, as well as within union organisation itself. These changes have brought to the fore organisational contradictions which challenge the traditions of militancy and democratic participation.

Trade unions in South Africa** have been remarkable for their political militancy as well as their success in attending to the day to day needs of their membership. The union movement is distinguished from other mass organisations by the level of accountability to membership shown by its leadership and by the

active participation of its membership in the decision making process and negotiating campaigns.

COSATU, a federation of 14 industrial unions with a paid up membership of over one million is not only one of the biggest union federations in the South (Third World) but also one of the best organised. And compared with trade unions in the North (Britain, the rest of Europe and North America), COSATU stands out as a living example of the possibility of a militant worker controlled trade union organisation.

* National Organiser in NUMSA with responsibility for staff development

** This refers only to progressive black trade unions that emerged after the 1973 strikes, and more specifically to unions today affiliated to COSATU.

What has changed?

Between the period of the 1970s and the 1990s, South Africa has experienced major economic and political shifts. Union organisation that grew in this period was not only an agent of change but subject to changes itself.

Size and organisational complexity

Over the last five years, unions have grown to three or four times their original size through mergers and recruitment of new members. This has set off a series of changes:

- Unions have a larger proportion of new members, shop stewards and staff (as compared to older and more experienced staff) who have only a vague recollection of the struggles of the 1980s and virtually no knowledge of the 1970s.
- A larger membership, spread through the length and breadth of the country, has necessitated complex and nationally centralised structures. The result is a greater division of labour and responsibilities between structures and among staff. For the first time, unions now have internal departments and have begun to employ specialist staff at national level. While these structural changes have been made, staff and office bearers have not adapted to working within them.
- A bigger and more complex organisation creates more issues for meeting agendas, and decision making has become a tortuous and inefficient process. The level of understanding and participation among rank and file is on a steady decline. The inability to devise effective solutions to information



Bobby Marie

Photo: Shariff/Labour Bulletin

flow, and internal communication problems, accelerates this decline in understanding and participation.

- The demand for services from membership has increased significantly, and inexperience coupled with organisational inefficiency threaten the image of the unions as organisations that 'deliver' on the day to day problems.

Issues and negotiating strategy

Up to the mid 1980s, the key issue for unions was to recruit membership, establish basic trade union rights and improve wages and working conditions at plant or factory level. The issues were simple and allowed workers and shop stewards direct participation in the negotiations.

New patterns have emerged in the 1990s. Organisers no longer spend long hours outside factory gates waiting to catch new recruits on the early shift. Issues relating to basic rights of unions and individuals on the factory floor have been clarified in law and are settled in the courts. Local problems relating to rights are now seen as procedural ones.

Having to service a large membership in a declining economy, unions have begun to move away from local plant level negotiations (where decisions are now only implemented) to the national company and industry level where policy is formulated and key decisions are made.

The restructuring initiatives of the state and capital aimed at protecting bosses' profits have forced the issue of job security and job creation high up on union negotiating agendas. Unions

today are devoting a fair amount of their skilled personnel and resources to research and negotiation at a national level. COSATU's demand for a national economic negotiating forum is a logical next step in this progression.

This has impacted significantly on the participation of the members on the ground. The issues appear abstract. If made real, they are seen as too complex. The negotiations are long and drawn out and the forums are not visible from the ground.

Management strategy

The 1970s and much of the 1980s saw an insecure management terrified of the 'communist onslaught'. Unionists were not only kept outside the factories but were often evicted from the very pavements in front of the gates.

However, management has since learned they can get a better advantage over union leadership serving them tea across shiny board room tables than paying *impimpi* agents to record the goings on in canteen toilets or dark hostel corridors. Influenced by international trends in 'human resources development' management in South Africa has begun to put more money and more sophisticated strategies into dealing with labour.

Bigger companies are starting to develop long-term plans related to 'worker participation' as a solution to productivity problems. The young inexperienced organiser expecting to face an aggressive *boer* on the other side of the table, now has to deal with professional consultants trained in the use of labour law and well informed on the politics and strategies of COSATU. There are cases where organisers discover, to their great confusion, managers who are card-carrying ANC members.

Political context

February 2nd both gave and took away from the union movement. The freeing of political space has opened the way for unions to expand their influence beyond industry to the national economy itself. However, the negotiation process started on 2 February was also designed to take away.

The union movement of South Africa

shaped itself both as a conventional union organisation as well as a 'resistance front'. The culture which constituted the base of unions was one of resistance: "We are a part of the oppressed masses, we are in the forefront of the struggle". This political and moral commitment challenged individuals to make enormous personal sacrifices and push the union movement into achievements well beyond the resources available. What 2 February took away was the political challenge which provided a natural bond and coherence.

The organisational impact

The changes set out above have, in different ways and in combination, impacted on union organisation - challenging traditional organisational forms and practises. COSATU affiliates differ in size and level of organisation. However, problems observable in the bigger affiliates, have a bearing on problems experienced by all affiliates.

Decline of the union local

The local shop stewards councils, particularly since the mid 1970s, were the melting pot for ideas and actions that later developed into major national campaigns. The local was a vibrant centre for worker education and activity and could not be ignored in the formulation of national union policy.

In the 1990s, the major point of conflict, and therefore the site for the generation of new ideas, moved to the national level. The factory battle over recognition or unfair retrenchment is no longer significant for union direction. The future of the union is seen in the breakthroughs on national bargaining forums and the formulation of industrial policy.

Local agendas are dominated by the very many issues that come from 'head office' which require mandates for national policy or national action. Given the fact that a large number of these issues are complex, or of only long term importance, there is very little discussion and the local agenda often turns out to be a long briefing session.

Local problems tend to be factory problems



COSATU launch 1985: seven years later, a danger of weakening worker control

Photo: Labour Bulletin Photo Library

which could easily be resolved by the local organiser and shop stewards and therefore do not come onto the agenda or are not allowed to. In short, the local has become a function of the national, the passive recipients of national directives.

'Worker control' outmoded

'Worker control' in union practice meant that every issue, whether political or administrative, was first to be discussed in the local councils where a position was taken only after a mandate from the factory floor was received. Representatives to regional and local structures were seen as simple bearers of the mandate.

This approach to representation was functional in the early period of the unions' growth when the organisation was smaller, the issues were simple and were related to problems that the local could identify. However, with the development of the national level and the need to make decisions on complex, long term issues, the usefulness of the old process of decision making is today seriously questioned.

It is not a simple task to 'send down the structures' issues that take six to twelve months to formulate in national planning and research groups. The 'policy workshop/conference'

approach - where selected regional representatives attend a workshop/conference on key policy issues before taking these down to regional and local structures - is useful to an extent in conveying information. It does not in itself resolve the problem of involving locals in decision making.

Today the practice of 'worker control' has become cumbersome if not impractical. The failure to find a solution to this problem has resulted in a decline in the level of participation, particularly at local levels of the union. Fewer shop stewards and officials have a full grasp of the issues and these are concentrated in the regional and national levels.

Problems of staff and resources

Building on scarce resources and limited skills, the unions evolved an organisational approach that was well adapted to working within these limits. The stress has always been on devising tools, methods and approaches to deal with the immediate tasks.

New staff, largely recruited from among shop stewards, developed their skills 'on the job'. There were no formal systems, procedures or defined approaches. Integration was facilitated by the old and more experienced working

alongside the new.

The tasks have now changed but not so the tools, methods and approaches. In the present context, the new recruit is required to set to work with little or no supervision and perform tasks without clear guidelines. It has become the practice that each staff person devises not only his/her own style of work but also particular procedures and systems of work.

Thus, when there is a change in staff, the new person virtually starts afresh. Staff 'thrown in at the deep end' do not necessarily learn to swim. More often than not they simply learn to keep afloat. It is not surprising therefore that 'staff discipline' is perceived as a major source of the problem.

The strength of the past is often the point of weakness of the present. This is true in regard to union staff discipline and conduct. Being a worker in a union demonstrated a political commitment and a willingness to stand against the harassment of a repressive state.

The unions, it has been argued, do not have the luxury of normal offices and traditional staff practises. There was a strong tendency to see division of labour, levels of authority, systems of work, disciplinary procedures and codes of conduct etc. as reformist and bureaucratic practises that could not be applied to 'comrades in the struggle'.

These ideas of the old still prevail in the new political and organisational context. Staff tend to feel insecure when changes are suggested, fearing an introduction of the 'bosses' system into the unions. Individuals opportunistically use the old ideas when they are caught out on poor discipline.

An alternative approach

Union leadership, understandably, tend to resort to the 'quick fix' when faced with the maze of organisational problems and a simultaneous escalation in the demands on the organisation to deliver services. The 'quick fix' approach means :

- diverting major resources and personnel time to what are perceived to be urgent and strategic issues - which are invariably the

national and political policy issues - to the neglect of all other issues, particularly internal organisational and local issues;

- placing responsibility on very few, and mainly national people to be involved in several issues at the same time, and performing none of them in a systematic and intensive way;
- drawing in 'specialists' and 'experts' from outside the unions to deal with matters that could and should be handled by the organisation;
- seeing the problem of staff efficiency and effectiveness as a problem of discipline and the lack of authority of national officials;
- reducing the problem of participation in the union to a problem of communication from national to local.

The 'quick fix' - or improvised - approach simply perpetuates the problem. National leadership becomes overloaded and increasingly ineffective. Local leadership becomes passive and uncreative.

It is important, as a starting point towards an alternative organisational approach, to reaffirm important organisational experiences and principles on which the union movement in South Africa has been built.

All significant shifts in labour law and wages and working conditions were the result of direct actions by workers at both local and national level. Leadership initiatives were important to create the legal space, to open out new bargaining forums and so on.

However, this leadership was nothing without the 'rolling strikes', the hundreds of 'illegal strikes', and the organising and mobilising efforts of the many local organisers and shop stewards on the ground.

In the final analysis, it was the commitment and creativity of local leadership and organisation that was the strength of the union movement. The quality of organisation that was created cannot be reproduced by functionaries.

What organisational approach, what programme must be adopted that would recreate that level of participation and creativity in the new organisational context?

This is obviously a question that requires much more discussion. The following are mere pointers in this discussion.

Restoring base creativity and building national initiative in a simultaneous process

Issues that relate to the national economy and industry are logically connected to the day to day problems of workers in the local workplace. However, this connection is not obvious in relation to the very specific issues that shop stewards and organisers have to deal with on the ground. The connection therefore remains a theoretical one.

Organisers and local leadership must be sufficiently skilled and informed to handle all day to day issues (wages, retrenchments etc) in a way that broadens workers' understanding of the issues and the unions' long term national programme. National programmes need to be developed in a way that facilitates this link up.

For this to be possible it requires :

- a commitment by union leadership to rebuild workplace structures and support local action as important indicators of union strength. This would mean that busy national leaders may have to create time in their overbooked diaries to become involved in local actions on a programmed basis. (I am not referring to 'walkabouts' or other variations being developed by national political leaders.);
- creating a programme making the increase in skills and creative abilities of local organisers and shop steward leadership as urgent and strategically important as national political policy issues;
- rebuilding organisational efficiency, particularly the information and communication process 'top down' as well as 'bottom up'.

Reviewing and making appropriate structural changes

The practice of 'discussing every issue in every structure' has proved to be neither democratic nor efficient. Union leadership, particularly at the local levels, need to

overcome the fear that delegation of decision making powers will necessarily lead to elitist and bureaucratic leadership. Rather it is the inefficiencies resulting from the 'every issue every structure' approach which is creating the conditions for the development of a bureaucracy.

Unions need to determine what issues need to be discussed and decided upon at the various levels and a distinction made between policy issues and implementation of policy. Office bearers and elected officials must be given clear executive powers, and the system of accountability must be strengthened. The transition to this level of efficiency will require a very lengthy and painful process of discussion and debate in the union.

Strengthening worker leadership

The reorganisation of the union will increase the responsibility of the elected shop stewards, particularly the national office bearer leadership. A very key element in the effectiveness of worker leaders is the time that they have available to perform their duties. The ruling that all office bearers must be elected shop stewards, and therefore in full time employment at a workplace organised by the union, has ensured that leaders of the union are 'from the factory floor'.

The question arises, however, as to how effective such leaders are in performing their tasks? To what extent are they reduced to being token leaders - with the power firmly located in the hands of full time officials? Will the change to having office bearers who are full time in their union posts not create new and complex problems?

The answer to these questions are not simple, but the problem to be faced is that office bearers in the new organisational context have greater responsibilities and require more time to perform their tasks.

An alternative leadership style

The main actor in the process of reorganisation is the full time national official, in particular the secretary.

National secretaries in the union movement



COSATU EXCO 1992 - taking major initiatives, but is the base with them?

Photo: Shariff/Labour Bulletin

have an average of fifteen years service in the union movement. These years have been a period of intense activity and high stress. The strength of this layer of union leadership is, above all, their ability to "survive". This may, unfortunately, also be a source of weakness. The new context requires more than the ability to cope with problems. It requires the energy to change and reform old practises, structures, policies and systems.

Full time officials carry a wealth of experience created by the years of workers struggle. What are the conditions /approaches that must be created for the transfer of this experience to the large army of new staff employed by the unions? This is yet another complex question. However some starting points can be identified:

- Officials, in particular national secretaries, must treat organisational issues as being equally important to the new political issues confronting the union.
- Experienced officials must, more specifically, organise their time so that they are accessible to other staff in the union.

Structural changes, training programmes, the creation of systems of work are meaningless without the supervision of the inexperienced by the experienced

- Senior officials must work in a manner that is an example and that empowers the people they work with. New staff in all organisations tend to emulate the style of their 'seniors' and can be both positively as well as negatively influenced.
- Unions must resist the tendency for secretaries to conflate their elected positions with their personal and political careers.

Union leaders need to bear in mind that the problem of bureaucracy does not simply arise from a change in heart and mind of the leaders. It arises more from the inability to find solutions to the objective tensions between national decisions and local initiative, between efficiency and participation. Further, the solution to organisational problems cannot be reduced to new structural charts and additional staff. Organisational change is an ongoing process and requires structured involvement. ☆

Restructuring COSATU headquarters

"We are redefining our role as COSATU. We have occupied the central stage as a political trade union movement, and we are not about to relinquish that right," says Sam Shilowa, COSATU assistant general secretary, adding "we must therefore build a strong COSATU."

In January this year, the Central Executive Committee (CEC) of COSATU reviewed the general situation within the federation and took important decisions on restructuring and reorganising its headquarters and staff so that the federation can keep pace with the current rapidly changing situation.

The COSATU CEC took its decisions in accordance with the recommendations of the 1991 Fourth National Congress of COSATU. This established a three year programme on political, economic, organisational, social and international issues to "develop long term perspectives and approaches to our work," according to Shilowa.

Highest constitutional bodies

In between COSATU national congresses, the CEC is the highest constitutional structure. No decisions can be implemented unless agreed to by the CEC which includes representatives of all the affiliate unions, as well as COSATU regions.

In between CEC meetings, the Executive Committee (EXCO) carries on the running of the organisation. EXCO consists of two representatives per affiliate, and observers from the COSATU regions.

Instead of meeting once in every two months, EXCO will henceforth meet every month. It will play the role of monitoring negotiations and mandating negotiating teams.

National office bearers and secretariat

The role of the office bearers and the national secretariat is to implement decisions of the CEC and EXCO. In an effort to rationalise and utilise the national office bearers and headquarters staff to best effect, COSATU has allocated each of its top office bearers specific

areas of responsibility within the structures. However, they take collective responsibility for the running of the federation as a whole.

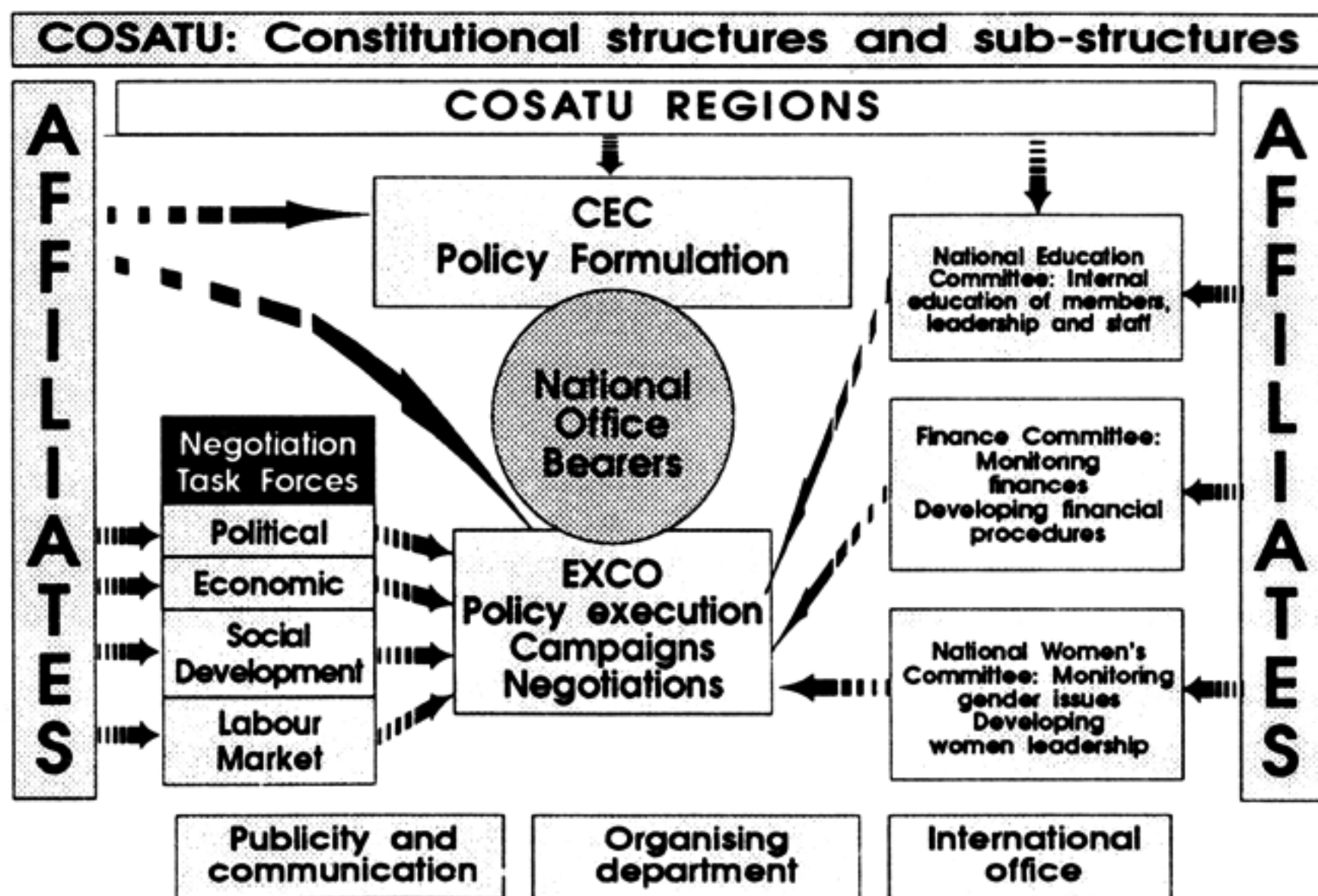
First vice president, Chris Dlamini and assistant general secretary, Sam Shilowa are responsible for political negotiations. General secretary, Jay Naidoo and president, John Gomomo are responsible for economic negotiations. Second vice president, Godfrey Uiphant will cover education, and national treasurer, Ronald Mofokeng the development of financial procedures.

COSATU has expanded its secretariat, incorporating researcher Rahmat Omar and international officer Bangumzi Sifingo. A fully-fledged organising department has been established with Zwelinzima Vavi as the organising secretary.

Campaigns and negotiations

Shilowa says that COSATU has always had a problem that campaigns have been run with a top down rather than bottom up approach. He reported that COSATU has now phased out the campaigns department and incorporated the campaigns co-ordinator into the secretariat. It has set up instead four 'task forces' to focus on: political negotiations, economic negotiations, social development and the labour market.

The task forces, explained Shilowa, must suggest what campaigns are needed and how they should be carried forward to ensure that demands are met. These will be sent through the secretariat to EXCO to decide on the course of action. "In this manner," says Shilowa, "we are ensuring that affiliates drive the process and also actually strengthening the participation of workers."



1 The **political negotiations task force** consists of six people selected by the CEC. Jayendra Naidoo (COSATU overall negotiations co-ordinator) has been appointed co-ordinator of this task force. Their job is to strategise with COSATU's allies regarding positions in the political negotiations.

2 The **economic task force** is co-ordinated by Sallie Manie. Ibrahim Patel deals with the National Economic Negotiation Forum. Alec Erwin is on research and Lisa Seftel on VAT/Food.

3 The **social development task force** is co-ordinated by Enoch Godongwana. It will be dealing with child care, UIF, and pension schemes.

4 The **labour market task force** is co-ordinated by Mike Madlala. Its responsibilities are to look into the NMC, workers rights and training.

Each affiliate is to nominate suitable people to each of these committees.

Education

The National Education Committee (NEDCOM) chaired by the second vice president, Godfrey Oliphant will be responsible for internal education and training.

Mapeto Leeuw is the current head of the department and Geno Govender is responsible for developing manuals. NEDCOM will service all the affiliates.

Gender issues

COSATU has employed a gender co-ordinator, Dorothy Mokgalo. Her task is to monitor, assist and strengthen affirmative action in COSATU and encourage the development of women leadership in all the affiliates.

Publicity and communication

Publicity, communication and information have been combined into one department called communication which will combine public relations as well as information liaison with affiliates.

As part of this restructuring, Shilowa reported, COSATU will be launching a shop stewards bulletin, on 12 June, in order to "ensure that decisions in constitutional structures reach all shop stewards in all the affiliates. COSATU wants to make sure that shop stewards are well informed, so that the federation can carry its affiliates with it." ☆

Sruki Zikalala

Shop Stewards & Worker Control

"At every level it must be workers representing other workers because they are the ones who can truly feel and represent what workers feel" - *shop steward*.

"Workers are losing and losing workers control, and it is in danger of becoming just a slogan" - *national union leader*.

Tens of thousands of elected shop stewards have long been the active expression and the guarantee of workers control in trade unions in South Africa. DOT KEET examines* how this system of democracy is functioning in COSATU under the pressures on the trade unions in South Africa today.

More than eight out of ten COSATU shop stewards (84%) now possess at least some secondary school education. A recent survey conducted for COSATU** indicates remarkably improving levels of education amongst these grassroots worker leaders - including 38% with junior matric and higher. Furthermore, nearly half (a total of 44%) are employed in the upper layers - clerical (15%) and supervisory (11%) - or in the skilled categories of workers (18%). This is in marked contrast to the early days of the emergent unions in South Africa when shop stewards used to be mainly unskilled, and even migrant, labourers!

The improving educational and skill profile of shop stewards today is accentuated by the

tendency for workers to select those amongst them with better education, and/or a good command of English, to be the office bearers and worker delegates to constitutional bodies, conferences and congresses. The higher up the structures, the more marked is this tendency, reflecting and reinforcing the development of the more educated union members as worker leaders.

This suggests positive possibilities for the performance of shop stewards in their increasingly complex and demanding role in the trade unions of today. However, as former PPWAWU assistant general secretary Sakhela Buhlungu*** points out: "If this tendency continues, only a fraction of workers will

* With thanks for the time and invaluable information provided by grassroots shop stewards, office bearers and officials in various unions and regions.

** "Preliminary findings of the CASE survey of shop stewards in COSATU affiliated unions", November 1991, due to be published in full by Ravan Press.

FEATURE

become shop stewards. It is going to bar large numbers of workers." This raises various questions.

Skilled representing unskilled workers

It is sometimes argued* that more highly skilled and better paid workers do not necessarily have the same interests or attitudes as workers at the bottom of the heap. There is significant truth in this. Certainly, there must arise conflicts of loyalty within skilled workers when they represent other workers over whom they exercise supervisory - and disciplinary - functions on behalf of management.

But there is also much testimony from unionists that it is amongst skilled and better educated workers that many of the most effective - and militant - worker leaders are to be found. Amongst other things, they can get better access to information and have more confidence in dealing with management.

Conversely, the unskilled and most oppressed workers, living on the edge of survival, are not necessarily 'the most militant'. They do have 'nothing to lose but their chains!' But they can also be characterised by ignorance of their rights, fear and submissiveness, and by a willingness to settle for any minimal immediate gain rather than aiming for longer-term and more ambitious goals.

The 'problem' of skilled workers taking over shop steward leadership does not therefore lie in any direct or invariable correlation between skill/education on the one hand and union/political attitudes on the other. The main problem, according to shop stewards themselves, lies in the greater accessibility of skilled workers to job promotion out of the body of workers and into the camp of management, or out of the factories altogether.

Younger shop stewards

Where there is a bias towards better educated



workers there will be a tendency for them also to be younger. This raises other questions. More than a quarter (28%) of COSATU shop stewards now are in their twenties. Most, therefore, have joined the trade unions more recently. Their

experience of unionism, does not go very far back and they may not be very securely anchored in the union traditions of democratic workers control.

Many such younger workers will also have gone through the experiences of township 'youth' politics of recent years. They may indeed be 'more militant' - as many unionists say - and more politically engaged outside of the workplace. In some ways this could be strengthening to them politically, but they could also be more susceptible to the influences of organisations with political methods quite different to those of the trade unions.

Younger workers have also been coming into the trade unions precisely in a period when all are under changing pressures. Therefore, together with other influences, younger worker leaders are arising within, and adding to, tendencies for 'democratic workers control' to undergo important changes.

Democratic worker control

The evidence from the trade unions is of the continuing firm democratic roots of shop stewards. They are still directly elected - most usually by secret ballot - by rank and file members at regular intervals, although the period differs from union to union, and there does seem to be a tendency for the interval to be extended. This may not be a bad thing if it gives shop stewards a better chance to get to grips with their role.

Some shop stewards do become entrenched

*** at present on study leave

* for example former FAWU general secretary Jan Theron in SA Labour Bulletin Vol 15 No 3, Sept 1990

in their positions - either out of commitment or their own self-interested power and career motivations, or on the insistence of their members. But the more common pattern seems to be of a high turn over of shop stewards. There are many reasons for this but, in part, it reflects workers' exercise of their important right to recall unsatisfactory shop stewards between elections. The ability and willingness of workers to exercise this right differs however between, and even within, unions.



There are more marked and more generalised changes in the ongoing interactions between workers and their elected leaders in regular general meetings. The repeated testimony is that such meetings - whether within or outside of work hours - seem to be becoming less regular and less well attended. The most obvious and constantly quoted reason is the violence in the townships and peoples' fear to be away from their homes and families after dark.

Expectations of members

Another fundamental explanation lies in the changing character and expectations of union members themselves. The rapid growth of the trade unions in recent years has not allowed the same time and space for the unions to integrate and consolidate new members as in the past. This means that nowadays large proportions of union memberships have not gone through the cumulative experiences of past struggles and are not steeped in union traditions of workers control. PPWAWU's Sakhela Buhlungu says that many don't even know of - let alone how to assert - their rights within 'workers control'.

Long-time organiser for both PPWAWU and CWIU in Natal, Pat Horn points to the political climate in the country at large tending away from active mass engagement since February 1990. Furthermore, there is seldom the same sort of systematic democratic control of other organisations by the rank and file that has been a strong pattern in the trade unions

from the 1970s.

While the conscious democratic culture of the trade unions has contributed to the development of the broader political culture of South Africa, there have also been undemocratic

counter-tendencies coming into the unions from the wider society. Violence and political intolerance are only the most obvious of these. 'Leadership control' over membership is another - from conservative patriarchal traditions at one extreme to left wing 'vanguardist' traditions at the other.

More meetings, more pressures

There are, however, more direct explanations within the very functioning of the trade unions for changes in the shop stewards system and in the nature of workers control as a whole. The most pressing of these arise from the multiplicity of meetings and the pressures on shop stewards participating in them.

The great majority of the tens of thousands of shop stewards in South Africa are full time shop floor workers. They carry the same burdens of long hours of hard work, struggles to and from work in overcrowded and dangerous public transport, back to dreary and dangerous townships - where they can be the targets of the same death squads pursuing other community leaders.

It is in this context that shop stewards are expected to attend regular factory meetings of shop stewards committees, and area shop stewards locals and - if elected as office bearers or shop steward delegates - branch conferences and Branch Executive Committees (BECs) or regional conferences and Regional Executive Committees (RECs), or even the National Executive Committees (NECs), conferences and congresses of their unions.

These all involve other preparatory or follow-up and compulsory report-back meetings. Just to deal with their regular union responsibilities, diligent shop stewards can be

attending after-work meetings every night of the week, and over the week ends - at great cost to themselves and their families.

Many unions seem to be making the base meetings less frequent: fortnightly or even monthly, rather than weekly as in the past. Another prescribed change is for only a few shop steward representatives per factory to attend their locals rather than all shop stewards in an area as in the past. This helps to make such meetings less cumbersome but it concentrates the responsibility and load on those shop stewards who do attend.

This is accentuated where some politically and personally ambitious union members accumulate as much access for themselves to as many meetings as possible, whether as shop steward delegates or office bearers. Amongst other things, this gives them access to experiences - including travel, hotel accommodation and so on - undreamt of by most workers.

On the other hand, as Amos Phike, NUMSA office bearer in Bloemfontein points out, for a shop steward to be really effective at NEC level, it is advantageous to attend the whole sequence of meetings upwards. It is in this way that a broad range of issues can best be grasped and followed through.

On both counts, however, many unionists point to the dangers of the resulting concentration of information and influence - and dependence - on too few individuals, especially office bearers. The loss to a union of one such individual - for whatever reason - can lead rapidly to the loss of entire plants or the collapse of branches.

Complex and fundamental questions

Even more serious for shop stewards is the growing complexity of the work of such bodies as the BECs/RECs. They deal with all the regular routines of internal organisational supervision and financial control, as well as local and regional union struggles. But shop stewards are



also supposed to take on board, understand and transmit back to their fellow shop stewards - and workers - debates and decisions on complex and fundamental national questions. Recent such questions have been:

- trade union participation in central state structures such as the National Manpower Commission - with accompanying questions of 'incorporation' and 'co-option' and so on; or
- trade union initiation of the National Economic Negotiating Forum with the attendant questions whether this represents the start of a 'social accord' or 'strategic accommodation between labour capital and the state' in South Africa.

The reality, of course, is that few trade unionists at any level in any of the unions have a confident or full grasp of the immediate aims or long-term implications of these and the many other strategic options being adopted in the union movement in South Africa today. Yet shop steward leaders are supposed to be taking decisions expressing and ensuring workers control over such fundamental decisions now determining the strategic directions of the South African trade union movement into the future.

The reports - from shop stewards and union organisers alike - are that most shop stewards simply do not have the time, nor do they get sufficient support from their unions to deal with such matters. What regularly happens is that shop steward meetings register their lack of preparedness on the NEC proposal at hand, agree on the need for further explanatory sessions before taking any decision, or 'refer' such matters back to 'the structures'.

Urgent practical problems

Shop stewards are also having to deal with urgent practical problems which are more familiar to them and more amenable to decisions and actions. This is why shop stewards report - and some more educated and politically-inclined complain - that not only

factory committees but even locals and BECs are mainly focused on 'bread and butter' issues.

However, to most shop stewards - and certainly most workers - the main and most urgent function of the trade unions is to improve their wages and conditions. And in the current severe economic recession this means defending their very jobs, fighting casualisation and subcontracting, coping with the new challenges of 'flexibility' and job redefinition and above all struggling to negotiate moratoriums on retrenchments.

Thus even these 'practical' aspects of shop stewards' responsibilities are by no means 'simple.' In fact, the agreements being negotiated in these difficult days are complex combinations of wages, jobs, (re)training and productivity deals and more. Even experienced employees of the unions say that they find such negotiations extremely difficult. How much more so must it be for shop stewards!



as officials but "are not subject to the control to which officials are subject because they are regarded as workers in terms of the constitution."*

Experienced NUMSA shop steward in Durban, Sam Mthethwa goes a

step further, saying: "We shop stewards are opposed to becoming full timers. Full time shop stewards become distant from workers. Sitting in clean clothes, they don't feel the same conditions. We have learned from experience that full time shop stewards become tools of management." Similarly, one shop steward at a recent SACCAWU national bargaining conference warned against full time shop stewards becoming "bosses boys".

Rod Crompton**, former general secretary of the Chemical Workers Industrial Union (CWIU), feels that some shop stewards are keen on becoming full timers because their jobs become "cushy". But having full time shop stewards in large plants with thousands of workers "can be useful if their tasks are carefully defined and monitored by the union." This may be feasible with well organised unions such as CWIU. And there are full time shop stewards who continue to be solid worker leaders in some of the biggest plants and most powerful union branches in South Africa. But wider union reports suggest there are more negative experiences than positive.

Strengthening shop stewards

The question facing every trade unionist today is how the shop stewards can be supported and strengthened. These are not new questions but they are assuming a greater urgency than ever before. One of the more obvious solutions is for shop stewards to have more time to do their work.

Full time shop stewards?

Being full time certainly gives shop stewards the advantage of more space to deal with the complexities of their union roles. However, management will obviously not pay for all shop stewards to be full time, and that tends to favour the development - and dominance - of those who are.

Former FAWU general secretary, Jan Theron, feels that full timers begin to function

Formal training and education

The far more common solution proposed by shop stewards themselves is for their unions to provide them with better training and education for their roles. Even the most cursory of surveys reveals very widely differing - and mostly inadequate - training systems in the different unions in South Africa.

At one end of the spectrum are the stronger unions, such as NUMSA: with basic,

* SA Labour Bulletin Vol 15 No 3 Sept 1990

** at present on study leave

FEATURE

intermediate and advanced training programmes for shop stewards at different stages of their development, and at local regional and national levels. Yet even so, Jerry Thibedi, former shop steward and NUMSA



Education Secretary for the Northern Transvaal and Highveld, says: "Our education is mainly reactive to employers raising issues. We have not yet reached the level where our shop stewards are equipped to take the initiative, to pose questions and demands on management."

At the other end of the scale, many South African unions have only rudimentary training for their shop stewards and make only intermittent efforts at educational workshops etc. Like PPWAWU - with only one full time educator for 42 000 members - they simply do not have the material and human resources to sustain effective regular educational programmes. For example, some TGWU shop stewards in Natal claim to have had only one basic course, but no further training for between one and three years; and, as shop steward Duduzile Makhanya says, they feel "still blank as shop stewards."

Nonetheless - for all their shortcomings - as one of the few mass organisations in South Africa to be seriously committed to educating and empowering its members and grassroots leaders, the trade union movement has made great achievements in developing highly effective worker leaders over the years.

"Never-ending cycle"

The problem, say trade unionists, is that shop steward training and education is a "never ending cycle". Such is the lack of skills within the unions - and in South African society as a whole - that no sooner is the potential contribution of promising shop stewards

improved, often with great effort and at great cost to their unions, than they are

- snapped up as office bearers and workers leaders in the higher structures of their union, up to national level, and even into the structures of COSATU; or sometimes even other political or community organisations;
- promoted to become officials within their own or even in other branches, regions or unions - as organisers, education officers, branch/regional secretaries and other roles;
- withdrawn - temporarily but also often permanently - from active union roles to become advisors, researchers and so on for academic institutes, labour organisations, publications and the like;
- most seriously of all*, targeted by management and lured out of the unions into better-paid positions as labour liaison, personnel management, community service officers and the like - which utilise their inside knowledge and skills developed by the trade unions in the service of new industrial relations strategies.

The result for the trade unions is that they find themselves "constantly running just to stay on the same place". The trade unions are not only the best "schools of the working class", they seem to be the "best sources of trained personnel for everyone else in South Africa!" according to one union leader.

Mutual influence and development

There are, of course, many other avenues of shop steward development than formal trade union workshops, seminars and conferences. Sam Mhethwa of NUMSA says that it is the responsibility of older shop stewards to impart their shop floor experience and union traditions to newer or younger shop stewards in their day to day work. Similarly, he says, better organised

* this is frequently the very first to be cited by interviewees when asked about problems facing shop stewards today

work places must strengthen the weaker.

That is why, as a number of unionists stressed, it is crucially important to maintain continuity with change. A balance is essential of older, even if less educated, but

shopfloor-experienced shop stewards with the newer, better educated but less 'rooted' shop stewards being promoted today.

CWIU is one of the unions with varied and effective forms of education, from the basics right up to 'political policy' and 'women's issues' workshops. Yet CWIU's Rod Crompton stresses that the exchanges and mutual influences in all working meetings are an integral part of the education of shop stewards. Not all unions - and even not all regions within the same unions - can rely upon this sort of stimulation of weaker shop stewards, work places and regions by stronger.

The unevenness - and importance of mutual support - is even more marked *between* unions. As Durban CWIU shop steward, Absolom Mncube says "training and support to shop stewards in our union is good," but he adds, "we don't follow these questions through with affiliates present in COSATU locals." This raises the question of the role of what is frequently referred to as "cross-fertilisation" amongst the unions affiliated to COSATU.

"Cross-fertilisation" in COSATU

COSATU locals could provide the ideal regular meeting ground for grassroots shop stewards from weaker unions/union branches to interact with those from the better organised unions/branches. There is evidence in COSATU locals' attendance registers - and in the statements of shop stewards themselves - that it is often those shop stewards feeling the lack of training/input from their own unions who attach most importance to the input they can receive through their COSATU locals.

COSATU at national level has tried to compensate for the unevenness in resources



and organisation amongst its affiliates by providing its own educational programmes. However, COSATU's regional structures are themselves uneven, and some - such as the OFS and Northern Cape for example - don't even have their own

Regional Education Officer. Yet, as Thabo Makweya, COSATU Regional Secretary in Kimberley in the Northern Cape, points out, "without education and training of all shop stewards in all the affiliates, the system can degenerate into domination by the strong affiliates."

Such domination may derive more from objective factors than deliberate intention on the part of the stronger affiliates. Where an element of 'sectorialism' does enter, however, is in what one COSATU official calls the rather "proprietary" attitude of some affiliates over their shop stewards. Some affiliates are hardly present at all in COSATU locals.

Some negative features

The oral and statistical evidence is that attendance in general at COSATU locals is down on previous years. For example, approximately 100 out of a possible 500 shop stewards turn up at COSATU's Durban local. Even in the well-placed Jo'burg local only about 100 of the potential 1 000 shop stewards turn up regularly. In addition to the endemic problems of violence, difficulties with transport and time and so on, there seem, however, to be other problems internal to COSATU locals.

'Top down' influences

Although COSATU local office bearers are elected, they function within a different dynamic to that of office bearers in the affiliates. They can be replaced, if unsatisfactory, but COSATU office bearers are less subject to the direct workers control that shop stewards can exercise within their own affiliates. What is more, COSATU office bearers

FEATURE

are themselves 'up-rooted' from their own unions, so to speak, and find themselves operating without the sort of mandates they are used to.

A greater source of difficulty is the range and complexity of the reports and instructions coming down to locals from COSATU national headquarters through regional offices/officers. These are vital sources of information, especially on national campaigns and the like, but they seem to be presented in ways that overawe both the shop stewards and the local office bearers. These reports can concern such complex - or debatable - matters as

- COSATU's positions on/role in the national constitutional negotiations in CODESA; or
- COSATU's Economic Growth Path arising out of its recent Economic Policy Conference.

Without full preparation and clear briefings, it is extremely difficult for most local office bearers to deal with complex issues of national COSATU policies and national South African politics. The tendency is simply to present them as 'top down' reports with no room for debate; or to focus on the more manageable practical aspects arising; or even to postpone them in favour of 'more pressing practical local matters'.

Routines and procedures

For these and other reasons, COSATU locals have a disappointingly routine character, sometimes quite dominated by "rigid proceduralism", according to OFS/Northern Cape COSATU Chair Serake Leeuw. This may explain why, as COSATU Johannesburg local Chair Nelson Ngale, observes, shop stewards seem to prefer to attend their own affiliate locals.

Such bureaucratised meetings have the unfortunate effect of alienating some of the more active and educated shop stewards who say they find COSATU locals "boring" - despite the fact that they are sometimes their



only union source of information on what is going on at national level.

Far from really informing and consulting grassroots worker leaders, there is a danger that COSATU headquarters may be using locals to turn shop stewards into

passive 'recipients' and diligent 'implementers' of instructions from on high. It also seems to be particularly irritating to some of the more informed shop stewards that, when they go to COSATU locals seeking their federation's explanations of the latest developments on the national stage, they are invariably simply given the same 'official statements of position' as are doled out to the media and the like, except that the shop stewards generally get them much later.

Functioning, basically, as channels of communication on common union matters and co-ordination of joint union actions, COSATU locals are therefore not the ideal terrain on which the less developed shop stewards can observe and learn from the 'dynamic informed debate' that may be lacking in their own union/branches.

Bureaucratic tendencies

Bureaucratic tendencies to elevate procedures above politics, observed amongst some COSATU local office bearers, are reported also about some office bearers within the affiliates. Obstructive bureaucracy is a function both of weaknesses in office bearers and their shop stewards. Where the shop stewards are well organised and conscious of democratic workers control, such tendencies can be kept under control, or the office holders removed.

More typically, office bearers - branch/regional chairs, secretaries, treasurers and the like - tend to be chosen from the best shop stewards. They carry all the burdens, and more, than the rest of their shop stewards do, and they will reflect their strengths and their weaknesses. But office bearers and shop stewards, alike, say that nowadays they are

facing a new form of pressure from another direction: a new type of official.

The new type of official

As the unions grow in scale and complexity, employed officials are assuming an ever-greater role. Although many of these are still appointed from within the unions, more officials are coming in 'from outside': white collar functionaries out of work, matriculants or university students unable to continue their studies and so on. For some, a stint in the unions is a viable job option and often a useful training ground or spring board into related (and more lucrative) areas.

Unlike "older organisers who have union attitudes", as one shop steward put it, the new type of organisers are often coming into the unions "as a job" and "not on the basis of commitment pure and simple", as Pat Horn says. She adds that "workers took it for granted that they would always have committed people" in such positions, and they are unprepared for the new type of organiser, many of whom "don't fully understand workers control [and even] really resent it."

Sakhela Buhlungu says that "most of the old organisers who have grown up with the unions are sensitive not to overstep their role." Now, however - although there are many effective and committed people among the new generation of officials - they are coming in at a phase in which there is an increasing tendency for officials to lead office bearers rather than the other way round.

These tendencies differ from official to official but are more marked in the weaker unions. At worst, where shop steward structures are weak, ambitious officials build up their own power bases. They do this by encouraging dependence and manipulating politically inexperienced workers.

Organisers, in turn, are promoted by weak worker leaders who constantly call them in to



deal with matters that they themselves should handle. At the same time, long-standing union organisers say that some of the new "careerist officials" actively counter emerging shop steward leaders in a variety of ways.

The paradox, says one union leader, is that "it is easier for determined workers to get rid of an unsatisfactory leader than an unsatisfactory employee."

"Organisers taking control"

In principle, middle level office bearers should be an effective counter-weight to over-bearing officials, but they are at a disadvantage faced with the full time officials positioned at their branch/regional offices between them and other structures of the union. Some shop stewards are convinced that officials hoard information and deliberately hold back documents from head office to increase their own power and control.

There seems to be some resentment amongst shop stewards against an "arrogant" new breed of official who "has never worked in a factory and don't know workers!" Numbers of shop stewards, struggling to defend their rights under democratic workers control, talk about "organisers controlling us instead of us controlling them!"

A partial solution to this inversion of workers control could lie in the recent proposal by NUM president James Motlatsi that all regional chairs should become full time elected positions. This could help them get on top of matters and exert more control over officials. It could, however, also contribute to their becoming distanced from the members, with the danger - as with full time shop stewards - of being turned into 'white collar functionaries'.

Another proposed solution is to try to ensure that officials are appointed as much as possible from amongst the best shop stewards. They have come up through the unions and have a

direct knowledge and commitment to workers control. As Pat Horn points out, however, while it is important to have 'worker officials', it is even more important to keep the best shop stewards as elected worker representatives to guarantee effective worker control up through all the union decision-making bodies to the NEC itself.



need an informed, effective institutionalised countervailing force from the base.

Workers themselves say that their control over leaders is essential because:

- "leaders and officials make decisions in their

heads, but workers' families feel them in their stomachs," according to one senior shop steward; and

- "at every level it must be workers representing other workers because they are the ones who can truly feel and represent what other workers feel," according to another.

One shop steward says they are the "links" all the way up a "chain tying leaders to the workers they speak for". That is why shop stewards, too, need a close and constant interaction with and control by the workers where they are based.

Shop stewards have hitherto been immersed in an embracing ethos of accountability, commitment and care for their fellow workers. But that care *and* accountability must be seen to operate from the bottom right to the very top of the unions, or the evident sense of dissatisfaction can become disillusionment and even self-serving cynicism can set in.

Workers democratic control is not only necessary for the practical political reasons of ensuring their commitment and the effective functioning of the unions. Empowering workers is seen by shop stewards themselves as an end in itself.

Out of the horrors of economic exploitation, political oppression and social degradation, SA trade unions have developed a unique (not perfect, but special) form of developing and directly empowering workers. Encouraging in workers a **capacity** for and a **conviction** about their rights to exercise control is a powerful and liberating principle and - whatever the difficulties - every effort has to be exerted to defend **and** extend it. The debate, now, is how this is to be done. ☆

*The weakening of workers' control

The role of worker representatives at national level is, in fact, undergoing rapid erosion in many COSATU affiliates today. The evidence varies from union to union but the features are clear and common enough to indicate a general trend towards the weakening of workers control.

A repeated lament from shop floor workers is a sense of not being fully in touch with what is being decided at the topmost levels in their unions, and more especially at the COSATU level. Even experienced shop steward leaders feel that in the current situation in South Africa, decision-making in COSATU is moving out of their control and into the hands of fewer and fewer remote leaders and national officials.

One national union leader, confirms this, speaking about workers "losing and losing workers control and it is in danger of becoming just a slogan."

Workers control more difficult but more important

With increasingly complex issues to deal with and difficult struggles ahead, workers control is becoming more difficult but more important than ever before.

Trade union leaders and officials are today coming under growing pressures and deliberate influences from outside union ranks and from outside the working class, and they



Photo: Shariff Labour Bulletin

Focus on forestry in South Africa

Giant forestry companies 'rationalising' workers' conditions and forest communities' lives

by JOHN EVANS

Forestry workers:
problems and prospects for PPWAWU

by SNUKI ZIKALALA

Giant forestry companies 'rationalising' workers' conditions and forest communities' lives

The three monopoly forestry companies, linked in with the giant conglomerates in South Africa, are imposing new employment terms on largely defenceless workers, and evictions on communities. JOHN EVANS* reports.

There are hundreds of thousands of people who live in forest communities in South Africa. They seldom have security of tenure, have little access to health and education services, are far from the services of towns, and dependant for their survival on land that they do not own. Millions live in areas adjacent to forest land, and find their lives influenced by its changes.

The lives of forest workers are extremely hard and dangerous. In a typical day, they rise at the crack of dawn, walk or are transported into the forest by the employer, and spend the next nine or ten (or even more) hours there.

The work is hard: spraying weeds in the forest, cutting trees with chainsaws, transporting logs to the roadside for movement to sawmills and pulp and paper mills, removing tree stumps from harvested land, often by hand but more and more frequently with a giant destumper, getting land ready for a new planting, and planting the new crop, often by hand.

Workers are paid extremely low wages. At

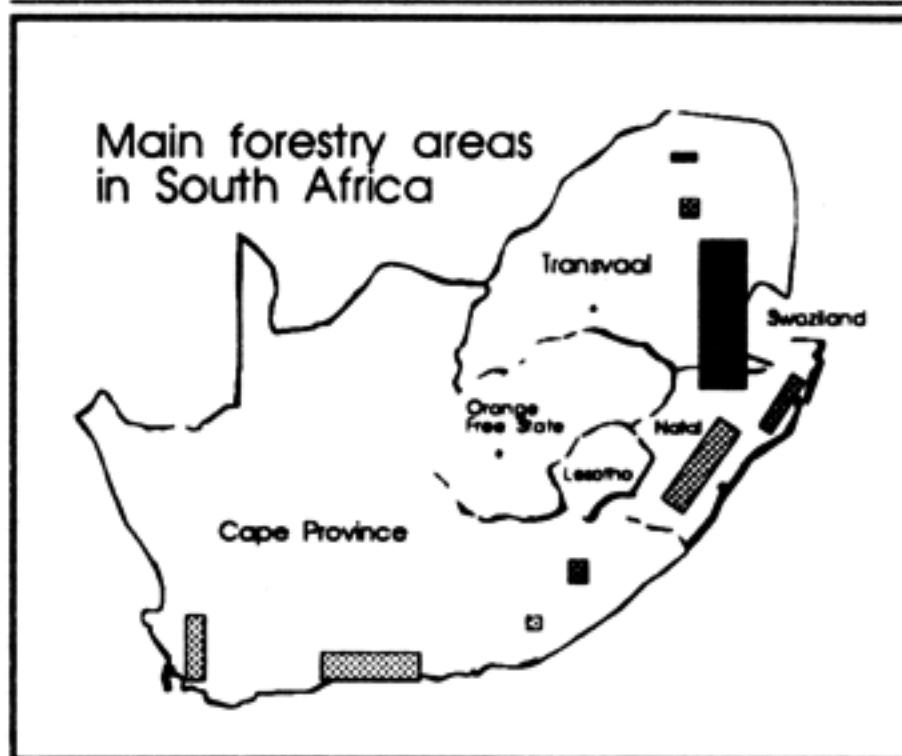
one of the largest and more 'progressive' companies, Sappi, for example, wages in the Natal midlands start at R11 per day. The company spends a further R10 per day to cover housing, medical aid and food rations.

Forest workers are exposed to a variety of dangers, working with chemicals and chainsaws, and surrounded by falling trees. No data exists on the dangers faced by SA forestry workers, but in Europe, with more advanced safety regulations than SA, forest workers are twice as likely to be killed or injured in accidents as industrial workers. Injury is also more long term: few forestry workers who operate equipment such as chain saws are likely to retire at the normal age, due to illnesses caused over the years by vibration.

In the evening workers return home: most frequently a compound or village on company land for which they pay rent, explicitly in the form of a deduction of wages, or in the form of lower wages. Accommodation consists of a hut or a room for the family. It is highly unusual to find electricity, and water is obtained from rain.

Forest workers experience many of the same problems as other rural, particularly farm, workers. They live on the land, largely isolated from the wider society. The employer controls all aspects of their lives. On plantations, as on farms, workers have usually lived on the land for generations. Children follow their parents into the same work. It is

* John Evans is a researcher at the Farmworkers Research and Resource Project.



Areas most suitable for forestry coincide with the most densely populated parts of the country. Travelling southwards, east of the escarpment, you travel through Venda, Lebowa, Kangwane, Gazankulu, Kwandebele, Kwazulu and the Transkei. There is a hunger for land from those who have been dispossessed and forced into the bantustans.

often the family that is the unit of labour that is hired, rather than individuals.

New owners: new labour system

In recent times, changes are being brought to this 'semi feudal' system. The major forestry companies have expanded into land previously owned by small timber growers, as well as sugar and other farmers, and they have found a labour system which does not meet their needs.

The large companies that now control the vast majority of forest lands are attempting to move to a straight 'cash wage' basis of payment. They say the previous system of payment was "paternalistic". The cash wage system involves simplifying and formalising the nature of the employment contract, with many of workers' previous benefits being converted into a cash value, and added to their wage. For example, Sappi says it would like to pay workers R25 per day, rather than the R10 cash plus R10 in benefits that is presently paid.

Essentially, the companies want a labour force that will come to work, be paid for the days work, and return home in the evening. The exception they are prepared to make is to

continue providing workers with a mid-day meal. In the words of one manager: "It is impossible to tell a man to work when he has not eaten, and it is difficult to provide cooking facilities in the forest."

Workers' rights?

Workers, on the other hand, feel that the change in the method of payment prejudices them. They do not trust the companies to give them the full value of food etc in cash, and they point to problems of obtaining food and other essentials in the forest areas where they live and work.

Workers also see a need for the company to provide facilities that would otherwise not be available in remote rural areas. In their view, the company is more than a mere profit-making entity. It is also a central part of the workers' support base. The company is the most effective link with the world outside the plantation.

At present, workers are confronting the breakdown of a labour system under which communities and workers understood themselves to have rights which facilitated survival. Workers feel they have accumulated these rights through their occupancy and use of land often over generations (and often originally their ancestors' land) - in contrast to the rights which the state gives to the legal property owners.

In particular, workers feel they have *de facto* rights of tenure and rights to use the land. Because workers have always depended on the forest they also feel they have rights to the produce of the forest: mushrooms are gathered, goats and cattle are run amongst the trees, and wood is collected as the main source of fuel for cooking and warmth. Because the forest workers live almost their entire lives on company land, their families are with them and they feel they have rights to family life.

Companies, such as Sappi, are now, however, attempting to exert control over land for which they have title deeds. They are challenging different aspects of worker's activities on 'their' land. Companies have in some instances evicted workers' adult children

from the land if they are not employed by the company. Others have attempted to stop workers from having their cattle on the land, or from collecting wood. Some workers are no longer able to grow maize. And some workers who are no longer wanted, particularly the old and infirm, who have lived and worked all their lives on the plantation, have simply been evicted.

**Subcontracting:
a key instrument of change**

A key instrument of change for management is the subcontracting of operations to rid themselves of responsibilities *and* reduce costs.

Sappi has already subcontracted 50% of the work performed in the company's forests. In April 1991 Sappi retrenched 1 000 workers in the Natal Midlands alone. In 1992, a further 1 847 have already been retrenched. This was not brought on by strikes, or the economy, but largely by subcontracting (with increased mechanisation playing a secondary role). The benefit for the company is that they don't have the overheads of maintaining housing and

providing other facilities.

Subcontracting is not limited to Sappi. It is being pursued by all the major companies. Increasingly, workers are retrenched, or find that they no longer work for the major companies, but for small subcontractors. Often the owner of the subcontractor firm is an ex-employee of the major company who has been encouraged, and offered cheap finance, to become a subcontractor. Employers say this policy is simply promoting 'free enterprise'.

Large companies say they encourage subcontractors to offer employment on the same terms as previously. Little changes initially for the worker. There is, however, no requirement for those terms to be maintained indefinitely. Over a period of time, workers find that their wages are lowered in real terms, that accommodation standards and schools are not maintained and so on.

Other workers endure lowered wages from the start. Wages in subcontracting companies can be 50% or more below the level paid in the major companies. Many 'fly by night' operators are around - subcontractors who hire

Subcontracting, conditions and problems of organising

Workers at Top Crops, a nursery growing seedlings for major companies in the Natal Midlands, have experienced the effects of working for subcontractors at its most intense. Top Crops is on the road to Greytown, 30km from Pietermaritzburg, and not far from New Hanover. Workers were paid between R3-R6 a day, with most workers earning in the range of R4-R5. Workers did not have access to company housing, but stayed at the nearby Presbyterian Mpolweni Mission in Cramond.

Organising attempts by PPWAWU have been

complicated by violence in the area, endemic since Inkatha launched a recruiting drive in 1987. Nevertheless, by April 1991, PPWAWU had organised a majority at the nursery. Management indicated they would recognise the union, and asked for stop order applications from workers. The union complied with this request.

However, management delayed recognising the union, and victimised the PPWAWU members. The police and Inkatha played a major role in this victimisation. Management

called in the police a number of times, and they detained workers. Typically they were taken to the New Hanover police station, intimidated and released.

In July 1991, workers went on strike, demanding recognition of the union. Management agreed to recognise the union, then withdrew and dismissed 80 PPWAWU members of the 220 workers, so destroying PPWAWU's majority. The PPWAWU workers were replaced with workers provided by the local Inkatha leader, Psychology Ndhlovu.

workers on a casual basis, and disappear before wages are paid. Violence against workers is common.

Who owns the forests of South Africa?

Looming over the small subcontractors, however, are other companies of a very different scale:

- The *large foreign multinationals* previously involved in forestry in South Africa* now have only a minimal presence.
- They have been replaced almost entirely by *large South African monopoly companies* controlling vast amounts of land and numbers of sawmills and pulp and paper mills. There are now essentially three such companies left - Sappi, Mondi and HLH Timber. Over the past few years they have bought up all of their major competitors. Other surviving forestry companies, such as Hans Merensky and Masonite, are very

small by comparison.

- The greatest single forest owner in South Africa is, however, *the state* - which owns fully 30% of the total forests in the country. Most recent indications are that the present government is seriously considering transferring the state commercial forests to a company owned by it which will then compete commercially with the private sector.
- There are also *small timber growers*, or farmers who are often also engaged in other types of farming activity, especially beef and, in Natal, sugar. These farmers control a very small portion of the land that is under timber but there are 2 500 of them. They are organised in four co-operatives, one of which also owns a chipping plant.

The three main forestry companies

It is clear that the large companies are by far the most important forestry players. They control most of the forest land in SA [see graph

* including Masonite, owned by the International Paper Corporation of the USA, Shell Forests part of the mammoth Royal Dutch/Shell group, Italy's Snia Viscosa, and Courtaulds of the UK

In the period since, PPWAWU members have been under pressure by management to resign from the union, and they experience continual intimidation through the Inkatha presence in the nursery.

Workers are struggling to challenge this situation. However, the area is dominated by small conservative farmers and large companies who are in the process of retrenching thousands of workers while subcontracting work. Both Large and small employers are reluctant to hire known union members - and especially strikers. Inkatha,

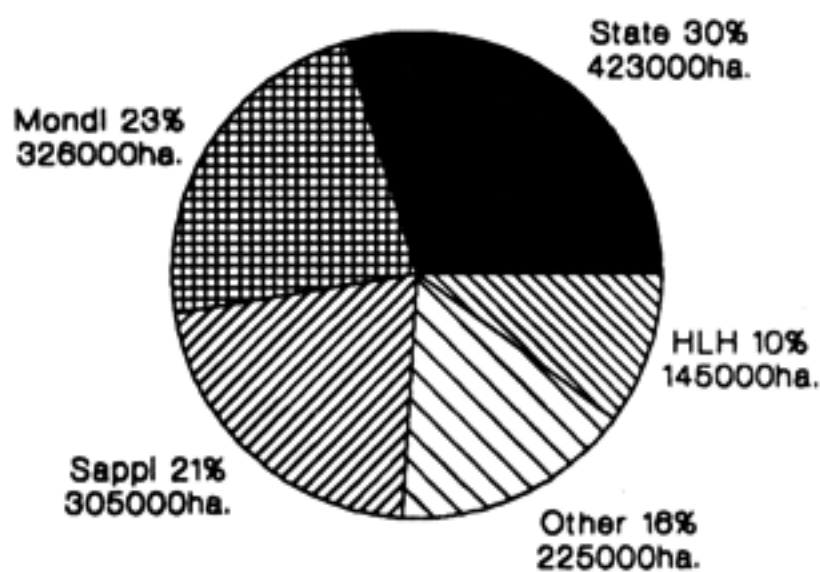
on the other hand, will supply managements with docile workers willing to work for a minimal wage.

The subcontracting companies are far from the public eye, and are able to exploit their position as employer in the midst of widespread unemployment. Workers labour far from the organising infrastructure and support found by unions in urban areas, and they have no protection from labour legislation. They have minimal protection from other legislation, and live in an area where elite society is insular - everyone knows everyone else, the police, farmers and magistrates

socialise together. Inkatha, in addition to undermining attempts to organise, supports this society, acting as a bridge between the world of the bosses and the world of the worker, seeking to control the world of the worker in the interests of the bosses.

The victimised workers have received no support from the Presbyterian Church on whose land they live. While they seem, at face value, to have a good legal case that their dismissal was unlawful, no legal action has been taken because the union lacks funds. ❖

Forest Ownership 1991



above] and have increased their control over the last few years. At present they control at least 77% of the forest land in private hands, that is 54% of the total forests.

The rise of the corporations can be seen in another way. In 1980 small farmers owned 44% of forest land in private hands. In the last ten years that proportion has fallen to about 23%.

The companies have extended their land holdings by buying existing forest land and land formerly used for sugar and cattle farming (and most recently even sheep land in the North Eastern Cape). In the process they have aroused the anger of many sectors of SA agriculture, especially the sugar sector. The government has been called on to stop the land acquisitions of the major companies, but has refused to intervene in the 'free market'.

Sappi provides a useful example of this expansion. In 1988 Sappi bought over 60 000ha of land when it took over Saligna Forests. Last year it took over Lotsaba Forests from Barlow Rand and gained a further 35 000ha of forests. Besides corporate takeovers, it has bought farming land in Natal and the Eastern Transvaal - and is presently attempting to evict unwanted residents from some of this land. Sappi is also looking at investing in Mozambique and Angola (as are all the major companies).

Sectoral monopolies

The activities of the three majors are not limited to forestry, but extend to all facets of

the wood based-industries. They are dominant in sawmilling and pulp and paper, and have a substantial presence in wood-based furniture. This 'vertical integration' is important as it is very difficult to understand the conditions that forest workers, and by implication trade unions, face without also understanding the structure of the industry. (see box on p 45)

There are clear links between the forestry sector and the forest product sectors. Wood that is grown in the forest goes straight to the processing plants. Large companies control both the forests and the processing industries. They also control the major distribution outlets. Much of the output from the forest products industries is used in-house by the major companies in the production of consumer commodities. Wood products are also used in the mines, in building, for printing and packaging.

The control of the processing side is extensive - two major companies (Sappi and Mondi) own *all* the pulp and paper plants in the country, while three companies (Sappi, Mondi and HLH Timber) own *almost all* the board mills, and are *dominant* in the sawmilling and the mining timber sectors.

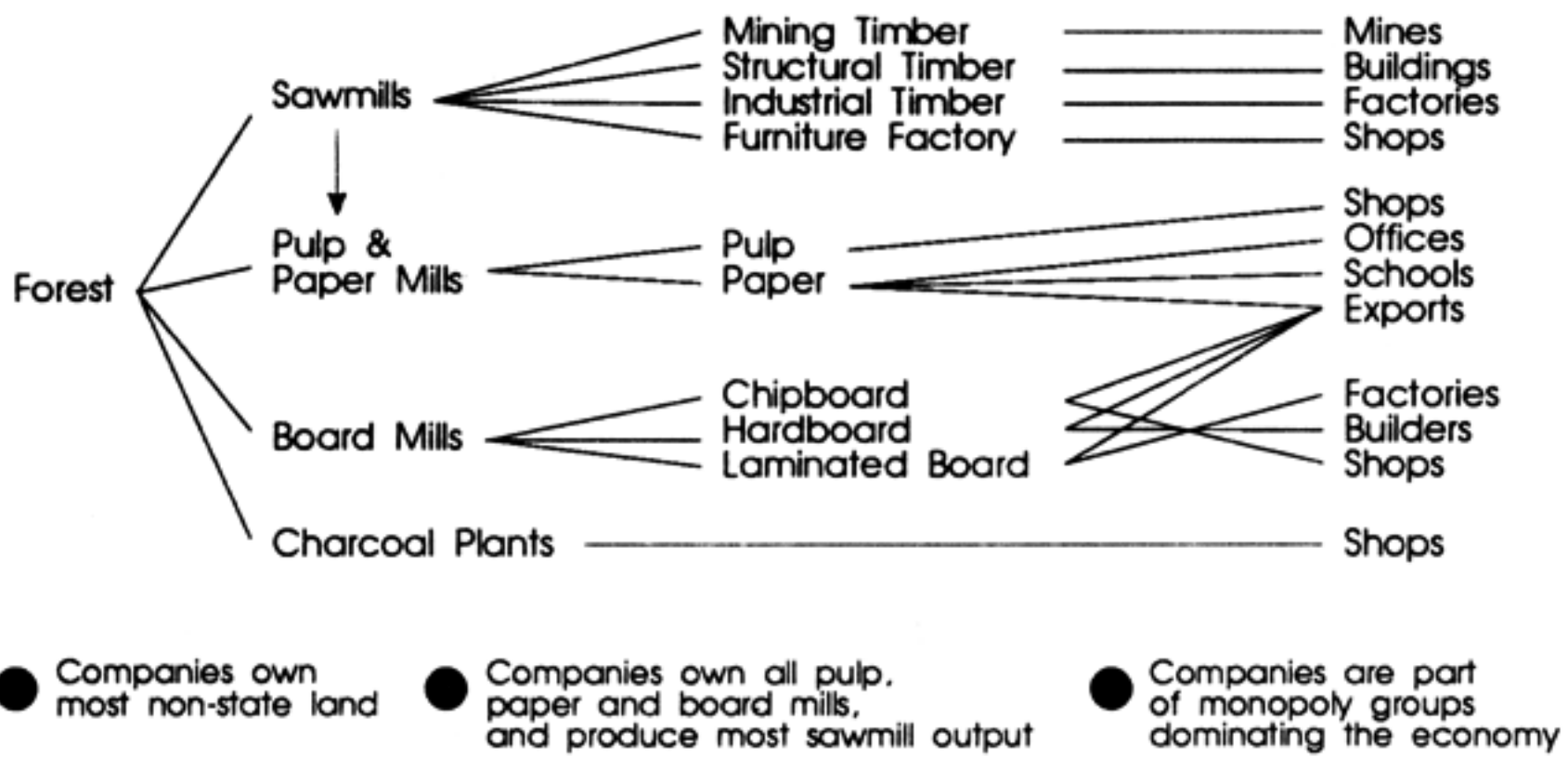
The fact that the companies are vertically integrated allows the monopolies to control prices between different branches of industry. Thus it makes little difference to Sappi whether profits in the forestry sector are low, because most of the wood is used by processing branches of the company, where the low prices result in higher processing profits.

But the low prices and the lack of accessible alternative markets allow the monopoly companies to buy small timber growers' wood cheaply. Thus the small growers constantly complain of the market power of the monopolies, which keeps the price of their wood low (amongst the two or three lowest in the world). One small timber growers' co-operative is exporting unprocessed wood chips to Japan where they receive better prices.

Part of the conglomerates

HLH Timber, Mondi, and Sappi are part of

Forestry Industry Structure



even larger groups that dominate the entire SA economy. They are owned by Anglo/Rembrandt, Anglo and Gencor respectively. These groups own nearly all SA mines of note, major construction companies (eg Anglo owns LTA, Gencor owns Murray & Roberts), and major printers (eg Anglo owns Times Media and Argus).

Increasingly the monopoly conglomerates are also active in agriculture and food - each of them has branches that are engaged in agricultural activities, and there is a substantial degree of cross-holdings and joint ventures. For example:

- HLH, owned by Rembrandt, owns 40% of Rainbow Chickens (the largest chicken producer in the country) and citrus and tea estates, as well as owning 50% of HLH Timber.
- Anglo American owns the other 50% of HLH Timber, as well as owning Mondi, and Amfarms (which own a wide range of farming enterprises from piggeries to vineyards), and a major food company, Premier Milling.

The three forestry companies have immense power as a result of their ownership by the monopoly conglomerates who have financed their expansion. In the last 18 months the three major forestry companies, or their holding

companies, have had 'rights issues'. They have sold additional shares to their shareholders to raise capital for their expansion efforts. In the case of Sappi, over a billion rands (a thousand million) was raised. Most of the money was supplied by the Sanlam/Gencor group. In the case of Mondi, R454m was raised. All of it came from the Anglo group.

The forestry companies have grown at an enormous rate over the last 10 years. Over the last year, profits have dipped as a result of the international recession, but Mondi profits rose from R36m in 1979 to R363m in 1989 and Sappi's from R51m in 1980 to R639m in 1990 (a massive rise of 35% per year, when the economy as a whole has remained stagnant). Following the takeover of five paper mills in the UK last year, and with international trading companies in Hong Kong, Geneva and Houston; together with their recent take over of Hannover Papier in Germany, Sappi is now one of 15 largest paper manufacturers in the world.

In short, forestry is linked into the dominant heights of economic power and influence in the country. It is these dominant heights that have financed the companies' expansion with profits from other sectors of the economy. But the expansion has also been based on low wood prices, a reflection of the market power



Vertical integration: the major forestry corporations also have interests in timber-processing plants (above) as well as in manufacturing concerns and distributors

Photo: Shariff/Labour Bulletin

of the monopoly companies.

Impact on workers

The fact that these large companies dominate the industry is important for workers in several ways. Most noticeably, the large companies are constantly attempting to lower the costs of production. They:

- have the capital to buy machines that will enhance productivity and replace labour;
- carry out research to find new ways of doing work, some without needing machines, but which nevertheless employ less labour;
- produce on a very large scale which gives them considerable economies of scale;
- have the power to negotiate favourable transport contracts with private hauliers and Transnet;
- have taken the lead in using sub-contractors which reduces their own costs at the

expense of workers;

- are themselves also retrenching and evicting workers no longer needed on the land.

Because forestry workers are largely unorganised, they bear the brunt of the companies' constant search for new profits with productivity improvement, restructuring of operations, and expansion of land and other holdings. As the companies have changed the system of labour procurement and work methods and have pursued subcontracting, forestry workers face deteriorating conditions in a very profitable industry.

Effects on small producers

The power which the monopolies have - owing to their size - dominance in markets, and relations with the commanding heights of the SA economy, allows them to dominate the smaller companies without actually owning them.

Smaller companies, family farmers and subcontractors have to compete with and/or supply these large companies, so their costs of production have to be approximately the same. When the large companies implement measures to increase productivity, the smaller companies have to respond, and lower their costs. For many - who do not have access to capital, machinery and research and the economies of producing on a large scale - wages are the key point of cost control. So they have to lower wages in real terms.

Thus the large companies have the power to set pay scales, even for workers who do not work for them. Smaller companies fear unions when their costs are being squeezed by larger companies, and union busting is their response.

Challenges to trade unions

Organising in the forestry sector carries particular problems: of huge distances to be covered, in the less developed and more politically conservative areas, where employers resort to dismissals and even violence to counter the unions.

In other ways, too, the organising issues differ from the urban sector. The fact that workers depend on the employer for land,

accommodation, health and schooling for their children suggests that these have to be the terrain of union organisation. It is impossible to divide the lives of forest workers between the time when they are residents and the time when they are workers. At all times they are addressing the employer. The unions need to respond to the challenge that this throws up.

Unions also need to be aware of and organise - together with other mass organisations - around the land question, family life on the land, standards of accommodation and the like.

At present, workers in state forests are totally un-unionised and ill-equipped to deal with the challenges that the state's 'commercialisation' project will bring.

Workers urgently need legislative protection. At the obvious level, there is a need for labour legislation to be extended to rural workers. But there is also a need for legislation that protects the tenure arrangements of rural workers, the right of access to land and to products of the land and so on.

Problems caused by illiteracy suggest that this is a crucial issue of organisation, in addition to the issues common to workers everywhere - wages, health and safety, hours of work and racism in the workplace.

Because the forestry industry is so vertically integrated, workers in the pulp and paper, sawmilling and other sectors have a key role to play in strengthening forestry workers. However, forestry workers are due to join COSATU's new farmworker's union when it is established. The desirability of such a move is open to question.

The highly concentrated nature of ownership in the forestry sector suggests this is an industry where centralised bargaining could be effectively established. This would facilitate, more than anything else, the extension of better conditions and wages to remote and even unorganised workers enduring some of the worst working and living conditions in the country. ☆



Forestry workers: problems & prospects for PPWAWU

With the help of PPWAWU, SNUKI ZIKALALA visited forestry operations in Natal and the Eastern Transvaal. He also went to Sappi forests at the company's invitation, and - without invitation - to one of the state forests. He reports what he saw.

Travelling through the Eastern Transvaal towards Swaziland, there are vast green expanses of beautiful pine trees grown for newsprint and gum trees for mine pegs, roofing and telephone poles. The whole area gives a sense of relief from the polluted industrial areas of the PWV. But the beauty is spoiled by plumes of smoke and steam and spirals of fumes from the Ngodwana paper mill. The smell of the area is sickening. However, Nick Bantish, Deputy Director of

FEATURE

Human Resources at South African Pulp and Paper Industries (Sappi) assured me that it was "just steam" and not dangerous to human lives.

Over 80 000 workers are employed in forestries and sawmills in South Africa. They are barely affected by social and political developments in the rest of the country. They are neither protected by the Labour Relations Act nor do they have basic social provisions. Forestry and sawmill workers live at the mercy of the owners of the forests - both the state, and the big private companies such as Sappi, Mondi and HLH - who control their daily lives.

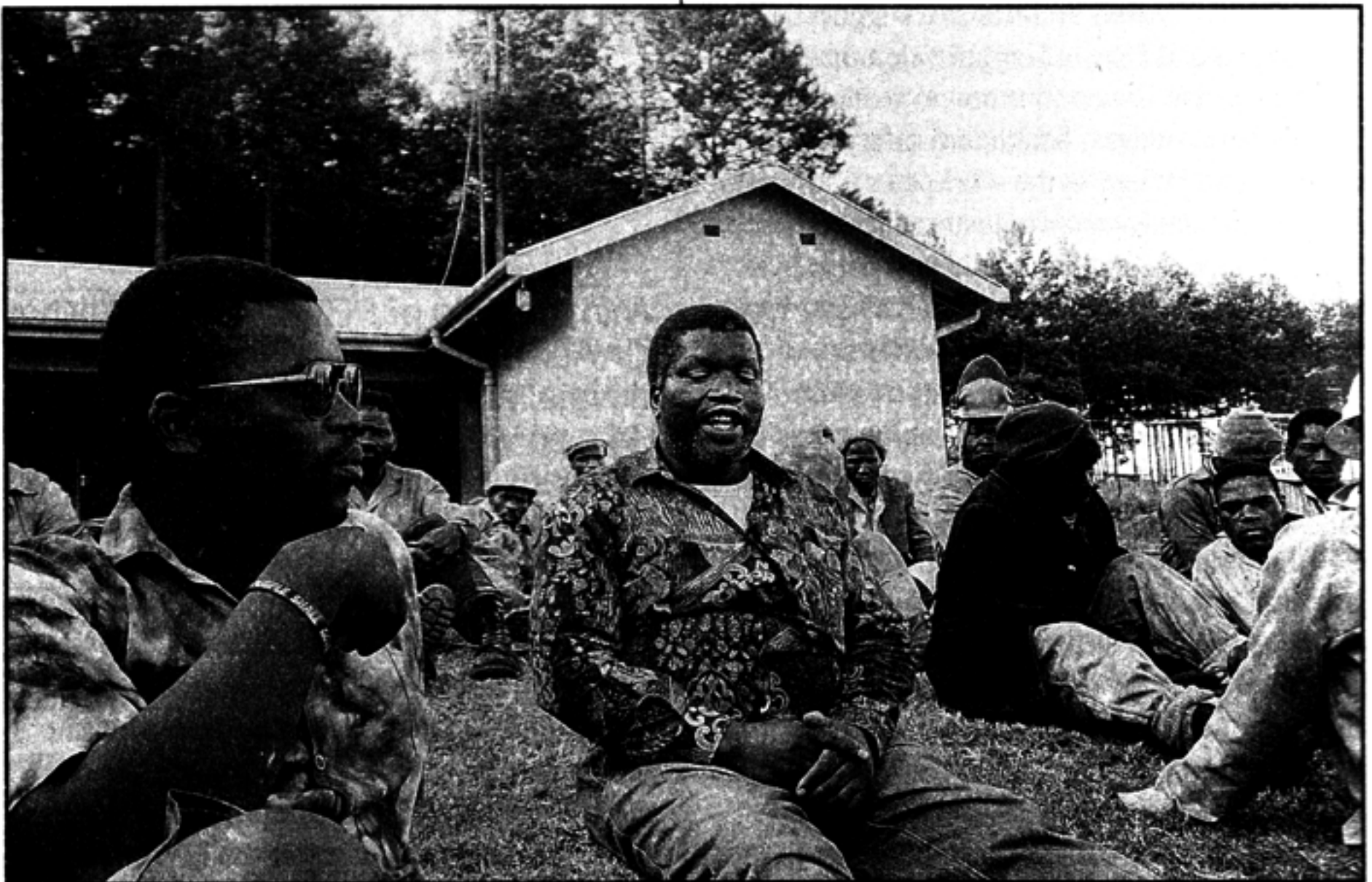
So far, the Printing Paper Wood and Allied Workers Union (PPWAWU) has been able to organise only 15 000 members in this sector - not even one fifth of the work force. The general secretary of PPWAWU Siphon Kubheka explains: "Forestry and sawmill workers are in a different situation from other - industrial - workers," and that the unions face particular problems in organising them. Amongst other things, union organisers have to

cover huge areas, in the less developed parts of the country and are at times denied access to workers. Workers are situated in company compounds and it is therefore very difficult for the organisers to meet and discuss with them. "You must understand," says PPWAWU's general secretary, "that many company managers in these areas are very conservative and hate anything that has to do with workers organisations."

Forestry workers are closely and coercively supervised. They seem to be treated as mere factors of production. The management exploits the fact that workers are illiterate, unskilled and not protected by labour laws. Workers are denied responsibility, challenge and initiative in their jobs. There is little that motivates them and their morale is very low.

Contrasts between management theory and practise

Sappi claims to be a progressive and caring employer. There are contrasts between what



Union organisers face much resistance from management - here the 'feared' Moses Ndlovu organises in his particular strategic style: sitting down amongst the workers so as not to be noticed while they appear to be relaxing though listening intently to him

Photo: Shariff/Labour Bulletin

they say and what they do however.

● Training

Before workers are employed, they are given special training in operating chainsaws, fire fighting, planting and maintenance of trees and driving. Health and safety classes are also conducted. The technical school with six instructors, situated in Ngodwana, was opened only this year. Fifty people are being trained per course.

Intention is one thing, however, and practice another. Chainsaws are the most dangerous machines used in the forests. According to one chainsaw operator: "These machines are very noisy. The noise can make you deaf. They shake and vibrate a lot. When I get home after work I can hardly take off my shoes. I have sore fingers from operating the chainsaw."

● Safety

Forestry workers are picked up in the early hours of the morning and left in the forest to cut and roll the trees down to the road. In the presence of Sappi officials, workers complained that they know very little about their basic rights, such as the Workmen's Compensation Act. Sappi has not initiated any of the upgrading courses that I had been told about.

Contrary to what the management had said earlier, workers declared that the rate of injuries is very high. They volunteered to take us to a colleague injured a few days before. "Workers do get injured but they don't report as they are afraid that they will lose a number of days away from work," they said.

Workers showed us a defect in a crane that hauls logs from the mountain. They have to work next to that crane and stack the logs beside the road. At any moment logs which are being pulled might land on the workers. Officials of Sappi shrugged their shoulders when they were confronted with this.

● Health

Working with chemicals is very dangerous. Some of the chemicals cause sores on workers skin and inhaling them for a long time can damage their livers and kidneys. Chemical fumes also damage eyes and affect the brain.

By chance, while travelling in the forest with Sappi officials, we met a group of women who

were spraying the trees. They were not wearing masks and held the sprayers carelessly, inhaling the chemical while working. They were totally ignorant of the dangers.

They told us in front of Sappi officials that they were not given masks. The blame was shifted from one person to the other. "It does happen that you run out of stock at times," explained the regional director of Sappi in Nelspruit.

PPWAWU pays special attention to forestry workers

PPWAWU considers forestry to be a key sector for a future restructured South African economy. General secretary Siphon Kubheka explains that "the future democratic government will have to have access to forestry, because that is one of the important sectors that will give answers to housing problems," adding that PPWAWU is "opposed to the privatisation of forestry by the government because forestry is the main sector in our industry."

At its last NEC meeting in February, PPWAWU decided to pay special attention to this sector. The aim, says general secretary Kubheka, is to have "a very strong forestry sector in our union, which will in fact be a pillar of our union."

PPWAWU has a strong power base in the forests in the Natal midlands. Previously, it experienced difficulty in establishing its presence in other areas, although inroads have now been made in the Transvaal. PPWAWU has managed to sign recognition agreements with Sappi, Mondi, HLH, and Hans Merensky. Yearly negotiations are being held at plant level on health and safety and wages.

The NEC meeting earlier this year resolved that forestry and sawmill workers be given maximum attention, and that more resources be put into this sector. Subs will be increased so that organisers can obtain transport and office equipment.

According to general secretary Siphon Kubheka, the union is spearheading a campaign for forestry workers to be covered

by the LRA. "The long term objective of PPWAWU is to see to it that the forestry workers are at the same level as other workers, in terms of education, standard of living and earnings."

National structures of shop stewards are to be set up. A special educational programme for forestry and sawmill shop stewards is to be drafted and a campaign launched for the establishment of an Industrial Council in that sector.

Serious organisational problems

PPWAWU is still struggling to set up its structures in the forestry industry. Because of limited resources and distances to be covered, as well as conservative employers, the union has not been able to organise and service its potential members. Workers are just given stop order forms to fill in, but there is seldom any follow up or education on their rights and on union aims and methods.

Shop stewards meetings I attended in Nelspruit and Pietermaritzburg were dominated by organisational problems. Workers were not happy with the service they get from the union. Such meetings are also irregular as the majority of shop stewards cannot pay the transport costs. Links are weak between shop stewards in the region so the union is not in a position to organise joint actions.

□ Nelspruit regional organiser, Lawrence Mooi has a number of problems. His office has one car which is used by two people and has to service workers in Nelspruit, Barberton, White River, Sabie and Graskop. Most of the time the telephone/fax machine in their office is out of order.

Communication breaks down when the two organisers are out of office. This slows down organisational efficiency in the region.

□ In the Pietermaritzburg region, which is the stronghold of PPWAWU, the office has one old bakkie. Four organisers have to share it. With experienced stalwarts like Moses Ndlovu always on the road, the other organisers are forced to communicate with workers by telephone.

□ PPWAWU offices in the Eastern and

Western Cape, Southern Transvaal, Northern Transvaal, and South Eastern Transvaal have no transport at all. It is a real nightmare for these organisers.

Illiteracy - a major problem

PPWAWU is organising an educationally disadvantaged workforce in forestry - 95% of the workers can neither read nor write. Their meetings are conducted in local languages and meetings with the bosses have to be translated.

PPWAWU's special education programme for forestry workers must improve this situation. This has been one of the weakest sections of the union. Regional structures lack education officers to train workers on basic trade union rights and negotiation skills. Shop stewards lack the kind of knowledge necessary for their role.

PPWAWU is looking into effective methods of preparing educational courses for the workers. The new education officer, Welcome Ntshangase has a heavy load on his shoulders.

Centralised bargaining

Sipho Kubheka says that "it is a nightmare for us when we have to negotiate with the employers. We have to go from one negotiation to another and this overstretches our resources." It is particularly difficult in forestry because of the spread of plantations and "an organiser will spend more than six months moving from plant to plant negotiating."

PPWAWU has therefore decided to launch a mass campaign for centralised bargaining. Workshops will be organised at all branches, where workers will be informed on the aims and advantages of centralised bargaining.

However, Sappi's Nick Bantish says: "We are satisfied with the plant level bargaining. We believe in plant level bargaining because conditions are different from area to area. However, we are presently negotiating with PPWAWU nationally on pension funds, job evaluation structures and medical aid. These are conditions which are applicable to all our employees in the country."

According to PPWAWU's forestry and

sawmill organiser, Dixon Motha: "We are spending endless nights trying to change the attitude of these conservative managers. So far, we have received negative responses from Sappi, but other companies like HLH have not yet committed themselves. The future democratic government has to legislate that there should be industrial councils in all industrial sectors."

Single union for farm and forestry workers?

Forestry and farm workers are a major concern to COSATU. More than one and a quarter million rural workers are not covered by the LRA. They are isolated from workers in other sectors. They have no job security, they live in fear of reactionary farmers and foresters and of possible loss of accommodation and school facilities if they join a union. COSATU is waging a major campaign that such workers be covered by the LRA.

However, less welcome for PPWAWU is the decision taken at COSATU's Fourth Congress last year that a farm workers union be formed, combining

- PPWAWU's forestry workers,
- Food and Allied Workers Union (FAWU) farm and plantation workers, and
- South African Clothing and Textile Union (SACTWU) cotton and wool workers,
- together with other non-unionised farm workers.

Kubheka explained PPWAWU's view that: "You cannot break the vertical line of production. Workers who are in the nursery also plant trees in the forest. Chainsaw cutters cut trees that go to the sawmill for printing, paper and wood. Therefore, it is illogical that such a line should be cut. We feel strongly about that decision."

Challenges for labour in forestry

PPWAWU has a reputation for being a tough opponent. Employers fear the presence of PPWAWU in their enterprises. [see box p 54]

However, because of the nature of the

industry and conservative management attitudes, PPWAWU officials have to be well prepared when going into negotiations. There are indications that PPWAWU is developing a more co-ordinated and thought-through strategy:

- It is now encouraging its members to engage in strikes in accordance with the recognition agreements they have signed with a number of companies. This will, to a large extent, reduce mass dismissals in forestry.
- It is placing well researched and thought-out demands to the employers. For example, PPWAWU is now pushing the management to hand over the National Provident Fund to the workers. "Workers don't benefit from the interest on the fund. When they get pensioned they leave the plant without a cent. They can't even put up a house for themselves. We want all workers to control their own money," said PPWAWU organiser Motha.
- It is canvassing campaigns well in advance and handling one issue at a time. "This will make our work much easier and more effective. We won't be pulled in all directions," commented Motha.

However, PPWAWU is still faced with a number of organisational problems. Its head office is still understaffed. They don't have national organisers in wood and paper and pulp structures. They have no media/communications officer. They have to develop a research centre, employ skilled people to handle their educational and organisational problems which need urgent attention. The campaign for centralised bargaining needs skilled and well informed people for bargaining forums.

Forestry workers faced with retrenchments from Sappi and other forestry companies need a strong union to defend their jobs and living places. If PPWAWU can show concrete results in its campaigns, it will encourage a growth in union membership. Higher levels of organisation and preparation will enable workers to improve their material conditions and raise their political morale. ☆

"This is not life at all. You just work to enrich the company"

When you enter the Sappi's Lotsaba forest near Barberton you are first met by the depressing sight of the hostels. There are male and female single hostels which are about 200 metres apart. Family quarters are available, but mostly house members of the supervisory staff.

A pall of despair hangs over everything. Workers are confined to the area and have no social life at all. Theirs is to wake up at five in the morning and work till late.

It was a sad tale I heard from the workers. Ten of them share a single room, which can house one family. There is no kitchen in the complex and workers use primus stoves to cook meals.

Within the compound complex, a shop is provided by the management. According to one worker: "Prices are inflated, but we have no alternative since we are far from towns and supply stores."

Women's living conditions are not that different from their male colleagues. They are not allowed to live with their children if they are not married. Once a woman is found to be pregnant, she loses her job immediately.

There are no recreational facilities in the compound. The only thing that is visible is a football ground. One worker declared that Lotsaba is "just like a prison. We don't have an entertainment centre here, not even a cinema. After work you must just sleep and prepare yourself for hard work. This is not life at all. You just work to enrich the company and there are no future prospects for us here."

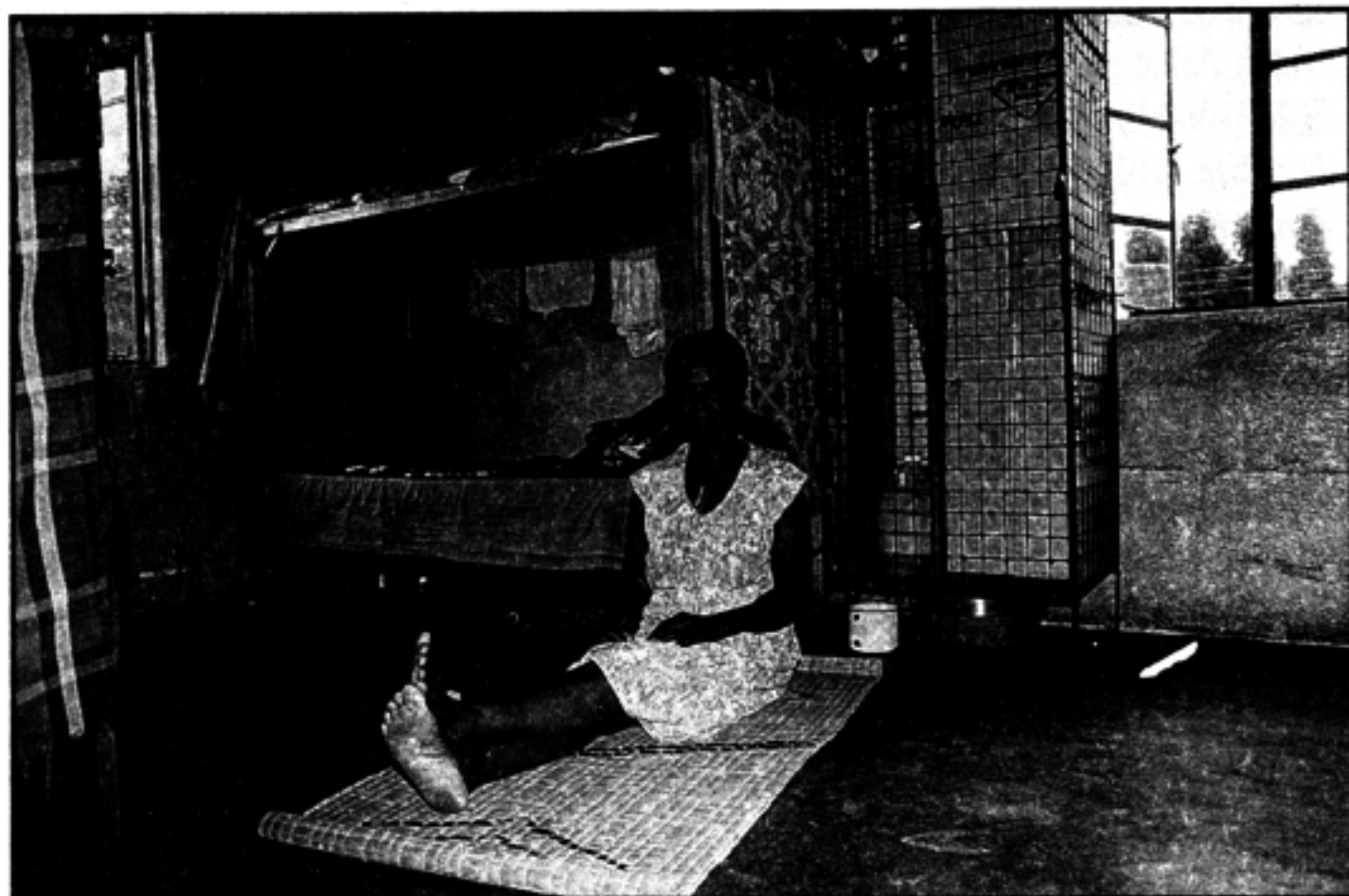
On weekends, workers have to travel up to 140 km to visit their loved ones. Transport is scarce and expensive. The company provides workers with transport only once a year.

Young hostel dwellers whom we met at Lotsaba compound come from far areas like Pietersburg, Tzaneen, Piet Retief and Komatipoort. They told us: "There is no employment in those areas, hence we are here in Barberton. Our main wish now is to seek employment in Johannesburg. We hear that conditions of employment are far better than here, and white bosses pay a lot. Unions are much stronger there. They don't get intimidated easily. We don't care about the violence there. All that we want is a better life."

Timothy Khoza, the main PPWAWU shop steward at Lotsaba, told us that threats are always used against

workers who are members of the union. Lotsaba management prides itself on having dismissed nine shop stewards following VAT demonstrations last year. This has demoralised a number of workers.

As we were leaving, Khoza looked almost helpless surveying the situation of the workers he represents. ❖



Inside a company hostel: this woman worker has been with the company for 15 years - she is surrounded by everything she owns in the world

Photo: Shariff/Labour Bulletin

Particular problems facing women working in the forests

We went up to the forest area where some 86 women were working. It was an eerie place. The only sound we could hear from a distance was that of a chainsaw.

Transport is not provided even on rainy days. Their working conditions are appalling. They have to be in the forest from 6am until 3pm. Their job is to strip felled trees. The set target is 65 trees per day. Some of the women don't even know how to count. They just go on working until sunset, thinking that it is only then that they meet their target.

The biggest problems for the women are health and safety and security. Though they are supplied with gloves and partly with protective clothes, they often get injured while working with the trees. Splinters in their eyes are a daily risk.

PPWAWU shop steward Silvia Manyoni described the particular problems facing women in the forests: "There is no security and privacy here. We work with our male colleagues who move the felled and stripped trees to the road. Even if you need the toilet, there is nothing here and it is difficult for you to hide somewhere. There are women who have been raped by their colleagues and no action has been taken.

"We are not even allowed to leave the place during our menstrual periods. Many of the women develop nasty vaginal infections because of prolonged exposure to blood-saturated pads. It is so frustrating," said Silvia Manyoni, with tears in her eyes.

Women we talked to said they joined PPWAWU in the hope of increasing their wages, but they have very little understanding of the role of a union and what is expected of them. ❖



Women workers hear union organisers speak for the first time in their lives - They face very particular problems as women, problems they hope the union will address

Photo: Shariff/Labour Bulletin

Breaking into the state forests

The manager of Weza State Forests broke into a sweat when he found the tireless and popular PPWAWU organiser Moses Ndlovu at Weza plant.

I had accompanied Moses Ndlovu and Dixon Motha, PPWAWU national organiser in forestry, on one of their missions. We entered the premises illegally and met workers who had just knocked off work. They were exhausted and full of dust, but brightened up when they heard the name of Ndlovu and as he spoke to them about the union.

The director of the state forest, Ackerman, was shocked to hear his 'docile' employees shouting "Amandla!" and "Forward to the struggle!" He came running at top speed to the 'illegal' gathering and demanded that we leave.

As Dixon Motha reasoned with him, Ndlovu rapidly talked to the workers, giving them advice on how they should get organised and sign stop orders so that the union can get the right to enter the plant and protect them.

When Ackerman heard the name Ndlovu, he rushed up to him pleading with him to leave the plant immediately. This was a huge delight to the workers. For the first time in their lives they saw the most feared director being afraid of an African organiser.

"How long have you been here? How many companies have you managed to organise in this area?"

What was the response of the workers," asked the extremely agitated Ackerman.

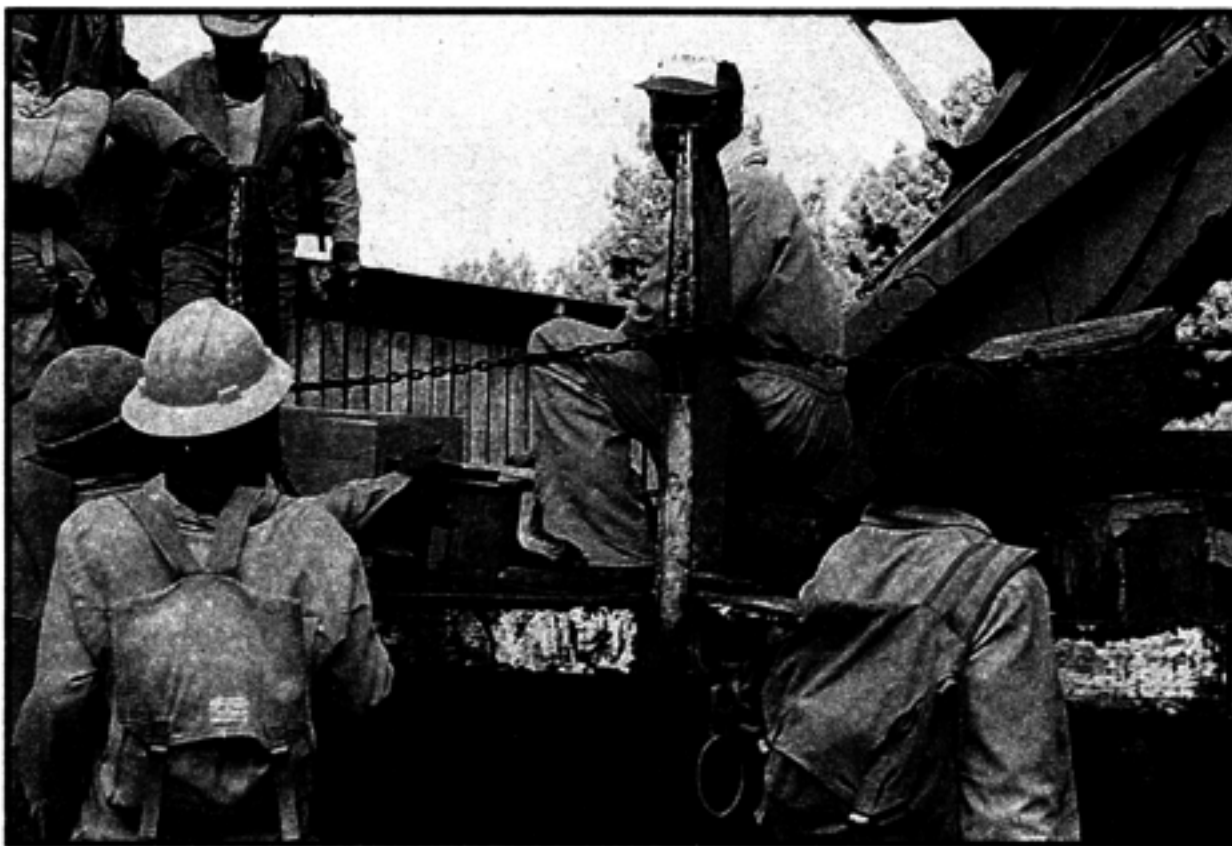
When Ndlovu told him that the whole Weza area is about to be unionised, Ackerman declared these were "his" workers and that we had no right to talk to them or to visit them in "his" area. He warned us sternly that we should never set foot in the state forest again.

Workers were ordered into a closed truck full of dust and onto a wood loader to be taken back to the hostel compounds. As they were driven off we heard them defiantly shouting "Amandla!" ❖



"These are my workers. You have no right to talk to them."

Photo: Snuki Zikalala/Labour Bulletin



'Company transport': workers travel back to their compounds in the 'comfort' of a wood-loader

Photo: Snuki Zikalala/Labour Bulletin

REGIONAL FEATURE

A Regional Economic Development Forum has just been set up in the Western Cape by a broad coalition of 'establishment' and 'liberation' forces. ALAN HIRSCH* reports on this promising regional initiative.

“Growing the Cape”:

‘Establishment’ and ‘Liberation’ forces in regional co-operation

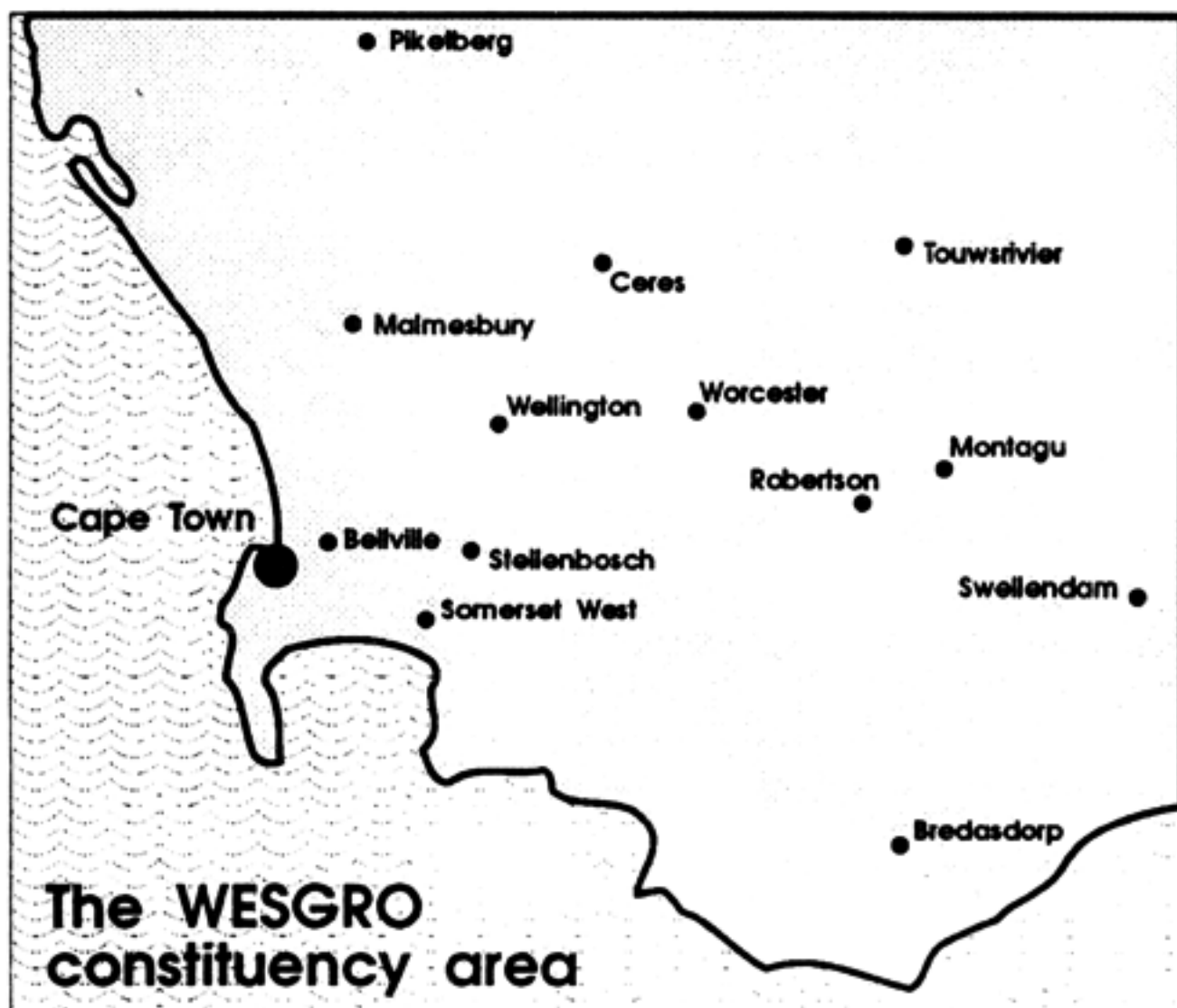
In November 1990, the ‘Growing the Cape’ project was launched in Cape Town. Its objective was to identify strategies that would enable the Western Cape to grow economically as quickly as possible, while improving the quality of life of the inhabitants of the region.

While it was born in a South Africa moving, however shakily, towards democracy, it was initially very much the child of the old South Africa. Its funders were the Development Bank of Southern Africa, the Regional Development Advisory Council for Region A (an arm of central government), three Regional

Development Associations, the municipalities of Cape Town and Bellville, the major (largely white) regional business chambers, and WESGRO. The last had been set up a few years before by many of the same sponsors, to attract investment and trade to the Western Cape.

The steering committee of the project reflected the same composition, and it was chaired by David Bridgman, the WESGRO executive director (who had a few years previously been an economic advisor in Lennox Sebe’s Ciskei government).

* Alan Hirsch works at the Development Policy Research Unit/Industrial Strategy Project, UCT. He was a member of the workshop planning committee of the Growing the Cape project.



Yet, on 1 April, the project held a large meeting hosted by the City of Cape Town, attended by white business and government as well as delegations from the ANC, PAC and local civic organisations. There was also a large and vocal contingent from COSATU and its affiliates and a smaller one from NACTU and some of its affiliates.

Moreover, all the groups still present at the conclusion of the one day workshop agreed to the formation of a new steering committee to investigate taking the 'Growing the Cape' process further through a Regional Economic Development Forum. How did this happen and where is it going?

The two earlier phases of the project focused on research to identify:

- The main characteristics - and strengths - of the Western Cape affecting its growth potential*. Some of the region's strengths noted are its maritime location for access to world markets, its relatively educated labour force, backed up by a strong educational infrastruc-

ture, and its relative lack of dependence on the mineral driven economy of the interior.

- Those economic activities that offered better than average growth prospects in the Western Cape of the future**. The report pointed to several branches each of light manufacturing and services as likely focuses of development. More importantly, it pointed to the need for a more careful analysis of potential growth areas.

Incidentally, consultants were drawn from a wide range of sources, including several

who were close to the liberation movement and/or trade unions. Clearly, that was not only because those consultants were competent, but also because they began to draw in new and vital constituencies.

The third and final stage of the 'Growing the Cape' project was envisaged as the phase of implementation. What exactly that meant nobody really knew at the outset of the project. It was thought to imply a series of meetings that would develop strategies in response to growth challenges.

The first step of this phase was the large workshop on 1 April, at which the results of the first two phases were presented, and at which it was hoped that interest groups would mobilise to form committees to take forward the strategising process.

Involving the democratic community

The main motivators behind the 'Growing the Cape' project, David Bridgman and Wolfgang Thomas (a development economist based at the

* Summarised in a useful little book called (cheekily) 'South Africa's leading Edge? A guide to the Western Cape Economy', by David M Bridgman, Ian Palmer, & Wolfgang H Thomas (eds), WESGRO, Cape Town, 1992.

** which resulted in a second report, as yet unpublished, called 'Focus of Growth Sectors and the Development Process'

Small Business Development Corporation), felt that for the process to work the main actors of the region - the 'old establishment' on the one hand, and the broadly defined 'liberation establishment' on the other - had to be present at the workshop, and ought to participate in whatever further processes were agreed on.

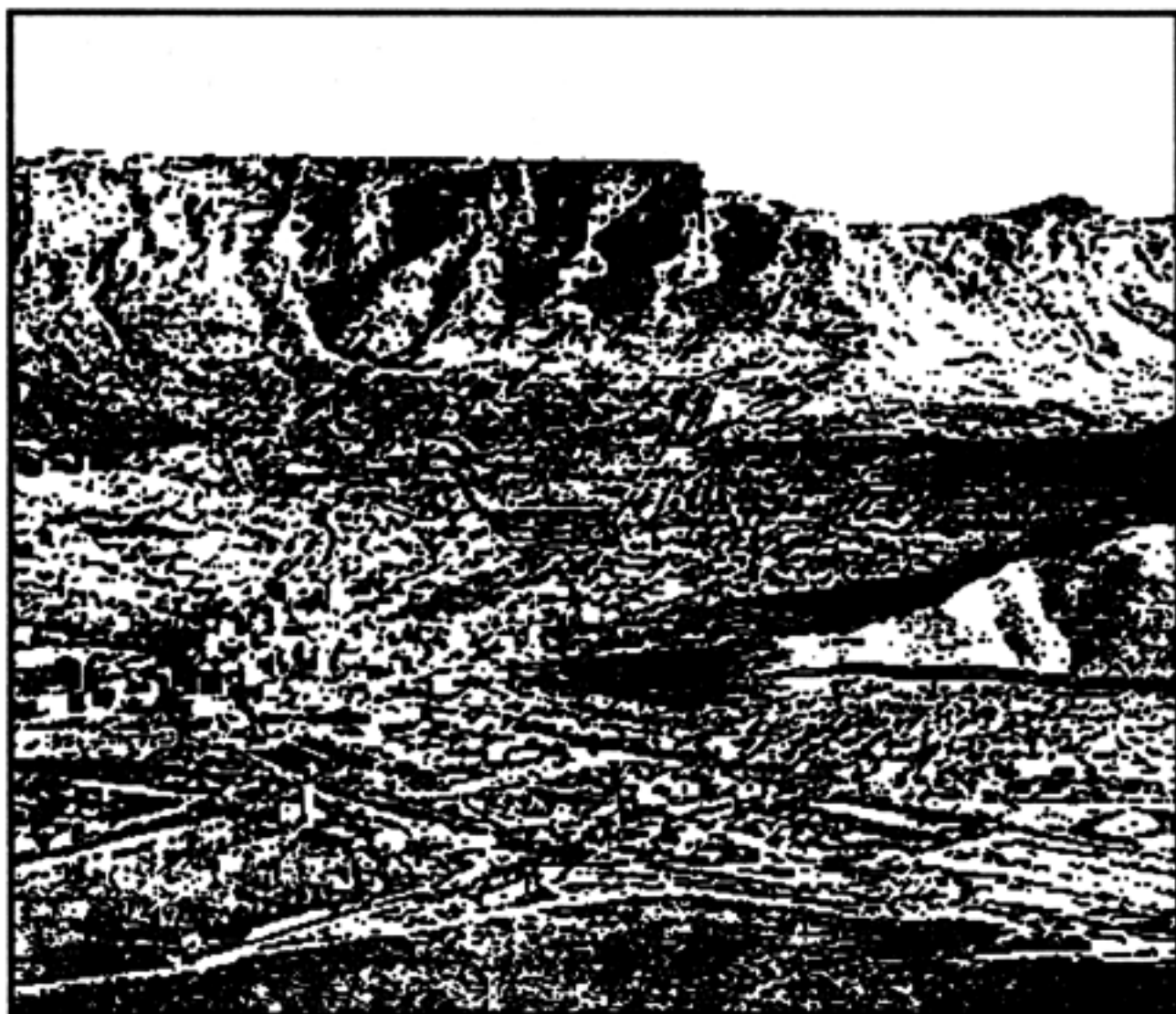
Both the ANC and COSATU in the region debated the issue before deciding to participate, and COSATU organised a two-day workshop to consider the project. In the weeks before the workshop, alliance members attended several meetings to strategise their involvement. Some feared the forces behind the process might simply want to co-opt the alliance for its legitimacy, and deny the unions, civics and liberation movement any real power to set the agenda.

For COSATU unionists, in particular, it was difficult to contemplate getting involved in a process that was initiated by the bourgeois establishment, and which would require them to give up an element of their dearly-won sovereignty by going into a very broad-based coalition. Some union officials felt the forum ought to be seen as an extension of the national negotiating process between capital and labour.

Eventually it was agreed amongst alliance members that they would participate - on the understanding that whatever structure(s) emerged out of the workshop should bear the strong imprint of the alliance, or participation in the process would be suspended.

Regional Economic Development Forum

In the event, it was some of the Cape municipalities that withdrew on the very day of the workshop, after several militant unionist speeches. However, the remaining groups agreed to pursue the creation of a 'Regional Economic Development Forum'.



The twin objectives of the forum would be job creation and improvement of the quality of life of the residents of the Western Cape. The agreed steering committee included substantial representation from the unions, civics, and the ANC and PAC, as well as the three tiers of existing government, and the business community. It is due to meet in early May.

The role of the forum within the region is a rather tricky issue. The Western Cape region identified by WESGRO (which runs north just beyond Piketberg, north-east to the Worcester valley, and east as far as Swellendam) is one of the most bountiful regions in South Africa, and the only real magnet within the vast 'Region A' (Knysna to Springbok).

Already there is an initiative to create a parallel 'Growing the Cape' project in the hinterland of Region A. But how much more is it than just a hinterland? In other words, what sense does it make having separate planning initiatives for the relatively rich core and the poorer periphery?

Regional and National negotiating processes?

Even though agreement was reached, differences still remain about how deeply organisations should commit themselves to the

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process, and to what extent the regional process should be driven by the national economic forum initiative rather than be relatively autonomous.

The commitment of COSATU to participation in such forums - taken at its Economic Policy Conference, held days before the workshop - no doubt strengthened the hand of those who had fewer reservations about the process. Nevertheless, it was made clear, several times, by COSATU union speakers at the workshop that commitment to forming a steering committee did not necessarily mean commitment to whatever the steering committee produced.

It is difficult to try to locate the initiative in terms of national negotiating processes. As far as the content of the proposed regional forum is concerned, it is explicitly connected to the interests of the region. Indeed its rationale is that there may be common regional interests which supersede many differences within the region.

The forum probably would not enter national political discussions directly. However, its regional character, as well as the processes developed to resolve conflicts, could have some influence on the national political process.

Where to from here?

It is hard to imagine that the initiators of the 'Growing the Cape' project guessed, when they started, what a broad base their initiative could develop.

Where exactly the process will move from here is not at all clear. The steering committee could fail to reach agreement, which would lead to the fragmentation of the initiative. Certainly, at this stage, the support of the 'liberation establishment' is crucial.

However, even if some of the Western Cape municipalities, or other tiers of government, do not get on board (and some have already withdrawn), the initiative looks likely to go forward nonetheless. The steering committee might

- simply facilitate the convening of interest groups on education, poverty, black busi-

ness, or whatever; or

- evolve into a forum in its own right; or
- begin to usurp the powers of existing governmental structures, and prefigure future metropolitan or regional tiers of government.

Incremental processes and 'right plans'

It is hard to answer at this point many of the questions posed. Perhaps one of the lessons that we are learning, on the left, is that planning is not a one-off process. You don't sit in front of your computer thinking, until you come up with the right plan, and then go out and get the masses to implement it.

Economic development planning and policy-making are incremental processes, and exercises like the 'Growing the Cape' project would seem to have the potential to provide one of our first opportunities to get hands-on experience. ☆

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A magazine of international labour and politics



DEBATES

Toyota South Africa: the workers' voice

"You see these guys (the workers) here, if they hear that one of their managers is dead they would celebrate, I am telling you. Because that is minus one problem."

- shop stewards council, Toyota South Africa, April 1991

Last year Nicoli Natrass wrote that Toyota South Africa has been unsuccessful in introducing Japanese management techniques. The NUMSA SHOP STEWARDS COUNCIL responds to her article arguing that these techniques only serve the employers' interests, and that the situation at Toyota between management and workers is "one of war".

We the workers at Toyota South Africa would like to tell you the truth about our company. We have read the article in the *Labour Bulletin* by Nicoli Natrass about Toyota Japan and Toyota South Africa*, and we have decided in our Toyota shop stewards council to write to you about some of the problems which that article raised.

We have decided to ask our union, NUMSA to assist us in writing this article and we have decided to tell you at the *Labour Bulletin* the truth about what is happening in our company.

Many of you will know that our company Toyota is the leader in the car market today. You may have heard that our company has been the leader of the car market for more than ten years.

But you would not have heard the voice of the workers who built Toyota into the leader of the car market today. This is because the bosses' newspapers never print what we say.

We sat in our shop stewards council and discussed many of the points that were raised in Nicoli Natrass' article. We discussed these points based on our experience and there was full freedom to contribute our ideas. What follows is a summary of the conclusions that we came to.

'Quality circles' to give management more control

In the early 1980s, maybe 1982 or 1983, the bosses came back from a trip to Japan with new ideas of how we should organise our work. Later,

* SA Labour Bulletin Vol 16 No2 Nov 1991

they gave these new ideas some Zulu names like *Siyacabanga* and *Eyakho*. But from the beginning they never discussed these ideas with us. They simply said that this was a new way of working which is very successful in Japan.

Then they started to organise groups of workers in work teams. These work teams were never established to listen to the voice of workers. They were simply there to give the management more control over the workers. They were used to give more and more instructions to the workers.

We as the shop stewards committee saw these teams as undermining our union because they were not only dealing with production issues, but also with the grievances that workers had at that time. Workers also saw that these teams were undermining their union and so only very few workers participated in these schemes.

Until today these work teams are still functioning in some areas of the plant. But the truth is that the workers at large are not participating in these schemes. As one of our comrades put it: "Quality circles are not functioning except in terms of some people that are pulled out by management, who are close to management, such as supervisors, group leaders and people who are looking forward to promotion. So these people are the ones that are still in these schemes."

Another worker said this about the quality circles: "To the workers at large this quality circle is something that is out - it's out, out - we are not interested."

You see comrades, the bosses just bought these ideas from Japan and forced them on the workers. There was no consultation or discussion with the union before they were introduced. And they were only used to discipline and control the workers. Even in the team you could see there was the team of management who had all management's ideas and the team of workers with completely different ideas. That is why the workers decided to ignore these quality circles.

'Cost saving competitions' to steal workers' ideas

In fact comrades, if you look at it you can see why the workers did not want to participate in

these quality teams. The reason is that the workers never benefited from all the ideas they have given management about production.

It happens daily that workers come up with suggestions but these are usually just ignored by management. Even if management takes some of these suggestions they never reward the workers for their ideas. So the workers simply lose interest, saying we are only making the company richer but we are in fact getting poorer. That is basically the impression of the workers, that even if they improve something they are gaining nothing out of it. They are only helping the bosses get richer.

One comrade gave an example in our meeting: "The workers come up with ideas and they are being presented by the workers. But once the whole thing has been put forward by the workers it is being taken by the processing management and they improve on the idea. Then you will find one day it comes out of a 'cost saving competition' that the company runs, and the bosses will be giving each other some big incentive, or payment, or present at the competition. But they are giving each other presents for the same idea that initially came from the workers. In fact they are stealing the ideas of the workers. Then they come along and they put them in the cost saving competition as though they are their own ideas."

That is the truth comrades. That is why the workers are not interested in these cost saving competitions because they have never been rewarded for their ideas. All that has happened is the bosses have stolen the workers' ideas and used them to get richer themselves. But our members just remain poorer. So the workers are saying: "How can we improve the company when there is nothing we are going to gain?"

This just shows that the bosses are not serious about even their own ideas on work teams or quality circles. They say these teams are for the good of all. But the truth is that these teams only assist the bosses and not the workers.

'Multiskilling' ignores our multi skills

This is what one worker had to say on "multi skilling":

"Workers are very much multi skilled. But

it is not recognised and compensated by the bosses. So workers start raising questions as to why they must do many different jobs."

The skills that the workers have are many. Almost daily the workers are having to do jobs of other workers who are absent from work. In this way workers get more and more skills of how to do different types of work. Sometimes the bosses call this "rotational training", but really the bosses are just using the workers to fill in for vacancies without compensating them. You see comrades it is not only our ideas that the bosses steal, but also our skills.

The only real training that we as operators get is a 6M course, but this is just about management interests. It has nothing in it for workers. All of the training in the company is given to administration and management.

We can give examples of students who just come into the company once they have completed their courses. They come in and just join the company and take up senior positions in the company. But they do not even know the job that we are doing. These are all management people and they are mostly white. Maybe 1% of management is from the black people.

So the vast mass of the workers at Toyota are getting skills by themselves. These skills are never recognised and the workers of Toyota are never trained to improve the skills that they have got. All the training is only done for management and the bosses higher up in the company.

Workers - especially union members - are refused promotion

One worker described our situation with regard to promotion like this: "Most of the comrades on the shopfloor are members of NUMSA. But once the bosses know that you are a NUMSA member, then that is the first obstacle you will have in getting promoted. That is the whole of the question. Now you must just remain where you are and that is basically where the line is



drawn. No matter how good or educated you are that will mean nothing."

It is clear, comrades, that for the vast majority of the workers in Toyota there is no hope of promotion in the company. Maybe there are a few black staff members who have been promoted in the past, perhaps 1%, no more. That is the position.

And even amongst those who have been promoted you will find they are people who have no following amongst the workers. If you are a strong worker leader even if you are skilled you will not get promoted.

Those few workers who are promoted are the ones who are closest to management, but if you talk of the workers generally, there is no promotion. Even when the company advertises positions that are vacant you will not be picked for promotion. The truth is that no really active NUMSA member can hope to be promoted in Toyota.

Too many managers with too few skills

The situation with management is very bad. One comrade in our shop stewards council said this about management: "They don't understand the job. They just carry out instructions."

The management structure in Toyota goes like this: at the bottom we have the group leader, then the supervisor, then the foreman, then the general foreman, then the superintendent, then the general superintendent,

then the manager, then the general manager, and then the board of directors.

You can see that there are ten different lines of management in our company. The result is that management is all giving us different instructions, and all of these managers don't know the workers' real feelings.

What's more, the attitude of management is not right. For example, you could never find a situation where a manager enters his department and greets all the workers on the line. That is how you could try to develop a relationship, but there is not that situation. Our managers don't even greet us. They are just like enemies here.

One of the comrades said this: "Each manager will pass down instructions from the top management to the superintendent, to the general foreman, to the foreman, to the supervisor, to the group leader, to the workers. Many of them don't know the job; they just carry instructions."

This has led to a situation where even production-related issues are not communicated to the workers by management. This is because the workers will not accept these issues if they come from management. Now more than ever before it is shop stewards who are having to report production issues to the workers because that is the only way the workers will come to accept them.

'Group leaders' duck out of the front line

The people who have got a real problem are the 'group leaders', because they are the last line of management before the workers on the floor. One of our workers said this about the group leaders: "The group leaders, especially, just decide to sideline themselves because they can see the situation that management and the workers have is a sort of confrontation. Now they are caught in that situation. They are also workers, but as the first line management they are expected to attack the workers. They just decide to duck out of the situation. They are not doing their jobs. They are running away from their problems because there is a confrontation situation. Now they cannot afford to be on the side of management in that situation."

Conclusion

From everything that we have said, you can see that the situation between us as the workers of Toyota and our management is one of war. We as the shop stewards of Toyota are spending every day trying to solve problems that are created by management. We are the workers who have built this company to be the leader in the car market. But the strange thing is we never feel any benefit from that.

If we can give you an example. Often the company comes to tell us they are in a crisis and when we tell the workers this, then the workers just say how happy they are because now the bosses know what it means to be in a crisis. Because, from the workers' point of view, they have been living with this crisis for many years.

Or even if there is a breakdown of the machinery, the workers often just celebrate. They do not see this as a problem, because now they can rest.

So you can see that the workers of Toyota know that every single thing they have, they have won through their own strength and power. Nothing has been given as a present from management.

It does not help to tell the workers about the 'productivity problems' of the bosses or the 'competition' of the bosses in 'the market place' because, for the workers, they have never benefited from any of these issues.

We hope that you at the *Labour Bulletin* can understand the workers' views on the crisis facing us here at Toyota. And we hope that in future when you want to learn about our company, you will come to us and we will tell you the truth. ☆

STOP PRESS: As we go to press, workers at Toyota SA are on strike, having put a number of demands to management. The above report was worked on at the NUMSA shop stewards council at Toyota some weeks ago.

Democratic socialism & social democracy: an attempt at conceptual clarification

In response to debates in South Africa on socialism, democratic socialism or social democracy, WINFRIED VEIT* argues that democratic socialism and social democracy are one and the same thing. Social democracy is "neither a corrective social tool for capital nor a scapegoat for Stalinists unwilling to undergo change."

The current debate about the future of socialism after the collapse of the Leninist-Stalinist model has moved the question of a 'social democratic path of development' in South Africa into the focus of attention. In the course of this, some arbitrary adoptions or rejections of social democratic concepts are evident, reflecting the particular political and social perspectives on which the arguments are based (eg Alan Fine in *SA Labour Bulletin Vol 16 No 3*, Jan/Feb 1992, and Enoch Godongwana in *SA Labour Bulletin Vol 16 No 4*, Mar/Apr 1992).

There seem to be three central terms subject to confusion which need to be discussed in some depth: *democratic socialism*, *social democracy* and the *social market economy*. Such conceptual clarification seems particularly necessary because the differing interpretations lead to sweeping statements claiming social democratic values to be the sole property of one side, or simply discrediting it as a reformist ideology of capitalism.

Social democracy: to the right and the left

On the one hand, a picture of social democracy is drawn which depicts it merely as a corrective

social tool to soften otherwise unrestrained market forces. At the same time, it serves to shield the system from the influences of social conflict by binding the trade unions and the working class into a social consensus.

The 'enlightened' group in South African capital has actively adopted this one-sided interpretation of social democratic politics from Europe. The more this distorted image of social democracy is promoted by these forces, the more their approval contributes to the discrediting of social democracy amongst the left.

On the other hand, the orthodox left uses the same picture to portray social democracy as a cover up for capitalism in order to pre-empt genuine socialism. In this way, the terms 'socialism' and 'social democracy' are shown in an artificial opposition to each other which actually does not exist. Even if the orthodox left admits the Leninist-Stalinist model has failed, socialism is still seen as an independent path of development to the social democratic one. This is historically incorrect, as an explanation of these concepts will show.

Democratic socialism and social democracy in a European context have the same meaning. At least, this is true for German and Scandinavian social democracy. And the 'social market

* Resident Director of the German Friedrich Ebert Foundation in South Africa.
The views here expressed are those of the author and not the FES.

economy' in its more radical version is nothing but an instrument or tool to achieve the goals of democratic socialism. It is a tool, however, which can only be understood against the background of the developed European industrial societies. It is sometimes propagated in a crude way in Third World societies, leading to misunderstandings.

Historical roots of a great divide

Historically, democratic socialism of the social democratic kind, and bureaucratic socialism of the Stalinist kind have common roots. Both grew out of Marxist theory, but their ways parted at the beginning of the 20th century with the debate on revisionism initiated by Eduard Bernstein.

Bernstein mainly tried to overcome the gap between the revolutionary theory in the programmes of the social democratic parties and their obviously reformist praxis: trying to improve the conditions of the working class within the framework of the existing system. This reconciliation of theory and practice within the Social Democratic Party of Germany (SPD) was only concluded in 1959 with its Godesberg Programme.

The other main feature of Bernstein's thinking was that democracy and socialism were considered inseparable parts of the same way of thinking, distinguishing democratic socialism markedly from the Leninist-Stalinist orientation.

The latter only gained impetus in most of the communist parties after Rosa Luxemburg had been assassinated by right wingers in 1920. Despite her much more radical position in comparison with Bernstein, she was heavily criticising the already visible trend towards democratic centralism and was emphasising democratic mass action as a main tool to overcome the capitalist system.

After her death, the centralist authoritarian tendency took over and eventually led to the monstrous distortions of bureaucratic Moscow-style 'socialism' whose inhuman nature and general incapability brought about its downfall in the past few years.

Reformulating socialist concepts

The breakdown of the Soviet model has given socialists of all different orientations an

important chance to re-think and re-formulate socialist concepts and ideas. Two dangers must not be overlooked in this respect, however:

- Many, especially former communists, seem to equate the collapse of eastern Europe with the failure of the idea of socialism. European conservatives and liberals are triumphantly talking about the "end of the social democratic century" and the American liberal ideologist Francis Fukuyama even detects the "end of history".
- A counter-reaction to this shortsighted view is to shrug off the perversion of the Leninist-Stalinist model as a 'wrong application' of a basically correct theory, and to excuse it by citing 'human error'.

Democratic socialism (that is, social democracy) rejects both interpretations and regards itself today as the only credible alternative to the liberal capitalist model of society which is unable to solve the basic problems of social inequality and economic underdevelopment. Democratic socialism, to the contrary, can look back at the impressive history of its struggle. The working class in Europe is predominantly freed from hunger and poverty. Progress towards more democracy, social security and freedom cannot be denied.

This does not necessarily mean that this is socialism, but it isn't merely reform capitalism either. Socialism from the view point of democratic socialists is an ongoing struggle which has to cope with changing structures and problems. For example, the ecological question has nowadays to be weighed against employment considerations in polluting industries.

It is an ongoing struggle because it wants, according to the Basic Programme of the Social Democratic Party, 1989, "democracy throughout society, including in trade and industry, in factories and at the workplace," and because it wants "a society liberated from class barriers."

But just as the achievements of the past were gained from harsh struggles with the bourgeoisie, and were not just granted from above, the same is true for ongoing struggles. Democratic socialism, therefore, has never viewed itself as merely a corrective tool of capitalism.

The social market economy

This is not changed by the fact that today the market has been accepted as a central - if not the only - regulatory tool for economic processes. For democratic socialists the social market economy implies a balance between economic and social factors, and not - as the conservative view would have it - the definite pre-eminence of the market with a few social state components to counter the worst social defects.

The social market economy is only an instrumental aspect of a comprehensive vision of a democratised society which unites all democratic socialists of the world. In the words of Willy Brandt, former SPD-chair and current chair of the Socialist International, this means: "Self-determination of the people in the working field, co-determination of the society and economic development, and effective control of political and economic power. This must exclude both the comprehensive power and centralist control of the state over the means of production, as well as the arbitrary rule of a socially unrestricted private ownership. The social control of economic power does not exclude market relations, it makes sure to include them."

These views only became the consensus in German social democracy after decades of sometimes harsh discussions about the relationship of market and state, nationalisation and social control. The particular debates in the SPD - specifically in the decade after the end of the Second World War until the Godesberg Programme - could prove to be very interesting for the current debate in South Africa.

Applicable to all countries?

However, democratic socialism cannot and does not try to advance a social and developmental model which is applicable to all countries. To cite Willy Brandt once more: "The democratic socialist parties determine the instruments of social control differently according to their specific traditions and the developmental state of their countries. They place different emphasis on the role of private enterprise, co-operatives, nationalisation, forms of co-determination and indicative planning. Yet they all agree on the basic principle of a mixed and democratised

economic order."

Another aspect has to be taken into account in the current debates in South Africa about socialism and social democracy. The challenges which the democratic socialists have to face in the North are naturally different to the ones faced by the South because the historical prerequisites, the social structures and the economic state of development are very different.

While Europe has essentially solved the problems of democracy and freedom, social justice and the rule of law, South Africa finds itself only at the beginning of similar developments. European social democracy, on the other hand, sees itself confronted with ecological and technological challenges and the problems of a far-reaching 'systematisation' of working and living conditions. These are leading to limitations on the personal possibilities of development for individuals.

The liberal model of market economy cannot offer any convincing solutions to these problems - not in the North, and definitely not in the South. Unchallenged capitalism has not been able to rid the Third World of underdevelopment, poverty, hunger and illiteracy.

And the effects of Thatcherist and Reaganite economic policies in the North make it clear exactly how important a strong and unified labour movement and powerful socialist and social democratic parties are in order to counteract reckless individualism and the unscrupulous dismantling of the social net.

On the other hand, bureaucratic 'socialism' of the Moscow kind has failed to bring about any social and economic development - not to mention the lack of democracy and the fact that there was no rule of law.

Whether a form of democratic socialism adapted to the conditions of South Africa is viable as a path of development for this country must remain up to the democratic will of the majority of the people.

In debating the subject, however, it must be taken on board that democratic socialism and social democracy are neither a corrective social tool for capital nor a scapegoat for Stalinists unwilling to undergo change. ☆



Constructing the new internationalism:

Australian Trade Unions & the Indian Ocean Regional Initiative

Australian trade unions are learning that, despite their co-operation in industrial restructuring, capital is still relocating to "slave-wage" countries of the Indian Ocean. ROB LAMBERT* argues that trade unions have to develop "borderless solidarity" to respond to the borderless operations of capital. SA trade unions, he says, have much to gain and much to offer an Indian Ocean trade union regional initiative.

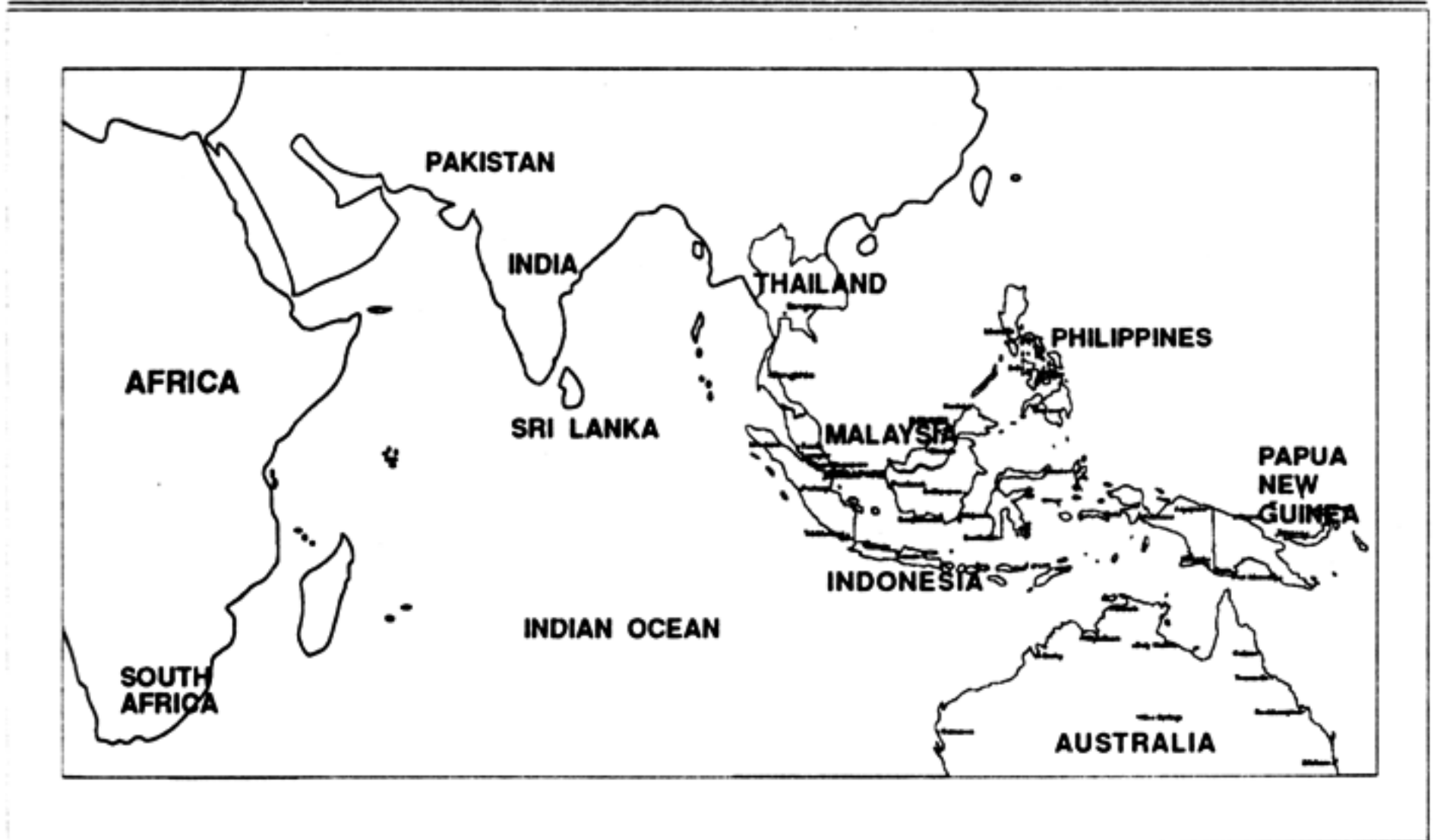
Recently, Australia dockers in Freemantle, refused to off-load South African cargo until the filthy cabins of the black crew members were refurbished. The stranded ship's captain urgently telexed head office in Durban. Paint, clean linen, and new furnishings were quickly applied. Black crew members discovered a real meaning to international workers solidarity.

Still more recently, when the leader of the new independent unions in Indonesia returned to Jakarta after attending the first Indian Ocean Region Trade Union Conference, in Perth Australia in May 1991, he disappeared - run

off the street by unidentified gunmen. The Western Australian unions immediately threatened to block the passage of Indonesian ships and the flights of the Indonesian national airlines. Dutch and other European unions were contacted. Within days, Saut Aritonang was released.

These actions are part of a proud tradition of solidarity *action* by the Australian Council of Trade Unions (ACTU). This is the tradition which the Trades & Labor Council of Western Australia (WATLC) seeks to strengthen and further develop. As a first tentative step

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WATLC has contacted progressive unions in the Indian Ocean region to establish effective links and, in the longer term, meaningful structures that will facilitate practical solidarity work in the now 'borderless' global economy.

ACTU* has in mind the eventual establishment of a regional trade union structure similar to the one that they have promoted for the South Pacific. Established in close collaboration with the ICFTU, the South Pacific Council of Trade Unions (SPOCTU) seems to be identifying needs and strengthening unionism.

"Borderless solidarity" in the new internationalism

"Borderless solidarity" is the term developed in Latin America to express new forms of international trade union solidarity action in the new "borderless" global economy.

Despite the enormous immediate pressures of national issues confronting all union leaderships, defining the objectives and the strategy of the new internationalism has to be prioritised.

Time is not on the side of the working class.

They are being compelled into neo-conservative industry restructuring agendas, generated within an aggressive and, in most instances, unrestrained global capitalism. This capitalism collaborates with viciously repressive militarised regimes in the Indian Ocean region that impose harsh labour exploitation and are creating the preconditions for ecological disasters no less dramatic than that developing in the Amazon forests.

Despite the urgency, such a regional structure will only be established after there is consensus between all participants. COSATU has played a positive role in this process by participating in the first regional conference in Perth, Western Australia, in May 1991, together with KMU of the Philippines, the Australian unions, and unions from Pakistan, Sri Lanka, Malaysia, Indonesia and Papua New Guinea [see map].

A second follow-up conference is being organised in Perth, for December this year, to facilitate deeper reflection on the impact of the global economy and neo-conservative deregulation policies on the union movement. Solidarity strategies will have to be debated in terms of this rapidly changing economic context.

* whose strong moral and material support have been key in this process

New internationalism a key element in industry restructuring

ACTU is committed to the regional initiative because consciousness is growing that borderless solidarity is essential to the success of industry restructuring strategy.

The innovative industry restructuring strategy of ACTU in the 1980s, largely led by the Metal & Engineering Workers Union (MEWU), was a response to the changing character of international competition that emanated from the global deregulation of financial markets and the consequent increased power and mobility of international finance



Agricultural workers in Indonesia

Photo: International Viewpoint

capital and the multinationals.

In the new deregulated global economy, the power of the state has decreased relative to the power of international capital. The state now has to intervene in a more concerted way to try and create the conditions of international competitiveness so as to attract investment into manufacturing, mining, and agriculture.*

The Indian Ocean regional initiative is an attempt to come to grips with these issues. In the recent past, certain Australian unions have recognised that no matter how effective unions are in contributing to industry restructuring, no matter how far they develop co-operative relations with management in seeking to attain 'best in class' for the company, they have been

forced into a defensive, market-driven restructuring strategy. This has taken the form of reduced real wages and a dramatic decline in strike action - although certain factories in particular sectors have been able to lever higher wage demands following the increased international competitiveness of their own companies.

Despite all the restructuring that has taken place in Australia and despite the resultant increased competitiveness of the manufacturing sector (through a decline in the unit costs of labour compared to other OECD countries), capital in virtually all sectors continues to relocate from Australia to Asia on a significant scale. Hence the manufacturing performance, in the wake of quite dramatic tariff reductions, is contradictory:

- On the one hand, there is the success story of the beginnings of restructured, leaner, more internationally competitive manufacturing in certain instances. This is partially reflected in the positive growth of manufacturing export figures in the balance of payments.
- On the other hand, there is major concern about the growing structural unemployment which is being produced by industry restructuring and which is not simply a reflection of a prolonged cyclical downturn.

The only way to shift from an overall defensive strategy, involving concessions, to a worker-controlled restructuring agenda, is to include, as an integral element of industry restructuring, a programme of permanent borderless trade union solidarity supported by the appropriate structures.

As the Australian unions have become more actively engaged in the Indian Ocean region, meeting with unionists in a range of countries since the May conference, the factors underlying the relocation of Australian industry have become clearer. The region is riddled with 'free trade zones' under various guises. Transformations in the global economy have resulted in a further intensification of

* Hence, Joffe & Lewis - in SA Labour Bulletin Vol 16 No4, April 1992 - are correct in identifying the need to examine the determinants of competitiveness and the trajectory of global change in competition, production and technology, as well as major corporate strategies.

competition between states in the region attempting to attract investment away from existing growth areas to their own special 'havens' for foreign investment. The range of incentives being offered include:

- direct government subsidies and no taxes for up to ten years;
- no import or export duties;
- factory sites built in host countries at their taxpayers' expense and then leased or sold at low prices to multi-national corporations;
- a cheap and 'disciplined' workforce made 'available';
- severe restrictions on trade union rights through state industrial relations practices and through the repression of active trade unionists.

All of these 'competitive business advantages' are combined with the latest technology and with the new managerialism to ensure high profitability and quiescent labour.

If we fail to develop a borderless solidarity that is properly structured and resourced, the conditions of workers everywhere in the region will, in the long term, be reduced to the slave-like conditions of Malaysia, Thailand, Indonesia and the Philippines, for example. In the absence of de-nationalised trade union power, the enhanced power and mobility of international finance capital and the multi-nationals, make this inevitable.

ACTU is taking the lead because this issue is already confronting the Australian working class. The opposition liberal coalition party is planning to deregulate fully the labour market if they win the 1993 general election. They plan to remove a range of basic trade union rights and promote a system of individualised contracts similar to the New Zealand model. In the context of existing capital flows into the Asian region, this will be a major crisis in the trade union movement's history.

South African unions have much to offer

These are the terms of competition that the South African labour movement will also have to address with a similar sense of urgency.

A nonracial democratic state in South Africa will soon face the dilemma of how to expand the manufacturing sector in competition with countries where most new investment is flowing. The option of extending South Africa's home bred, Bantustan 'free trade zones' is untenable. Hence the challenge will have to be met head on.

Over the next ten to fifteen years - the time it took for democratic trade unions in South Africa to become a real force - the strong unions will have to become outward turning and borderless in a systematic, well resourced way, just as the multinationals are borderless in their operations.

SA trade unions will have to assist directly in the development of democratic unions in the region. This means prioritising the allocation of adequate trade union resources to this task in the form of organisers and finance.

The new independent unions in the region are at a stage of development similar to that which existed in South Africa in 1973. Because the South African unions have had to forge union growth under conditions of non-recognition by state and capital, state repression and employer victimisation - conditions which pertain to unionism in the region today - they have much to offer in the construction of a strong independent unionism in the region.

However, there is still some way to go in developing their international work. COSATU's Jay Naidoo remarked on this underdeveloped character of international solidarity work in South Africa, admitting, "I think up to now international solidarity has just been a slogan, or has meant obtaining money and material assistance"*.

The new internationalism

The new internationalism has to be built on the basis of a structured linkage between the strong, highly developed unions such as those that now exist in South Africa and the Philippines, and the fledgling unions in Indonesia, Malaysia, Thailand and elsewhere that are struggling to develop under extremely adverse conditions.

* SA Labour Bulletin Vol 15 No 7, April 1991

The new internationalism should not be about a linkage primarily between the strong unions - a CUT, COSATU, KMU linkage, as some comrades in South Africa have suggested. Clearly the developed unions will form the backbone of any future structure, but that structure must simultaneously include the weak unions that are in the majority in the countries of the region. Without this structured linkage, the terms of competition will not be changed in the longer term.

Effective strategising requires the integration of longer term vision based on defined, realisable objectives with sets of immediate tasks that can be operationalised immediately. We are now living in an age without alternative models but the more developed unions in the South have not yet been infected with the defeatism of the age.

In the countries of the South large powerful union movements have been built from nothing and in the most adverse of circumstances. A vision of an alternative role for workers in society has been a factor in the rapid growth of these movements in Brazil, South Africa and the Philippines. This hope and belief can generate a vision of a transformed internationalism too.

Some preliminary ideas about the vision which may stimulate debate are:

- The new internationalism (borderless solidarity) should be founded upon manageable regional units that reflect the changing global international division of labour.
- Existing North-South linkages need to be complemented by South-South regional linkages that will develop the capacity to take South-North initiatives from the vantage point of a strong South-South block.
- These South-South linkages might take the form of a CUT-led Latin American structure, linked into an African structure through COSATU and an Indian Ocean regional structure, with the existing structure of SPOCTU in the South Pacific.
- As these regional Southern structures evolve there could obviously be Southern Hemispheric meetings across regions.

- There would also be a close South-North regional interactions.

An Indian Ocean Region

The Indian Ocean Region could be one component of a future Southern structure. The following contribute towards a specific regional identity:

- **Geography and history:** Geographically, we are looking at the countries bounding the Indian Ocean [see map]. Geographical position was a factor in shaping common colonial histories. Countries in the Indian Ocean region were mainly colonised by the British, the French and the Dutch. European trade routes passed via the Cape across the Indian Ocean to the Dutch East Indies, South Asia, South East Asia, the islands and Australia. These countries were locked into a particular position within the global colonial division of labour. This in turn influenced post-colonial developments. There are also commonalities in the failures of nationalist independence movements to achieve deep social transformation. A common regional identity is based on these common experiences.

- **Common position in the global economy:** As is the case with Latin America and the South Pacific, all countries in the region are outside of the developed Northern capitalist economies which are the centres of multi-national decision making. Here lies the essential source of a common Southern identity today.

What lends the Indian Ocean region a specificity within this broader identity are the following features:

- Two countries, South Africa and Australia have vast reservoirs of mineral and agricultural riches which are much sought after by the economic giants, together with manufacturing sectors that are struggling to become internationally competitive. There are also the vast, United States controlled oil reserves of the Arab countries.
- The countries of South East Asia, Malaysia, Singapore, Thailand, Indonesia, and to a lesser extent the Philippines, have over the

past decades attracted high levels of investment and have therefore been characterised by extremely high rates of growth across key economic sectors such as electronics, textiles, clothing and footwear, food processing, metals and motor vehicles, and chemicals. These are also countries characterised by repressive state regimes, varied legal and other restrictions on union rights, and the existence of 'free trade zones'.

- Countries such as Burma, Bangladesh, Mozambique, Tanzania, and Somalia, which - for a variety of reasons - seem to have fallen off the edge of the economic globe, find little place within the grand scheme of the new international division of labour. Less stagnant economically but outside of export-led industrialisation, are countries of South Asia, still struggling to define their role in the new economic environment.

In summary, this is a region characterised by some of the world's greatest mineral richness, the highest rates of economic growth in the form of export-led industrialisation, and the most extensive poverty and exploitation, both in the stagnating economies and in the economies headed for 'little tiger' status.

Multi-national corporations and state agencies of countries in the North constantly assess and reassess the 'position' of these Southern countries in terms of the opportunities that they provide.

- **Outside the three powerful trading blocks:** Countries in the region are all feeling the impact of the conflict that continues to intensify between the EEC as European integration is finalised, the new North American free trade block dominated by the US, and the growing dominance of Japan. Trade wars between the blocks, especially in agricultural commodities such as wheat, are beginning to devastate whole sectors.

Countries in the region should be searching for an effective response to the crisis but a majority of governments are under the hegemony of the North to such a degree that

little independent thinking is being generated on these problems.

In the longer term, trade unions could - through forming stronger, more defined Southern regional identities - contribute to a more independent stance on trade issues.

Developing a coherent and effective solidarity strategy

The evolution of the Australian union solidarity strategy is a direct response to problems arising out of industry restructuring. There is a growing recognition of the closely interlinked struggles of workers in the Indian Ocean region and the struggles of Australian workers to maintain what has been won. Unions recognise that solidarity is not a one way street. Economic globalisation has now organically connected struggles, removing the



Promoting international solidarity: Philippines sugar workers host an international sugar workers conference in 1986

Photo: International Labour Repc

potential paternalism of strong unions towards the weak and changing the very basis of solidarity.

This point should not be lost on the South African unions as their union strength brings them gains on the wages front. Fellow workers in the region lag far behind.

When the new democratic state in South Africa is forced to deregulate, South African workers will feel the effects of the ultra-low

wages and the tax and other incentives available to capital. South African workers will then know why new investment is not coming to their country, despite the new co-operative strategies being adopted.

To move beyond the dead end of a defensive, nationally-based industry restructuring, South African trade unions will need to extend their horizons through an outward turning policy at many levels.

The Australian unions are turning outwards and developing solidarity in the following ways:

Research and information

Trade union research in Australia has, of necessity, been locked into the problems of restructuring and training. However, as a result of the relocation of factories into Asia, individual unions such as MEWU are beginning to recognise the need for research into capital flows and the reasons underlying investment decisions.

The Indian Ocean initiative has begun serious research in this area that will be presented and analysed by the unions at the next regional conference in December. This research is already influencing the national strategies of individual unions. MEWU has adopted the Social Code of Conduct on Australian investment in the region drafted by WATLC. This is now the official policy of MEWU.

Social Codes of Conduct

The Social Code of Conduct focuses on Australian companies investing in the region and on the labour practises of companies producing and exporting cheap commodities into Australia.

The Code details a series of very specific organising rights. It is not a paper code. The policy is the basis of strategic action.

This is where the Indian Ocean regional initiative is so crucial. Through establishing a network of contacts with progressive unionists

in the region, particular factories in particular countries are being targeted after close consultation with the leaders of the embryonic unions.

The struggle to win freedom of association and the right to organise, is not being debated in the abstract, but is arising out of campaigns to organise. The demonstration effect of a breakthrough in one or two factories will further the national debate in these aspirant 'little tiger' economies that are trying to engineer growth on the basis of tight labour controls.

We all know that this strategy - based on the EEC Code - was relatively successful in South Africa in the 1970s. Such an approach lends itself to direct union to union linkages similar to the SACTWU/ACTWU experience*.

Shop steward education

Regional issues are being incorporated into routine shop steward training on industry restructuring. Workers are being exposed to the nature of economic integration in the region and how this is evident in downward pressures on wages and conditions in Australia. This is an opening to explore the rights and conditions of workers in the region.

We have found that ordinary Australian workers are responsive. Growing consciousness at this grassroots level helps towards the achievement of a degree of financial independence in the construction of the new internationalism.** Over 50% of the finance for the first Indian Ocean Regional Conference came directly from the Australian unions. This was the product of a concerted grassroots campaign that simultaneously raised consciousness.

Workers do not commit their finance unless they understand and become committed to the issues. We did not look for handouts that almost always have strings attached, particularly when a project is at an early stage of development. Grassroots work is therefore the foundation of the proposed regional initiative.

* see SA Labour Bulletin Vol 15 No 7 April 1991

** Peter Waterman stressed the importance of this in SA Labour Bulletin Vol 16 No 2 Nov 1991.

New regional trade union structures and the ICFTU

In the longer term there is a need for a properly constituted regional structure in the Indian Ocean similar to the SPOCTU structure in the Pacific. Developing effective solidarity requires some form of organisational support. Such a structure would play a leadership and co-ordinating role in fostering research, computer based networking, relevant union to union contacts in relation to investment flows, and action centred on the Social Code of Conduct.

A critical issue likely to emerge in the future is the relationship between this regional initiative and the ICFTU.

ACTU is affiliated to the ICFTU and, as such, would prefer to see a future Indian Ocean regional structure being integrated into the ICFTU in the same way that SPOCTU is. ACTU President, Martin Ferguson, sees a future Indian Ocean structure as strengthening, rather than undermining the ICFTU in the region by providing "practical trade union assistance to emerging unions".

Since the Australian initiative is based on the need for solidarity arising out of globalisation, the foundation has to be based on independent unionism. Building such action on state and employer dominated unions would have been absurd. The principle criterion of selection of participant unions has been their democratic, independent and grassroots character. In many countries, this orientation is still fragile.

Major difficulties with the ICFTU

The major difficulty with the ICFTU is that many of the ICFTU affiliates in the region are discredited within their own countries. They have in many instances been part of the state and capital's strategy of controlling labour. Independent unions perceive many of the key officials of these unions as being corrupt.

The ICFTU alliance with this type of unionism in Asia has much to do with the pressures of the Cold War. There are indications that the ICFTU in the region is

beginning to debate these problems.

In the short run, these contradictions may well create tensions with the ICFTU. The challenge is to resolve these tensions in a creative way that furthers the development of the new internationalism.

An Australian view would be that it is important to fight for the transformation of the ICFTU rather than cementing divisions through attempts to establish an alternative new international.

There will however have to be an openness on the part of the ICFTU. This may prove difficult as there are vested interests on the part of many ICFTU affiliates. In this process, strong union organisations such as COSATU and ACTU can play a constructive role. The need is actively to support the growth of independent unionism in the region and then work through the consequences.

Urgent and practical construction of the new internationalism

Time is not on the side of the working class. Issues need to be resolved, priorities need to be established, resources need to be allocated.

The objective conditions of working class struggles in Johannesburg, Melbourne, Manila, Karachi and elsewhere in the Indian Ocean region are converging. International finance capital and the multi-nationals seek a consistency in wages prices and taxes that transcend political boundaries. Our most effective response is to develop organisation and generate active solidarity that is borderless.

The democratic trade union movement in South Africa was not forged through fine debate but in the tough arena of action and conflict. This hard road to the new internationalism is leading the Australian unions to a rediscovery of their historical solidarity tradition that placed action at the forefront. This tradition will be a significant part of the union movements' armoury as they prepare to confront the neo-conservative onslaught in the coming years. ☆

"I am calling all our trade unionists to join hands and give attention to gender issues. It is quite evident that problems relating to this are always being discussed, solutions are suggested, but somehow never implemented."

- Edna Sethema, SACCAWU

My election as the first vice president of the South African Commercial and Allied workers Union (SACCAWU), as well as the employment of a woman to do full time gender organising work in the union are but a few steps in the correct direction. Our aim is a situation whereby all can participate fully in the union irrespective of sex.

As a member of SACCAWU, I am first of all calling all our trade unionists to join hands and give attention to gender issues. It is quite evident that problems relating to this are always being discussed, solutions are suggested, but somehow never implemented.

During the early stages of my membership in the then

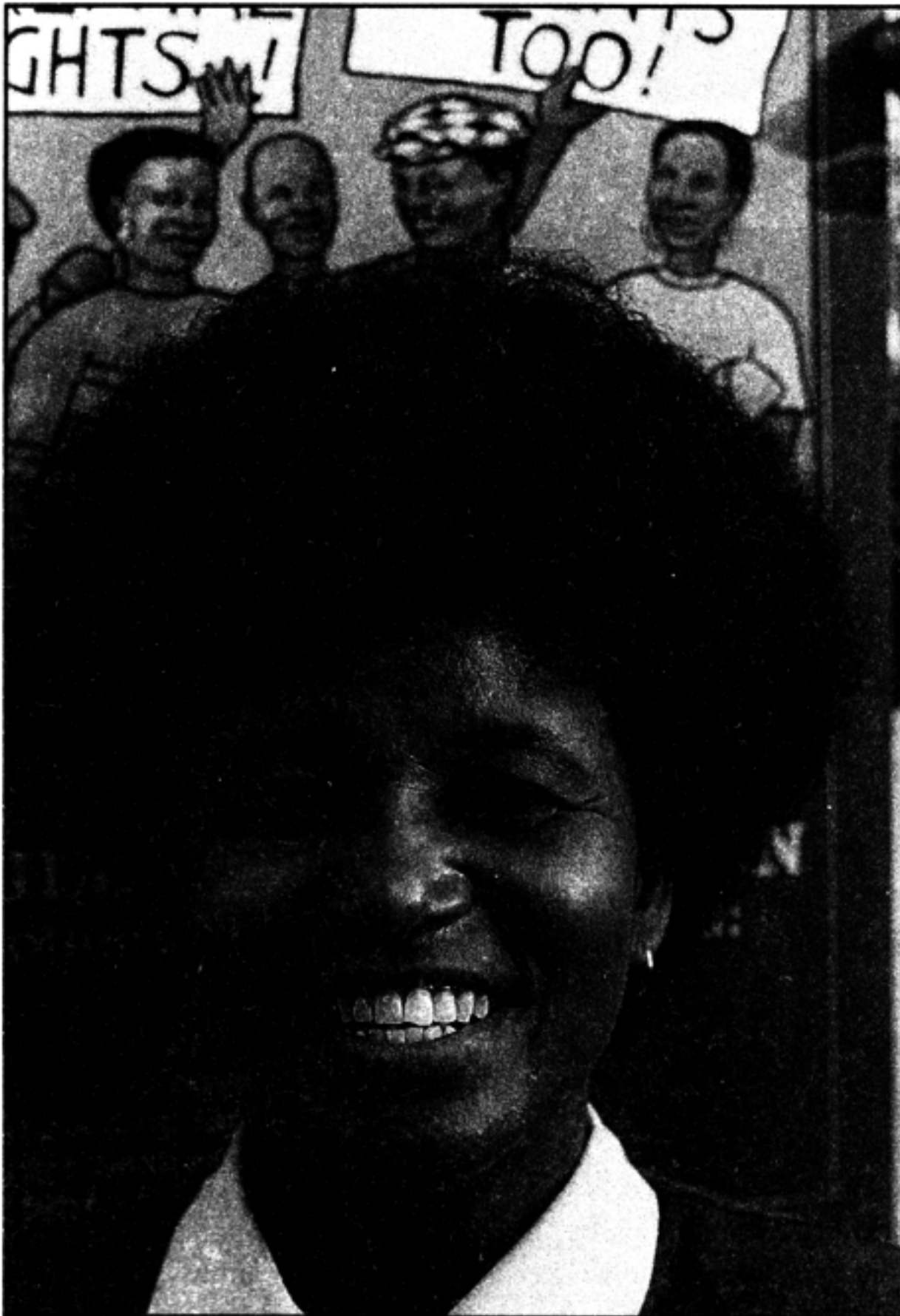
CCAWUSA, we used to have the strongest and most resistant leadership positions at shopfloor level occupied by women. To get our campaigns and actions consistent and effective we needed - and we still need - strong leadership moving with workers especially at this level.

The main problem our women members had was attending meetings. This part of the problem is supposed to be improving noticeably as our struggle continues and our enemy becomes more sophisticated day by day. However, there is very little improvement. Instead, committed women start striving for leadership positions, rather than the full participation of all women.

I was thrilled by the resolution taken at our last COSATU Congress on gender issues. This is an opportunity that women will have to use. They have to fight against anything that displaces gender related issues from the agendas of meetings and make sure that decisions taken are implemented. I believe women have to take the initiative to ensure that their voices are heard.

Our women can be sure that we will develop the understanding of men. The most important thing is that we need to see men as our fellow comrades, develop with them, and together face our struggle.

Women are the back bone of our organisations and yet



Edna Sethema

Photo: Morice/Labour Bulletin

they keep to the back seats. SACCAWU has a potential membership which is dominated by women. This is because our sector of organising is at companies and stores whose *modus operandi* is based on work which is classified as so-called 'female work'. What surprises us is that, irrespective of the above fact, our leadership is predominantly men.

Our union is organising a national gender seminar,

which will be held on 15-17 May 1992. It will be attended by delegates across the sex barrier. My few recommendations for the success of a gender campaign would be as follows:

1 All trade unions and democratic formations should first and foremost embark on an education campaign, which will be intended to get rid of the sexist mentality from the male persons in particular and the community

in general.

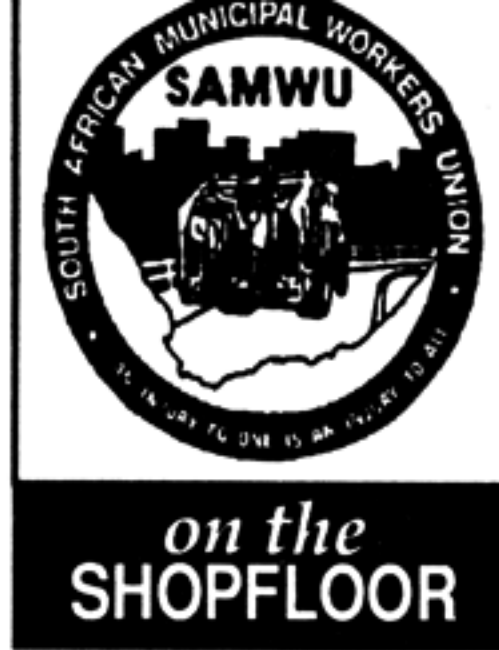
2 Meetings of unions, as well as other democratic formations, should be held at times, days and venues, which are convenient to both men and women.

3 Parents, when bringing up their children, should be advised to stop or avoid inculcating the idea that men are physically and mentally superior to women. They should start to teach and practically involve girls in doing gardening, wood work and looking after the live stock. Boys should be taught and also be practically involved in cooking, washing clothes, carrying babies on their backs and cleaning the house. The idea of selecting dolls for girls, toy cars for boys, and bright clothes for girls and dark and tough clothes for boys should be stopped.

4 To close the gap which has been created by the long legacy of female oppression, domestic duties such as cooking, cleaning the home and looking after the kids should be done by both men and women. Men should especially do so to allow their women to attend discussions, reading and attending education work shops.

5 The total solution to the problem, however, is when the capitalist system is totally destroyed and replaced by a more just society.

Unless the above mentioned problems are addressed, the gender campaign will end up as mere rhetoric. ☆



Racial discrimination in the workplace: SAMWU workers speak out

"We as workers from the South African Municipal Workers Union (SAMWU) are still seriously affected by the racial discrimination which has been going on for years in our sector. In the local authorities or municipalities we are faced with racial discrimination in many different forms."
- Sonnyboy Matsoso, Molapi Mathibe and Richard Spalding

Problems getting into local authority employment

First of all, even to get into the local authorities, whites are always favoured. Management offers employment but the councillors are the ones who take a final decision as to who is to be employed after interviews have been conducted. They disregard the knowledge and practical experience that black workers have accumulated on the job, and will employ whites just because they can submit formal education papers.

This demotivates us. Even if we have the chance to study and improve ourselves on the job, we know that in the end we will never be considered.

Blacks train whites and often do their jobs

Racial discrimination is so naked in the municipality. You find that a white worker who comes in simply with a standard seven will be given a responsible position immediately. We have to take the responsibility of teaching them the job - and yet they earn more than we do, and then they boss us around and can eventually even fire us.

We are very concerned about whites who are recruited and don't have the necessary skills and knowledge. Often they cannot do the work and black workers do their jobs for them. All the whites do is ask "waar moet ek teken?" (where must I sign?).

Blacks always have to start 'at the bottom'

As a black worker in the municipality, irrespective of your qualifications, you have to start at the bottom. You are told that you have to work your way up the ladder. Promotion is a long and arduous process.

This discourages people. That is why black people, even from universities, don't go into the public sector because they have to start at the bottom, irrespective of their qualifications.

Senior positions in the municipality have always been reserved for whites. A big fight from the workers' side has led the local authorities to change their

strategy. Nowadays, if there are ten vacancies, eight of them will be filled by whites and the remaining two will be for blacks. Then they proudly proclaim their "model management!"

We are convinced that the local authorities and the Ministry of Local Affairs are not committed to change. It is only our relentless efforts and pressure that will force them to really change.

Selection for training

We also continue to have serious problems when it comes to the selection for training for skilled jobs. Knowing very well that black workers are educationally disadvantaged, employers set high minimum qualification levels. This disadvantages the black working class and opens doors for whites to fill the posts or go for further training.

We think that blacks who have been doing the job for years must be entitled to go for training even without 'papers'. There must be a balance between experience and formal qualifications.

Retraining not retrenchments

Today many blacks are being retrenched. We say that there is no need for this. Management should see where vacancies exist and if, for example, someone has worked in the cleansing branch but there is a vacancy in roads, that person should be trained in roads. Rather than sacking people, there should be training on the

job and retraining to utilise the capabilities of a person in other fields.

Racial favouritism and corruption

Councillors are supposed to be politicians looking after community affairs. However, many of them want to interfere in our work places. The majority still believe a white worker is better than a black worker, and they get their white friends to come in and work in the municipalities. So, apart from racial discrimination, racial favouritism is also rife and there is lack of accountability.

Corruption is rife in the municipality. We have to fight so that the trade unions are involved in the appointment of consultants to study and clamp down on this. We believe that in this way we could begin to get rid of the corruption and racial favouritism that is rife in our sector.

We would like to see the black and local authorities being disbanded, so that we can have a negotiated interim forum for the transitional period.

How will this be changed?

We believe that racial discrimination at the work place will never be solved only through parliamentary legislation.

Racial discrimination is not something that came by nature or law. It is something that the bosses created.

In some councils or local authorities, there are people

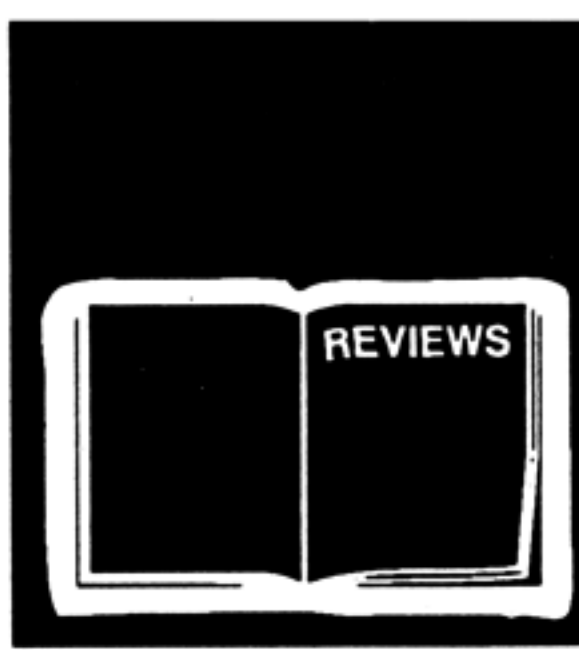
who are keen to change but there are others who are not.

We don't believe that there is some sort of institution that can change people's perception or racial attitudes. We don't believe that we should go to parliament for people to change. We believe that workers should fight for their rights, because it is their right to be recognised as human beings and as workers and be treated equally, regardless of colour, race or creed.

At the end of the day, we believe that if we are really prepared to fight for our rights, people will understand that these are our rights and they will start accepting that.

The position is that for years there was legislated apartheid. Despite the fact that the legislation has now been removed, the attitudes remain. Today workers still feel that a lot of window dressing takes place. Racial discrimination at the work place is just more subtle.

From our perspective, the need is not only to look at what the law enshrines. The processes of humanising the workplace is important. People's attitudes and their perceptions, their understanding that the community as a whole must know what is done in the workplace, are important and an ongoing process. It will take time: in some cases a bit faster and in other cases slower, depending on the attitude of management and those who control the local authorities. ☆



PATRICK BOND, *Commanding Heights and Community Control* (Ravan Press, 1991)

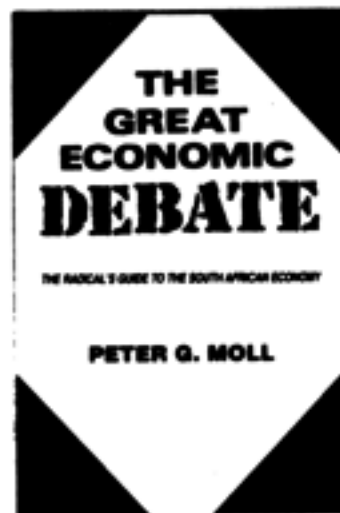
KEITH COLEMAN, *Nationalisation: Beyond the Slogans* (Ravan Press, 1991)

PETER MOLL, *The Great Economic Debate: The Radical's Guide to the South African Economy* (Skotaville, 1991)



PETER MOLL, NICOLI NATTRASS & LIEB LOOTS, EDS (in association with the Economic Policy Research Project, University of the W Cape), *Redistribution: How Can It Work in South Africa?* (David Philip, 1991)

*Reviewed by BILL FREUND**



Since February 1990, and especially since the genuine prospect of a new political dispensation has been in our sights, something called the great economic debate has filled many pages of our newspapers and magazines. Several authors have also produced short books as interventions in this debate - occasioned by the possibility of major changes in economic direction and structure in South Africa. In practise, the thrust of much of what is under review here has been to emphasise instead the

limits on change and the constraints that channel the range of choice.

Even those readers who are not very happy with the thrust of these books can learn a lot from them and will appreciate that a number of researchers are trying hard to explain difficult ideas and to explore complex challenges in comprehensible English.

All of these books are enriched by the consideration of many examples of economic policy from other parts of the world, while Patrick Bond devotes much of his short book to considerations on South African economic history.

We need far more debate on these issues: both in the sense of economic refinement by the experts, and in the sense of involvement by an ever-larger informed public. All of the books considered here are useful tools in the development of such a process, and their authors deserve considerable credit.

* Professor of Economic History, University of Natal Durban and member of the Economic Trends Research Group

I 'Revolutionary change is not on the cards in post-1990 SA'

The first is that South Africa does not actually contain revolutionary possibilities at present - an assumption of all but one of the authors here reviewed. Revolution is not on the cards in terms of post-1990 politics in South Africa.

Without revolutionary prospects, the range of possibilities alters dramatically. It is not possible to reduce all economic issues to rational choice. Some of them ultimately revolve around political power, around class struggle and look fundamentally different to different sectors of society. Reference to the model of Russia 1917, of China

1950, of Cuba 1959, of Mozambique/ Angola 1975, would only make sense were the old power in South Africa genuinely on the point of collapse or disappearance, and there is little to suggest that this is the case.

Furthermore - as some of these readings make very clear - even were local forces shaping up in such a direction, the context of revolutionary change in today's world is highly unfavourable. Socialism as an international movement and as a total system has, for the time being, been discredited. Powerful regimes willing to combat international capitalist forces have collapsed (and on the demands of their own populations). A South African revolution could, therefore, only be accompanied by local devastation, with massive emigration of skilled people and capital flight, as well as in the teeth of international hostility. It would at best be a harsh, militantly

There are three basic truths which these works contain as fundamental shaping points around which this review will be structured.

I
'Revolutionary change is not on the cards in post-1990 SA'

II
'There is not enough wealth for an affluent life for all'

III
'Nationalisation does not have a good chance of helping the poor'

policed 'barracks socialism'. Such a militarised socialism could organise a society with a high degree of equality but at a low level of consumption and with few prospects for accumulation and development.

The alternative, however unwelcome to advocates of class struggle, involves conciliating much of the bourgeoisie and giving the South African middle-class of all colours a way forward.

Contradictions of capitalism?

Patrick Bond is the only writer here reviewed who does not assume the situation as sketched out above, and who considers a drastic break with present structures. Bond can be described as a catastrophist. He thinks*

that capitalism is being torn apart by its own contradictions and will in time implode. Bond relies heavily on a concept of *crisis* linked to *overaccumulation*, whereby capital becomes overburdened with more and more expensive and sophisticated technology which cannot repay the capitalists who have installed it.

This concept is also linked to the idea of a crisis in credit which will eventually seize up and ruin the creditor. Bond is particularly concerned with the question of concentration of power in South African business and the need to destroy that power which for him is inextricably linked to the overaccumulation process. Bond is certainly faithful to Marx himself in believing that the logic of capitalism itself applied to "production, distribution exchange and consumption" can only lead to insoluble crisis.

* in common for instance with the New York-based MDRV/Monthly Review school

Is there evidence of an impending crisis of capitalism in South Africa?

● **Concentration of economic power?** There has clearly been a massive investment in technology, especially in capitalist agriculture, that can only be sustained by a bottomless pit of money, dependent on state support. Certainly the concentration of economic power in South Africa is undeniable, but does all this add up to a fatal crisis? It is questionable whether South Africa is "a financial Titanic" on which other writers are just rather pathetically trying to rearrange the deck chairs, according to Bond (p 89).

● **SA's debt crisis?** We are suffering seriously from lack of investments, and tight credit and high interest rates are partly to blame. However, South Africa has been unusual amongst the countries of the world in substantially reducing the international debts it built up before 1985. It is far from being, in absolute or relative terms, one of the world's top debtors any more. Exports have increased substantially - despite the declining profitability of the gold mines - putting South Africa in positive balance of payments with other countries in recent years.

● **Property values declining?** These have risen after 1990, following the abolition of the Group Areas Act, at first quite dramatically although there has been a sag lately. The Johannesburg Stock Exchange offered amongst the few profitable overall investment opportunities compared to other world stock exchanges in 1991, again despite Bond's prediction. South African business profits are certainly not negligible (especially as measured in Rands) and, in the present severe world recession, South Africa is far from the worst performer in the world.

'Preventing' or 'hastening' collapse of capitalism

Even though the prosperity of affluent South Africans may be structured in a way that

excludes the poor - something that creates an ever-growing *social* crisis - this is not to say that capitalism, here or internationally, is about to implode or to collapse under the weight of its contradictions. There are good reasons why, as Bond correctly states, the ANC and even the SACP, are very anxious to prevent South African capitalism from falling into a deep crisis and why they feel obliged to respect its strengths, especially within the present world conjuncture.

Bond's cry of "community control" and "self-reliance" in isolation from that conjuncture is the least satisfying part of his book. It is only sketchily developed. He is absolutely right to emphasise that "what the majority of black South Africans call for is an economic programme aimed at basic needs" (p 83). However, he is not convincing in suggesting that the collapse of South African capitalism is imminent and that such a programme would best be served by hastening such a collapse. Nor does he present a worked-out coherent concept of *community*. If (as I suspect) he cannot do so, he will have to deal with tough questions - of priorities, organisation and choice in the context of limited resources - a much more challenging format with which to deal.

II 'Not enough wealth for an affluent life for all'

Although South Africa shows drastic differentiation between rich and poor* this does not mean that there is enough wealth to make an affluent life for all. As Peter Moll incisively reminds us: if everyone were made to live on a completely equal standard, the average living standard - the GNP per capita - would give us all a little below the average for coloured South Africans. The good life most whites experience depends on their being a relatively small minority of the population. South Africa has far too many very poor people and too few very rich people for this to be otherwise.

* differentiation that has, however, become somewhat less extreme and is no longer the worst in the world as a result of changes over the past twenty years

Therefore, for the reformers in the volume edited by Moll, Natrass and Loots, and for Peter Moll in his own work, the starting point is *how to combine redistribution in a way that will not hamper, but in fact encourage, long-term economic growth*. Far from living in isolation from the world - as Bond thinks is largely possible - they see South Africa as needing to export effectively and produce efficiently in tune with competitive world markets.

Businessmen often favour rhetoric that simply advocates going for growth with a few vague platitudes about redistribution. Peter Moll writes much that effectively shows up the silliness in the shrill free market lobby in our financial press. He points out that business insistence on targeting growth before all else is convincing only because business spokespersons propose improbably high growth rates (10% pa and higher); rates so high that - were they to occur - even the poor would do very well.

In fact, realistic growth rate projections, based on the best in our past experience, or the study of any serious international comparisons, are going to be far lower (say 4% pa) and would have to be sustained for a long period to have a real effect. So, policies aimed at redistribution for the poor are going to be necessary from the start. The limited benefit the poor got during the years of the long boom in South Africa around the 1960s (as the interview Coleman includes by Joe Slovo points out) was hardly an advertisement for trusting to growth and redistribution under present management.

Relation between growth and redistribution

Reformist capitalism used to have a powerful and effective model in Keynesian economics whereby deficit spending by government, beyond its official budget, could be turned on and off in response to problems such as lack of private investment and unemployment. This approach has been ever less effective in recent years throughout the world. In consequence, the relation between growth and redistribution in capitalist economies has become less and

less sure.

Moll on his own, and in company with his colleagues in the edited collection, is grappling with this problem. Many of them could be described as *post-Keynesians*. A number of essays raise the typical Keynesian policy issues with regard to a large variety of policy tools: for instance Lieb Loots on tax systems and Andre Roux on employment creation. All are trying to find means that will benefit the poor and increase the sums available to the state for welfare expenditure, while not loading the state with unacceptable debts or simply leading to capitalists subverting well-meant plans: for instance by evading tax payments, or refusing to invest in South Africa.

None is completely convincing as to the realisation of these goals. Roux, for example, is honest enough to say that "none of the alternative growth path strategies that were under consideration by the major actors in the economic policy debates in the 1990s was clearly superior in terms of its employment creation prospects" (p 118).

Targeting the beneficiaries of redistribution

In this context, targeting the beneficiaries of redistribution itself becomes problematic as choices must be made. Peter Moll, for instance, and in company with most of the writers in the collection, defines redistribution in a particular way, from the perspective of the poorest 40% of the population. Thus his problematic is the removal of the worst kinds of misery and deprivation as suffered particularly by rural people, households headed by women and those without steady jobs. Realistically this means he offers little to organised workers, including black workers, who do not fall into that category - beyond the general advances that will gradually accrue as the economy expands.

The point about 'very poor people' deserves some further comment. Behind the frequent sensible calls for coherence, practicality and optimum planning, lies a worrying kind of confusion, reflected and perhaps even caused by the vagueness of the class analysis in use. On the one hand, there is a tendency to want to

do something for the very poor (primary health care, primary education, aid for the informal sector) as a chief policy. Much sympathy is expended on the extremely deprived. However, it is not clear whether this will represent a legitimate drain on the budget or a set of policies that could feed into economic development.

Sometimes there seems to be a recognition that - developmentally - the more effective recipients of state support are the somewhat more prosperous. Thus Terence Moll thinks it is the "new and important strata" - such as the potential rich peasant elements - who quite properly will benefit from land reform (p 21). However, he is not happy to favour equivalent individuals from the working class, or processes that might favour them: for example, the creation of large-scale, modest but acceptable quality public housing that would benefit mainly the steadily employed working class family in the city (and the more capital-intensive end of the building industry). He specifically condemns nationalisation of industry as a strategy because it would be apt to benefit what he calls the "middle classes", meaning in large part those with secure industrial jobs (in Moll, Natrass & Loots p 7).

Effect of unionised workers

Peter Moll (p 48) points to two key factors that make for greater equality: unionisation of the work force (with regard to the more low-paid workers) and educational development. However, the further he proceeds the more problems these present.

It is not made clear how in South Africa we can very effectively create jobs for the unemployed and unionise those who work outside the industrial or commercial sectors. The impact of mass unionisation on flexibility in the workplace that bosses want - and which may be a requirement imposed by the adoption of new internationally competitive technology (and vice versa) - is not considered.

In fact, in the co-edited collection, contributors stress that in South Africa unionisation has only had a limited impact on wage rates, and they seem not entirely in agreement with Peter Moll on the subject.

Moll counsels unions to emphasise industrial co-operation and innovation, in taking the Japanese labour force as a model (p 152). He doesn't discuss the history of the taming and re-orientation of that labour force away from politics and radical aspirations.

None of these issues is really discussed in the systematic way that is essential. It is possible to envisage a high level of unionisation, wages and reasonable labour relations only in the *context of an articulated state-brokered social compact*. This crucial element, without which the argument contains too many contradictions, is not taken up by Peter Moll. If one looks through the arguments of his colleagues in the collection, the issue gets even more diffuse and confusing.

Delivering education and health services

However, one of the positive features of Moll and his colleagues, is their attempt to make a qualitative assessment of delivery in areas such as education. There is widespread agreement on the need to build skills and improve the state of education. Yet, as a number of the authors point out, South Africa already has a big educational budget. It is not clear that increasing that budget will improve the schools. Instead, the real problem in education is *qualitative*.

It is essential to have an education system that emphasises individual initiative, not rote learning and certification, and that promotes and rewards excellence. It must at the same time provide growing familiarity with the contemporary tool-chest of ideas and technology at hand (see Moll, p. 135).

Moll insists, I think unconvincingly, that primary education needs all-out emphasis at the expense of other sectors. But, surely, the quality of primary education cannot improve except in conjunction with corresponding and related improvements elsewhere? Only highly-trained and motivated teachers can make the difference.

The point about quality, as opposed simply to budget allocation, is made in an essay by Natrass and Roux in the edited collection with regard to the present health system: "...there seems to be no rational basis for allocating spending. Rather than expenditure being a

function of need, it appears to be dominated by the demands of existing bureaucracies and a preference on the part of medical personnel for a more capital-intensive curative approach" (p 93). This is the fundamental problem and it is neither unique to apartheid nor to capitalism. Simply throwing money at existing structures will be an inefficient way of improving matters.

Role of an 'effective' state

Beyond this question of changing the orientation, as opposed to the size, of the budget in key areas of state expenditure related to redistribution, Peter Moll himself provides a variety of valuable suggestions in many areas, most of them requiring state initiatives:

- introduction of an effective inheritance tax;
- land reform (aimed however at a potentially effective agricultural producer population);
- firm-based upgrading of worker skills.

In short, he produces a set of relatively modest proposals that are what he considers to be "realistic redistribution".

"What matters most" he argues, "is not the level of government spending but its quality and direction" (p 120). The state must be made more honest and more accountable.

The edited collection of articles on redistribution resumes the theme on the need for an effective state that supervises a process of *balancing redistribution with growth inside a basically capitalist economic structure*. The common enemy, they argue, the dragon to be slain, is "macro-economic populism". In other words, a new government must be wary of spending its way to popularity, of minting money and creating jobs regardless of their relationship to productive activity. According to Terence Moll, "one extreme to be avoided is sudden, drastic rises in worker living standards: rarely do they have corresponding political pay-offs. They create expectations for more such rises, which are rarely possible. They lead to reduced support when (as often happens) they must later be partly reversed, and they do little for very poor people" (p 38).

On the one hand, the point about state effectiveness and re-orientation seems absolutely crucial to me. On the other, some of

the authors such as Terence Moll seem so obsessed with efficiency that one wonders if the redistributive initiative would not be lost were his advice to be taken up. The collection, as well as Peter Moll's book, lacks sufficient prioritisation and structure beyond constant insistence on good housekeeping.

III 'Nationalisation does not have a good chance of helping the poor'

One strategy for which all the reformers have little time is nationalisation. It no longer seems to be seen as a major instrument for solving South African economic or social problems - even though all the authors reject the cruder privatisation strategies that often appeal to politicians and businessmen.

The conclusion to the Moll *et al* collection states that "it would be naive to assume that nationalisation has a good chance of helping the poor" (p 132). Even Bond, it must be said, puts little emphasis on nationalisation.

Keith Coleman, by contrast, makes the nationalisation issue the heart of his contribution. His book is an excellent guide to the history of nationalisation. He does not focus on it as part of a revolutionary expropriation of the property of a defeated class. Rather, he looks at it within the broader context of capitalist economies where it has often been a useful tool of state policy - although certainly no cure-all for social problems. As Peter Moll writes, the large role of the state in Brazilian industry certainly offers little to the worker compared to the small role of the Swedish state in owning industry.

Coleman explains how and why a nationalisation programme would have to be very carefully strategised and targeted.

- An effective state industry cannot keep workers on the payroll in an inefficient manner. It has to be innovative and competitive.
- The nationalised firm could not afford to dispense with highly-skilled manpower or to remunerate such manpower poorly.
- Nor could such firms avoid the application of internationally competitive

state-of-the-art technology.

- The state would not be able to seize private property without significant compensation, unless it would be prepared to take severe international consequences.
- Nor should the state take advantage of monopoly status to fatten up at public expense.

SACP alternatives to nationalisation

The touchstone for Coleman is a long interview with Joe Slovo of the South African Communist Party. At the start of the interview, Slovo forthrightly says that "the SACP has rejected the prescription of nationalisation as part of the programme of the party" (p 146). In effect, he overturns the Freedom Charter clause which can be seen as something of a millstone around the neck of the ANC and SACP.

However, Slovo does see the case for state intervention in flexible and varied forms within industry and other capitalist enterprises. He defends the broader case for state intervention largely for two reasons:

□ **The need to overcome worker alienation and to bring workers into the decision-making process of firms:**

For this to have any meaning, however, one has to underscore a point that Coleman and our other authors make in a variety of ways: the need for skilled and committed state servants to act as effective *regulators* of industrial behaviour, rather than party loyalists presiding over a gravy train *in the name of 'the workers'*.

Whether South African technocrats aiming at a national purpose higher than an employer's desire for profits *can* moderate the economy effectively is questionable. This is crucial in terms of whether nationalisation (or indeed any form of state regulation) can work as a strategy. Also needed would be rules that would enable worker participation in decision-making to be meaningful and satisfying.

□ **Power, defined in terms of the overweening influence of the giants of the South African economy:**

Slovo is, in my view, quite right to wonder whether the present big corporate players

are not avoiding the sort of long-term and imaginative investment strategies that could lead to expansion of skills and markets in South Africa.

Slovo's kind of strategy, however, would lead towards anti-trust legislation, breaking up the big companies into smaller ones, rather than towards nationalisation.

Problems about state interventions

But the state can also be inefficient and arrogant. It can be argued that further nationalisation of industry and other sectors of the economy depends for its logic almost entirely on whether a well-tuned development state could solve development blockages in our situation. The question of the relative efficiency of the conglomerates and the potential of state intervention in re-directing investments is the critical one here.

Also important would be the price tag around full or partial nationalisation. Certainly there is no reason, on the basis of any of the contributions under review, to imagine that nationalisation by itself will open any doors to a better life for the mass of people. And there is good reason to think that it can backfire easily as a strategy. The worst case surely would be lumbering the state with massive debts to repay on nationalisations, while the management gets to use the excuse of state ownership to act in an incompetent or dishonest or oppressive manner. Unfortunately, and notably in Africa, there are very many examples of exactly such a scenario.

It is a curious lapse in the great debate that there is little or no discussion of nationalisation from the point of view of imperialism, dependency and its avoidance. Most nationalisations in Africa, Asia and Latin America have been *nationalist*: aiming to promote national interests. Even in Europe, nationalisation has been linked to the need for the state to serve as economic ringkeeper, innovator or honest provider of services that cannot really operate competitively on a market basis (railways, electricity, telecommunications).

The whole question of South African

dependence on foreign investment, markets and technology is very largely avoided in these readings. It is an issue that will have to be opened up, as well as that of the impact of South African capitalism on the much weaker countries of the region, as we consider the future direction of the economy.

Consideration about whether a nationalised firm would have a positive effect on the way workers interact or are treated is pretty conjectural in these works; and it would have to be - nationalisation has rarely been about such issues.

Are there other approaches to economic policy possible?

Peter Moll is not correct in asserting that the strategy usually labelled as "growth through redistribution" is simply the indigenous variation of "macro-economic populism" - that is uncontrolled spending - although it is true that it could degenerate into that (Moll, Nattrass and Loots p 130). A key difference between Moll etc. and the Economic Trends (ET) group, which has become associated with this slogan, is that ET accepts the notion of crisis in South Africa, if not in the cataclysmic form that Bond articulates. ET also insists on indicative planning that will *reshape the orientation of the economy*, perhaps through breaking up the stranglehold of the conglomerates on investment funds. Moll is wrong to see only its emphasis on so-called inward industrialisation. Growth of this kind will clearly have to involve improving skills and learning to export in an integrated growth path.

Peter Moll is sceptical about the possibility of mass housing as a kick-start or engine of growth that could link up to the needs of the masses and stimulate basic skills and employment, something which has often been posited as central to a Growth through Redistribution strategy. The prospects are in fact still uncertain and relatively unexplored. The kind of housing involved, the relevant technology, etc. would be key determinants.

However, there are the broader questions of

- creating a much larger skilled market for labour;

- setting up an affordable if very basic system for social benefits that combats the horrific kinds of anti-social behaviour to which the poor or desperate turn;
- including millions more in a less barren consumer society which can stimulate goods production;
- developing an appropriate research and development component in industry.

These are challenges economists dare not avoid even though *they must be linked to a strategy for economic growth*.

Conclusions

The real limitation of Moll and his colleagues - through their modest and uncertain views on state intervention - is to take production and growth too much on business' terms. They are too ready - valuable as most of their qualifications are - to confine themselves to fiddling about with what slack space may remain from improving tax policies or saving on military expenditure after making business happy.

Unwillingness to consider structural change, reluctance to paint with a broad brush with regard to goals, uncertainty and confusion as to prioritisation (beyond the negative prescription to avoid unproductive spending): those are the real limitations in the books by Moll, and by Moll, Nattrass and Loots, although it should not take away from their many important insights.

Coleman gives an excellent introduction to the subject of nationalisation but he shies away from ever telling the reader why and what form nationalisation should take in South Africa. Given the way one hopes his book could be used, it is strangely neutral and lacking in focus beyond applying the rules of good housekeeping.

Bond provides some excellent critical insights, but his alternative is only too comprehensive and lacks a solid basis for planning any sort of reconstructed growth path.

None of these books has the answer but all are helpful in raising the right questions and moving readers forward in a debate that is hopefully only at a fledgling stage. ☆

A look at the law *on Pension Funds*

Introduction

Most South African workers have not had a happy experience of pension funds. This is particularly true for workers employed in industries with industrial councils. They will have found that on dismissal or departure from the industry all they received from the fund was their contribution to the fund with interest as low as 2%.* The fund kept the employers' contribution. They would have been better off putting their money in the bank.

Background

In 1981 pensions were the hottest labour issue. Over 30 000 workers engaged in a total of 27 strikes to protest a proposal by the government to pass the Preservation of Pensions Bill which would

have prevented workers withdrawing their benefits, however small, when leaving a job. This policy of "freezing" was meant to force workers to leave their benefits in pension funds until retirement when they would be able to receive a pension.

The response of unions and their members was that pensions were a luxury that poorly paid workers struggling to meet their immediate needs could not afford. This preference, to have money available at times of dismissal or immediate need, led to the unions formulating the demand for the development of more flexible provident funds and for the transformation of pension funds into provident funds.

There have been a number of significant developments

in this area. In 1989 the Chamber of Mines and the National Union of Mineworkers established the Mineworkers Provident Fund which has almost 350 000 members. Another important initiative has been the creation of the Chemical Industry National Provident Fund by the Chemical Workers Industrial Union. Union members at many plants have struck in order to force the employers to join the fund.

Pensions and the Industrial Court

A more low-key development has been a series of cases in the industrial court that have challenged the most blatantly unfair practices of pension fund trustees. These cases have often been brought by executives but they contain

* A survey in 1989 showed that half of the pension funds in the country paid interest at less than 6%. Only 12% of funds paid some portion of employers' contribution to workers on withdrawal.

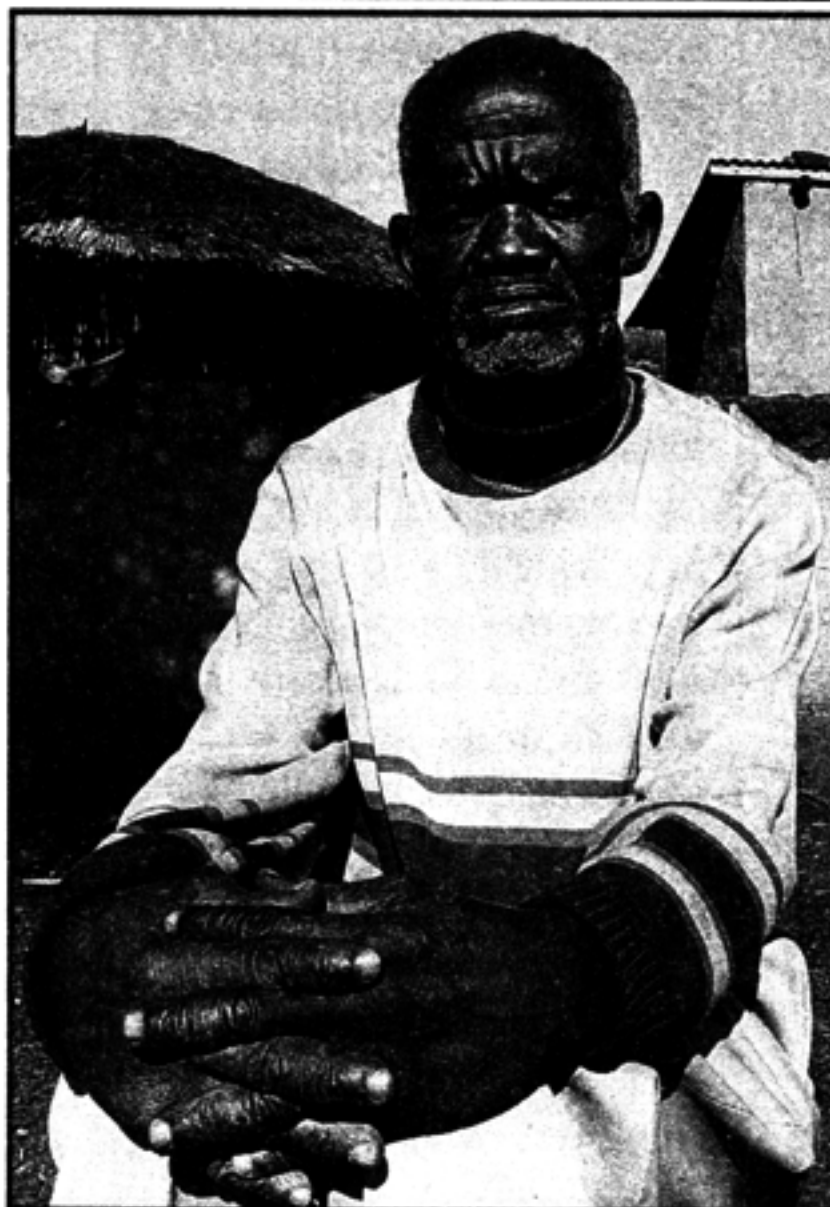
important precedents and lessons for the trade union movement.

The first issue that these cases had to address was whether the actions of pension fund trustees could be challenged in the industrial court which only has the power to resolve disputes between employers and workers or trade unions.

The very important case of *Van Copenhagen versus Shell And BP* concerned a pension fund with rules providing that an employee who retired with more than 20 years' service could receive a deferred pensions provided that the employer consented.

The employee retired after 27 years with the company but the employer refused to consent to payment of the pension. The employee challenged this in the industrial court as an unfair labour practice. The employer argued that as the dispute arose out of the pension fund rules and not the relationship between employer and employee the court could not hear the case. The court rejected this argument. It held that the employer, in refusing consent, was acting in its capacity as an employer and therefore its conduct could be an unfair labour practice.

An important reason for coming to this conclusion was that the employer's reason for refusing to consent related to



Do workers get a good deal for their old age?

Photo: Cedric Nunn

its position as an employer. The industrial court therefore concluded that it had the power to rule whether the employer's refusal to agree to the early pension was an unfair labour practice or not.

Unreasonable rules

Some disputes around pension funds have been initiated by employers. The rules of a mining industry pension fund provided that only white workers could join. Any change to the rules had to be approved of by the employers and unions involved in the fund. The Council of Mining Unions refused to agree a change to the rule that would allow black employees to be admitted.

The Chamber of Mines

challenged this in the industrial court. The court held that the refusal was an unfair labour practice because the rule was racially discriminatory. The court ordered the unions to take the steps necessary to ensure that the rules were changed to allow black workers to participate in the fund. The judgement opens a way for trade unions to press for changes to oppressive or discriminatory pension fund rules.

Unions could demand changes and if the employer refuses to do so they could proceed to the

industrial court. If the court accepted that the operation of the rule amounted to an unfair labour practice, it could order the trustees to change the rule. What remains to be seen is what type of rules the court will feel free to change. Clearly, it will do so where the rule is overtly discriminatory. But what about a rule over the level of interest paid to employees? Two percent interest is unreasonable but could the court order the payment of a higher rate. It may well decide that issues of this nature should be left to collective bargaining and in that case employees would have to use industrial action for these disputes.

Another important case is

The 1992 budget: more social spending

The Minister was proud to announce an increase in education spending of 24%. Most of this will go to the Department of Education and Training, which covers African schools.

Health spending also goes up significantly, by 22%.

And housing will have R2,153 billion in 1992/3. But only R1,285 billion will come directly from the budget. An encouraging feature is that it will be designed to "maximise the development and job creation impact".

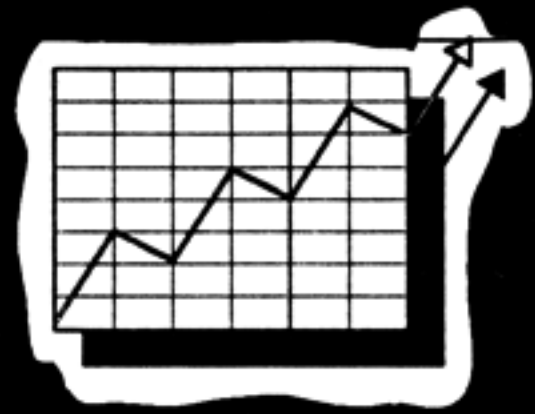
Still wide pension difference

State pensions are to be increased by a mere 9,9% to R345 per month for whites. But the gap between blacks and whites will be closed by 40%.

African social pensions go up 24,7% to R293 per month, and 'coloured' and Asian pensions by 16,5% to R318 per month. The Minister has committed the government to parity by next year's budget, if not before.

R15,94 per person per month

Nutrition will get R440 million. This must feed at



ECONOMIC NOTES

Economic Notes is supplied by the Labour Research Service (LRS), Cape Town

least 2,3 million people on the government's own estimates. That's a "generous" R15,94 per person per month. But the Minister admits that only half of the money allocated for food aid last year was actually spent. Let's hope they can do better this year.

And more will be taken from taxpayers. The individual taxpayer again will carry the burden of increased expenditure. Here is how the increased tax burden - about 15,7% overall - will be distributed:

Mining	-10,4%
Companies	+7,3%
VAT	+12,1%
Other taxes	+12,3%
Individuals	+22,5%
Customs & excise	+28,4%

Most of the increase in the customs and excise item comes from the fuel levy and increase in duty on beer, cigarettes etc.

But customs and excise represent only 13,2% of total revenue. Individuals will be contributing 41,8% of total

revenue in 1992/3.

Defence goes up by only 5,6%. This is a substantial decline in real terms - approximately 10% down. Prisons hold steady in real terms, while police spending will go up by about 6% in real terms. Altogether, Protection Services - covering law courts, police, prisons, and defence - go up by 12,4%, which is below inflation. But "secret services" will get R4,7 billion in all in 1992/93. How will these billions be spent during the transition to democracy, and who will monitor them?

Miserable R22 million on job creation

Job creation is given great attention in the budget review. If this is to be believed, no less than R2,9 billion will be spent on job creation in the coming year. On closer examination, this turns out to be a mirage. Almost all of it comes from the Strategic Oil Reserve, or is carried over from last year. A miserable R22 million will be spent on the Department of Manpower's job creation programmes. But, again, this is carried over, unspent, from last year.

Salaries of public servants will be hit hard. R3,4 billion was allocated last year to improve their conditions of service; this year, they will get only R2,3 billion extra.

Ominously, R250 million has been set aside for retrenchments from the Public Service. This will not

Key departmental spending

DET	R4,6 billion	+32,8%
Agriculture	R453 million	+70,3%
Nat. Health & Population Dev.	R11,7 billion	+54,7%
National Education	R283 million	-18,1%
Defence	R9,7 billion	+5,6%
Manpower	R295 million	-4,1%
Trade and industry	R3,1 billion	+44,6%

help to create an atmosphere of calm amongst workers employed by the government.

Drought relief, but who will benefit?

A total of R1 billion has been set aside for drought relief. But how will it be spent? The Minister gives not a clue. It could be spent to alleviate the starvation of thousands of farmworkers whose jobs have been destroyed by the drought. It could be used to help the subsistence farmers who unfortunately do not have large loans outstanding from the Land Bank. But it will probably be used to bail out the big farmers who have run up enormous debts - and save the banks and their shareholders from massive write-offs.

Budget balancing

In total, the government will spend an extra 2% in real terms in 1992/3. But the Minister predicts an increase in Gross Domestic Product of only 1%. The difference will come partly from a large increase in the tax burden on individuals. The rest will come from a windfall: the

government will be repaying fewer loans in the coming year. This amounts to a "saving" of R2,8 billion. Thus are budgets balanced.

Two inflationary measures have been imposed. The fuel levy will add about 5,7% to petrol prices. And the increased excise duties will add 1% or 2% to the prices of cigarettes, beer, cooldrinks etc. Tax savings of R53 million have been handed out to mining companies. The government expects to earn 25% less from mining leases, too, in 1992/93.

Transport subsidies for bus commuters will decrease from R645 million to R641,5 million. This means a real decline of about 15%. This may make a number of bus services unprofitable and lead to further closures.

The tax on dividends has not been re-imposed, nor has a capital gains tax been introduced. And there will be no new wealth tax! ❖

Company profile:

Samancor

Samancor is the world's largest producer of ferrochrome. It can produce about one million tons every year. That is 40% of the world's 2,5 million tons. South Africa produces 1,7 million tons altogether (*Business Times*, 1 March 1992). Ferrochrome is used to make stainless steel.

Samancor's main business is the production of manganese and chrome. But it also produces a variety of mineral, metal and chemical products. The group owns manganese and chrome mines with vast reserves.

Samancor used its power in the world's ferrochrome market to set its own prices in 1991. But cornering the world markets has its costs:

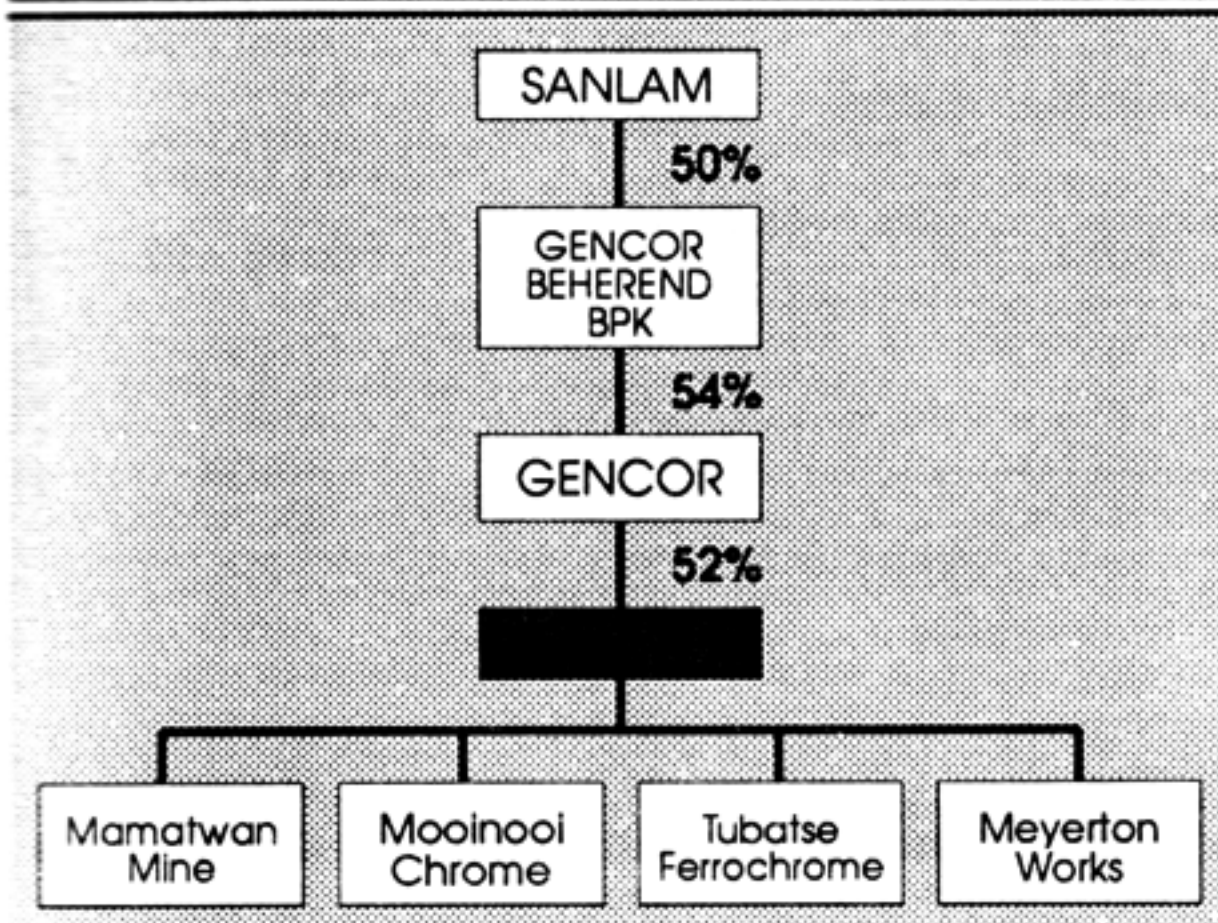
- clients looked for other cheaper sources of ferrochrome which they found in the form of scrap;
- world demand fell and a three month shutdown in ferrochrome production was needed - affecting 3 500 workers;
- the group's profits fell, and
- dissatisfied European stainless steel producers plan to build their own ferrochrome smelter in South Africa, ditching Samancor! (*Business Times*, 1 March 1992).

Industry profile: *Engineering*

The engineering industry has experienced the effects of the recession. The companies listed on the Johannesburg Stock Exchange (JSE) in the engineering, electrical and electronic as well as the steel sectors clearly show this. But as usual, workers are worst hit by cost cutting measures.

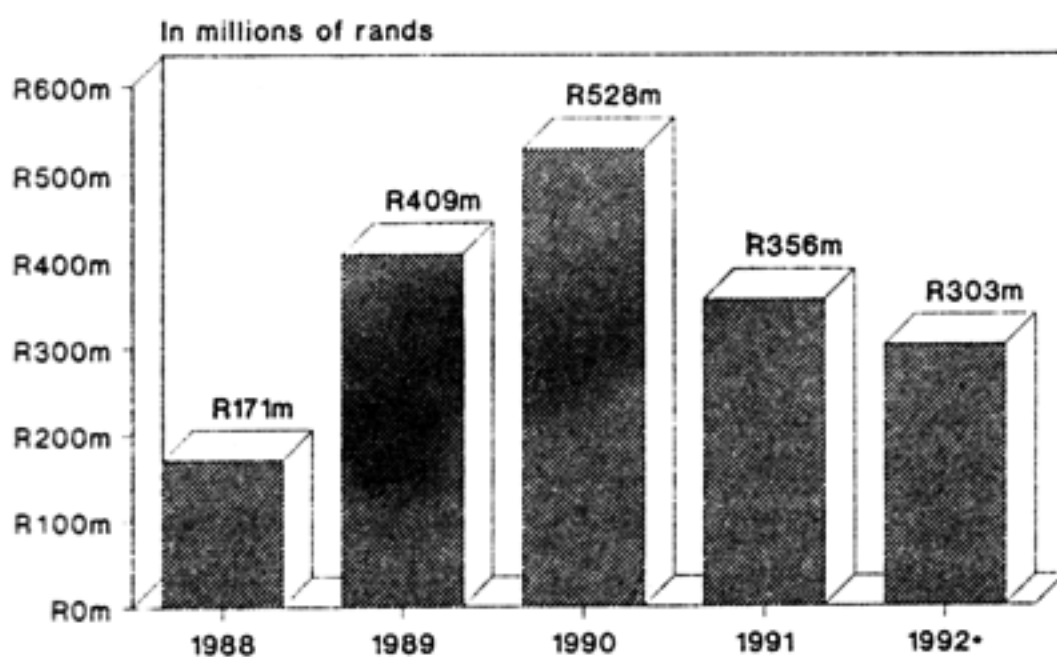
The effects of the recession were:

- Lower sales and therefore lower volumes of production. With an inflation rate of 15,3% in 1991, the JSE sectors only managed, on average, an increase in sales of 8,7% in electronics, 5,3% in engineering and 5,2% in steel.
- Because sales were down, production decreased. Output was negative or at best stagnant on average to August 1991. Therefore factories in the engineering industry have been operating in 1991 below the capacity levels of 1990.
- Employment too has followed the trend in physical output with decreases or at best stagnation. Total retrenchments in the engineering industry increased by 11% in 1991 with 29 881 jobs lost by December 1991.
- Profits after interest and



PROFIT AFTER TAX DOWN

The cost of cornering world markets



But Hans Smith, MD, is not concerned by the European venture. He is confident that the customers will return. Samancor is so big in world markets that it can set its own prices. But when it sets wages, it is another story. Samancor's mining wages range from R107,31 per week at Delmas Siica to R127,74 at Cromore surface, to R140,63 per week at Cromore underground. The AWARD average for the

mining sector is R129,53 per week.

Samancor has bought the ferrochrome assets of Middleburg Steel and Alloys and the chromite assets of Rand Mines, both for a total of R600 million. Samancor also bought 46% of the Manganese Metal Company for R52 million. ❖

tax, however, were still positive in the engineering and electronic JSE sectors with average increases of 8,9% and 5,1% respectively. In the steel industry, profits after interest and tax decreased by 37% on average.

How did the bosses respond to the recession?

- Costs were cut with workers paying the price by being retrenched.
- Shareholders also lost out in terms of low dividends. Dividends increased on average by 15,9% in the engineering sector and 9,3% in the electronic sector of the JSE. In the steel sector, dividends decreased by 31%. These returns are below the returns that could be obtained from the bank.
- Instead of paying out profits in the form of dividends, the bosses used these profits to reduce borrowings by internally financing their

Inflation

Consumer Price Index (1990=100)

Annual rate of inflation (% increase over 1 year)

Area	Feb 1992	Feb 91 - 92
Cape Town	127.1	17.1%
Port Elizabeth	125.1	14.3%
East London	125.9	16.1%
Durban	124.7	15.1%
Pietermaritzburg	126.1	15.9%
Witwatersrand	127.3	16.6%
Vaal Triangle	122.2	13.0%
Pretoria	125.3	14.1%
Klerksdorp	125.5	14.4%
Bloemfontein	120.7	12.8%
OFS Goldfields	124.8	14.1%
Kimberley	124.9	15.9%
South Africa	126.2	15.7%

Source: Central Statistical Service

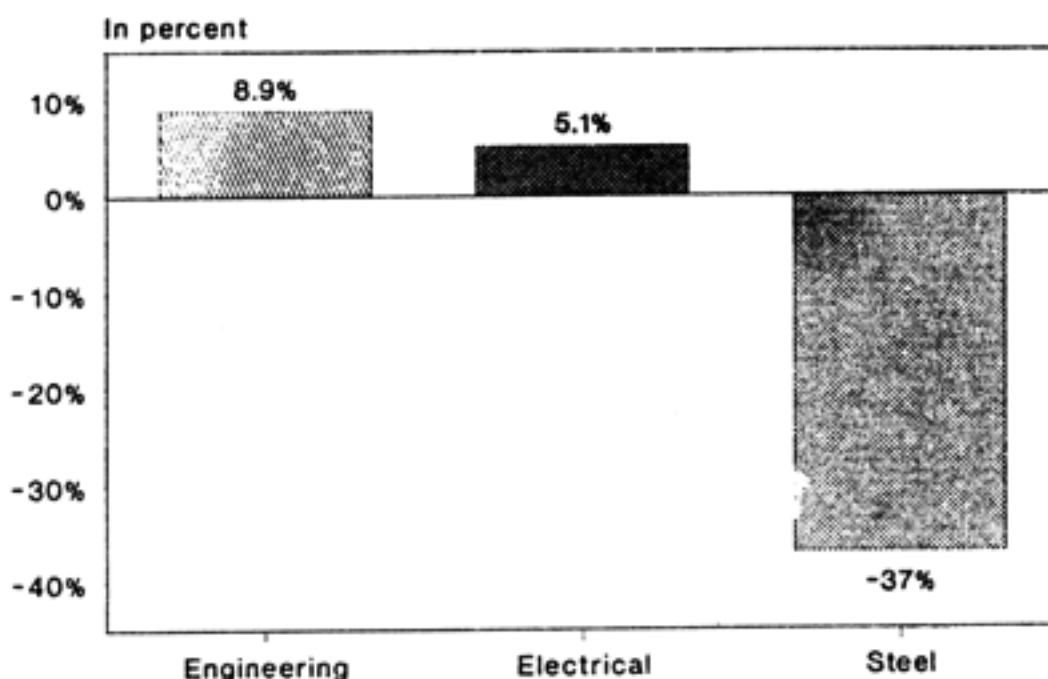
operations in 1991. Current liabilities (loans) decreased by 3.9% on average in the engineering and increased by only 5,2%, on average, in the electronic sectors of the JSE. But the steel sector borrowed 29% more on average in 1991. The effect of the above was stronger balance sheets. Share-

holders in the engineering and electronic sectors gained when average share prices increased by 19% and 22% respectively.

- On the whole, the recession has negatively affected the engineering industry. The bosses, in anticipation, rationalised production and financial activities at the cost of workers. So companies are still profitable despite the recession. The engineering industry is, therefore, poised to take full advantage of the next economic upswing. Production can be expanded relatively quickly because the factories have the capacity to do so at little extra cost.

There appears to be little reason on the basis of 1991 economic and company information for workers to make further sacrifices to save the industry. ☆

**PROFITS AFTER INTEREST AND TAX
JSE sectors compared**



Labour Research Service 03/92

As a full time shop steward, I am always in touch with the workers

GODFREY OLIPHANT second vice president of COSATU and senior member of NUM talks to Snuki Zikalala.

I was born on 27 March 1959 in Warrenton, 70 km from Kimberley. I come from a family of eight and we were all brought up and educated by mother who was a domestic worker. Life was not that easy, it was an uphill struggle.

I finished my primary education in 1974 at Warrenton, and then went to Huhudi High school in Vryburg, where my political orientation and activity started. I matriculated in 1979 and worked at Edgars as a storeman. In 1980 I joined the Finsch diamond mine, which is 165 km from Kimberley and that is where I am employed as a full time shop steward.

Encounter with realities of life

Joining the mine was an eye opener. It was only when I was in the mine that I learnt what life was. The appalling living and conditions of workers at Finsch mine made me determined to change and better the life of mine workers.

Life in the mines was oppressive and depressing. Workers were afraid to discuss anything that had to do with politics or confrontation with the management. But with our militancy from school, we decided to change things.

First we rallied workers around the commemoration of May Day and June 16. When workers responded positively by coming out in support of our initiatives, we saw that there was potential. Workers were getting

ready and fear was gradually being removed. We then prepared them for strike actions.

Union activity

In 1980, management increased wages for the black work force without consultation. Trade unions then were for whites only. For us in the mines there was only a Works Committee, which was a conveyer belt for the management. NUM was not yet formed. But we exploited the wage increase and rallied workers to demand a 50% increase for all the workers. The response was positive.

Management played into our hands. They refused to talk or consider our demands. We had no other alternative but to embark on a strike. About one to two thousand workers stayed away from work for two weeks. One thing I remember vividly was that the then general manager, K G Hardley cried in front of the workers, begging them to go back to work. He said that for the past twenty years, he had never seen or experienced such mass action.

The whole work force was dismissed and selectively re-employed. Management then arranged that we should join the Boilermakers Union, which extended its membership to blacks in 1981. Their strategy was that we should be under the control of a toothless union, so that it should control our actions. We decided to join that union and then to work from within it.

But we got frustrated in the white Boilermakers Union. Workers were not participating in any decision making. To us it was more like a life insurance company. Officials never consulted with us, they only came to tell us what they had already agreed with management.

Though NUM was formed in 1982, in the Northern Cape it was initially difficult to establish contact with its organisers. I must say that we were fortunate that comrade Mannie Dipitso, who joined NUM in 1985 ensured that the Northern Cape was given attention.

Intensive organisation started immediately, and by 1986, we were able to sign a recognition agreement with De Beers. In 1988, I was elected as a full time shop steward, a position I am still holding in the mine.

As a full time shop steward I am always in touch with the workers. On a daily basis I am fully engaged in looking into their cases, attending to their immediate demands and the training of shop stewards. Basically, if I am not in Johannesburg doing COSATU work, I am with the workers. I have not lost touch with the people I represent.

I am also a member of the REC of NUM and after the election to the COSATU position I became an ex-officio member of the NEC of NUM. In 1988, I was elected as COSATU regional chairperson for the Northern Cape and Orange Free State region, which is the biggest region.

Responsibilities in COSATU

In COSATU, as office bearers, we are given certain tasks. I am charged with the responsibility of seeing that the education department has a dynamic programme that will educate and inform the membership about a broad range of issues.

The overall thing that we are looking at as COSATU, is the restructuring of the federation and the re-alignment of forces to meet the new challenges.

One of the challenges which features prominently in COSATU at the moment is negotiations, more especially economic negotiations.

We are presently engaged in two levels of education. We are looking at the macro education and its impact in the country, and the question of distant learning, how it can be efficiently organised. We would like to give more knowledge to our members so they can understand what we are engaged in as a labour movement, and we are also geared towards improving our administrators in terms of giving them more skills.

Involvement in political activities

Prior to February 1990, I was fully involved in political activities. During that time, the main thrust of COSATU was also to take up political issues. This was mainly because the ANC and SACP were banned and there was mass repression. The need became even greater after the clampdown on COSATU in 1986 and the later banning of organisations like UDF. At that stage already, I personally got involved in ANC activities.

After the unbanning of the ANC, I became involved in the interim leadership of the organisation at regional level. I am still a member of the region.

Presently, however, there is a decline in political activity. Workers are no longer that enthusiastic as were before.

My own view is that after the unbanning of political organisations, there was a bit of a lull, and workers are now sitting back. We seem to be putting all our hope on the current negotiations, watching with our arms folded.

While I acknowledge that negotiations are part of the struggle, I am also of the opinion that, in our political organisations, we have lost touch with the membership on political issues. This imbalance must be rectified, especially in CODESA.

Not leaving the masses behind

COSATU is fully involved in CODESA, though this is done through our alliance structures. In the working groups of the ANC and the SACP, COSATU has its representatives who are looking after the interests of the workers.

The CEC has appointed two officials to

work in the working groups of the alliance. They go as part of the alliance, but they represent COSATU's agenda. Their task is to see to it that workers rights are entrenched in the new constitutional dispensation.

In my view, through CODESA we have lost touch with our memberships, in terms of what is happening behind those closed curtains. While it is true that negotiations are part of the struggle, we need to guard against leaving the masses behind.

Solutions to this problem are being looked into by the constitutional structures as well as the task forces. Ideally, I would say that people who participate anywhere on behalf of the workers in COSATU must report back to the structures.

After democratic elections, the issue of an alliance with political parties like the ANC and the SACP will have to be debated, especially as it is acknowledged that it is mainly a strategic alliance. As a trade union movement we want to maintain our independence. If the ANC is the government of the future, we will almost certainly have differences with them. And the ANC knows that. The new situation will demand new approaches.

Exposure to the outside world

I have travelled extensively. I have been to Libya, Sweden, Great Britain and Germany. I was quite taken with the Swedish model. The Swedes have put a lot of effort into trade union education. Workers have taken the responsibility to fund educational projects. For years, the system of 1% subs has been working effectively, and this has influenced us in NUM to adopt the same system.

I am now reading a lot about such concepts as the social contract. We used to be afraid to mention a word about social contracts. But I feel we can't avoid this discussion any more. We need to encourage workers to debate such concepts.

On COSATU and ICFTU

I also had the opportunity of attending an ICFTU meeting in Switzerland. I was there as a COSATU delegate and had observer status.

At the moment, discussions are going on as



to whether we should affiliate to ICFTU or not. Most of our unions are getting a lot of support from the ICFTU. Some of our affiliates still feel that our affiliation to ICFTU as COSATU is not an option at this stage. But that issue will be examined at a workshop that we are going to have soon, where we will be formulating our international policy.

There are many different attitudes towards the ICFTU. Some of our own allies are moving towards affiliating to ICFTU. We will look carefully at the issue, as COSATU, and decide what the best strategy should be.

My life and work

I am married, and have two daughters and a boy. When I got married in 1986, I was deeply in the underground structures of the liberation movement and I was hardly at home.

At times I feel that I need to spend weekends with my family, which is a rare thing. If I get a free weekend, I spend to the maximum with my family. I also make use of the opportunity of meetings here in Johannesburg. If I am driving, I bring my family with me, do COSATU or NUM business, and be with them after that. This is how I complement my absence at home. ☆



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