

INDUSTRIAL RELATIONS - GENERAL

1993

NEWS Work week may be cut to 40 hours • Hunt for Cash Competition

Plans to beat recession

By Ike Motsapi
Sowetan 5/1/93

THE country's two trade union federations are considering shorter working hours instead of retrenchments as options for employers while the economic recession bites deeper in 1993.

Among the options considered is that workers should work fewer hours. That is, instead of working 46 hours a week, unions propose that these should be cut to 40.

Mr Sam Shilowa, assistant general secretary of the Congress of South African Trade Unions, said "Obviously all trade unions are discussing ways of dealing with retrenchments.

"A number of options are being discussed at present but the other factor that is worrying is that many companies are experiencing industrial restructuring.

"I want to emphasise that there are no deals involved because no finality has been reached on the matter as far as Cosatu is concerned."

Unions propose shorter week to stave off feared retrenchments and salary cuts: (132)

Shilowa said the trade union federation has impressed on employers that where job cuts "were to take place this should be stopped".

Mr Mahlomola Skosana, the first assistant general secretary of the National Council of Trade Unions, also said the federation favoured shorter working hours rather than retrenchments.

Less working hours

He said the country was facing one of its worst recessions in years and that it was imperative that people should be kept employed.

Both Cosatu and Nactu agreed that fewer working hours should be considered as an alternative to retrenchments.

Groups of people should be kept together in a companies, and

People should be retrained in other skills to make them productive

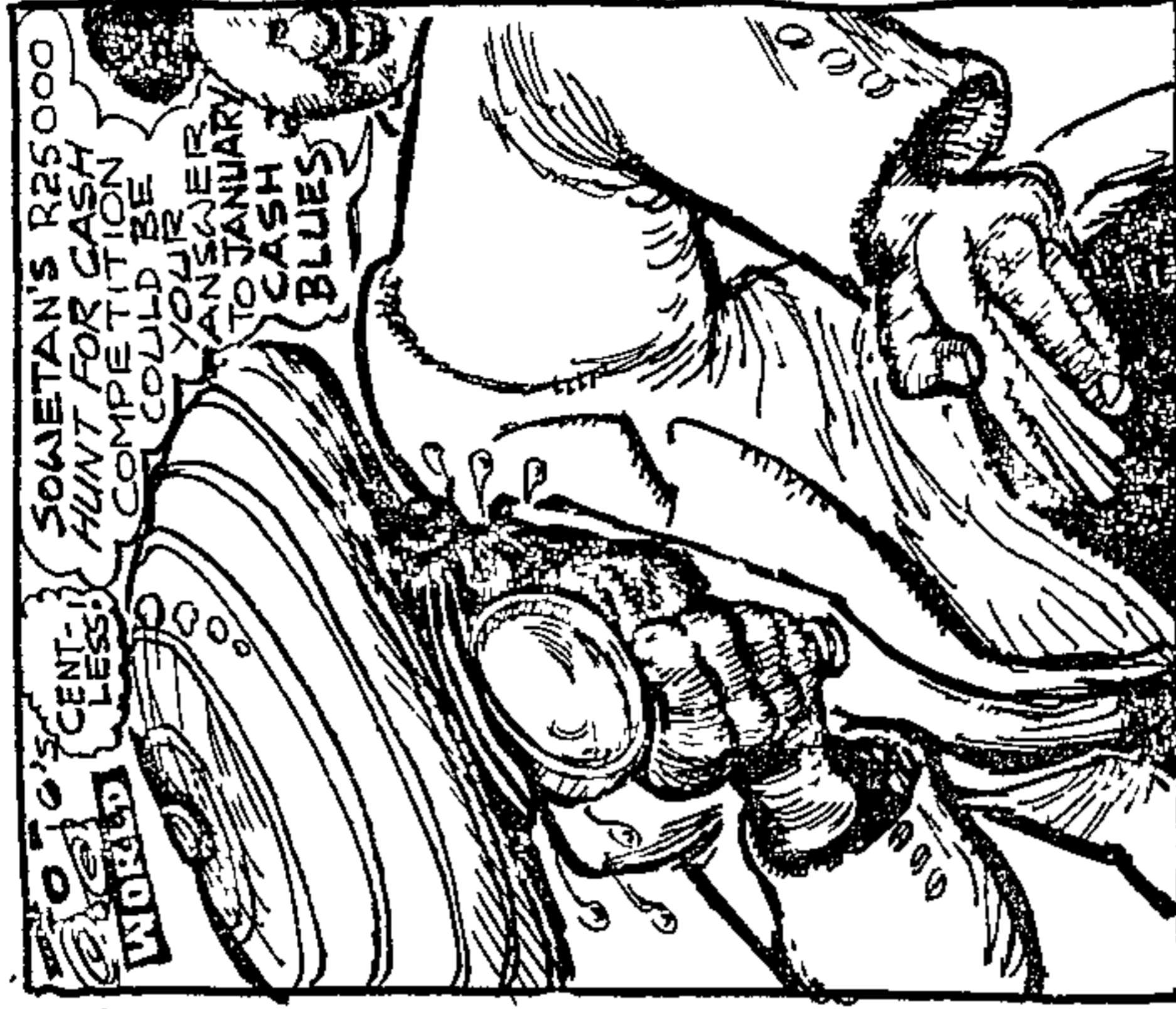
Skosana said Nactu considered salary cuts as the last alternative to retrenchment. He said, however, that salaries should not be cut below the inflation rate.

He said "There is a lot of debate regarding this factor because we believe there are other alternatives to wage cuts.

"What worries us is that management give themselves bigger increases while at the same time cutting the salaries of employees.

"For instance, last year management received average salary increases of up to 28 percent."

Skosana said it was for these reasons that trade unions, as one of the important components of social and economic development, have approached both business and the Government to establish a tripartite forum which will address the pressing issue.



Wage demands will take backseat to having a job

Few South Africans will look back on 1992 with any sense of fulfilment or satisfaction. For most it has been both a tough and harsh year.

Tough in the sense that we have had to endure a protracted economic recession, now sufficiently severe to qualify as a depression.

Harsh in the sense that everyone of us is kept constantly and uncomfortably aware of our horrendous levels of crime and violence.

A general aura of lawlessness now pervades virtually every level of society.

The depression has been manifest in extremely high unemployment, which is now estimated at 25 percent of the potentially economically active group.

Continuing retrenchments threaten to add to this. This, coupled with the current political impasse, provides more than sufficient stimulus for continued lawlessness.

Working South Africans, while obviously better off than the unemployed, have experienced a real decline in living standards for the past two years. Many companies have frozen salaries and wages for extended periods in the interest of job preservation.

Where increases have been awarded, the past year has seen average increases of no more than 13 percent, a few percentage points below inflation, as measured by the consumer price index.

Better off

It is small consolation to realise that we remain better off than many employees in Europe — some of whom have already endured wage cuts of up to 50 percent.

Salary increases traditionally lead inflation in times of relative economic prosperity and lag the consumer price index when the economy is in recession.

In practice this is no more than a reflection of labour supply and demand economics.

Prospects for salary and wages in 1993 should thus be seen in conjunction with economic prospects.

Business confidence remains low and neither confidence nor economic reality is likely to improve until a political constitution has been agreed to, an interim government of national



Martin Westcott, managing director of P-E Corporate Services SA, reviews prospects for salaries and wages and forecasts a watershed year for many companies.

Outlook '93

unity installed and new investment begins to flow.

Companies considering executive pay increases now find themselves in a classic Catch 22 situation.

The chronic shortage of management has traditionally resulted in strong upward pressure on salaries as companies compete for scarce management talent in a limited market pool.

But poor or at best defensive corporate performances in a tight economy have forced organisations to cut back on pay.

The result has been a strong focus on gearing salary increases to improved performance, with top executives receiving an increasingly greater proportion of their packages contingent on achieving financial results and strategic objectives.

Thus pay increases have been

given in the form of performance bonuses geared, in turn, to profit and turnover figures.

It is not uncommon for a senior executive nearing, say, R200 000 to R300 000 a year to receive 20 to 30 percent of this package contingent on the performance of the business unit under his control.

In this way companies are able to control cost increases should performance decline. Thus while companies are not anticipating more than a 10 to 13 percent addition to the salary bill in 1993 — performance gearing can, at least, ensure that this is open ended.

The issue of salary and wage increases has become a politically sensitive issue with trade unions monitoring increases awarded at different levels in the organisation.

Survival

During the past three years trade unions have had to accept that low increases and retrenchments have been essential to survival in many organisations.

The counter-reaction, however, has been to focus on issues such as increases awarded at different levels in the organisation, job equality and the wage gap.

Although 70 percent of South African companies have equal employment opportunity policies, few companies have had sufficient cash to continue to reduce the black-white wage gap over the past year.

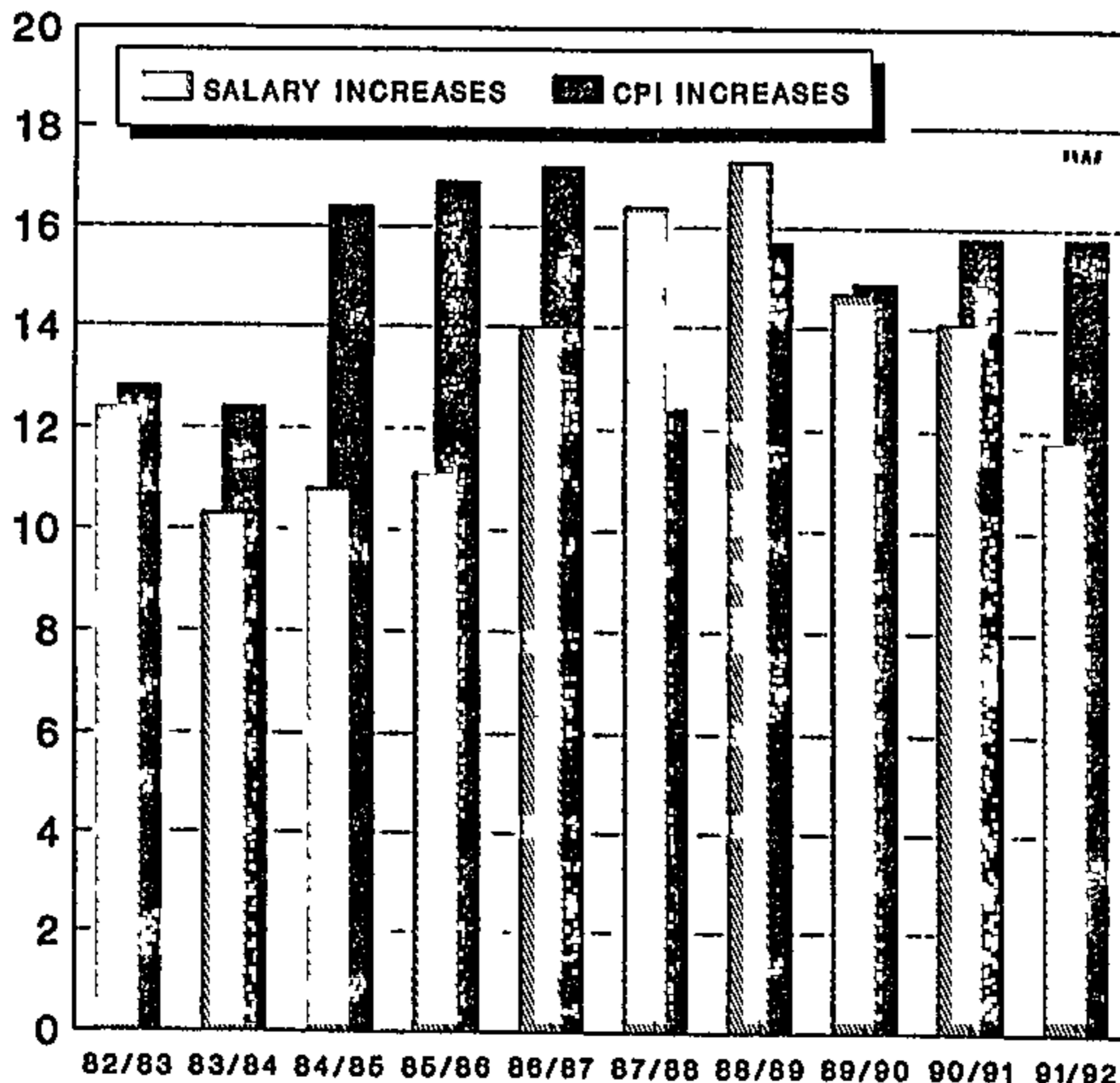
Unskilled whites continue to earn 15 percent on average and skilled whites 10 percent on average than black staff in comparable positions.

Expect this pressure from trade unions to continue in 1993, particularly with pending governmental change.

1993 is likely to be a watershed year for many companies. Economic improvement will not be in the short term and will be painful. Being employed is likely to remain more important than calculating salary increases.

One challenge facing companies will be how to deal organisationally with the side effects of zero turnover.

Rising stars will have fewer opportunities for upward mobility. The organisational challenge provides an opportunity for new, creative solutions, to an old problem.



Percentage salary increases between July 1982 and July 1992 are compared with increases in the consumer price index in the same period. Only in the years 1987-88 and 1988-89 did average salary increases exceed the rise in inflation.

Falling into line

FM 8/1/93

With continued recession and little expectation of economic recovery, average negotiated wage settlements in 1992 fell dramatically to 12,6% from 16,1% last year. A significant trend, according to surveys carried out by Andrew Levy & Associates, was the increasing acceptance by unions of the link between productivity and job security.

This was seen especially in profit-sharing wage schemes negotiated in principle between the NUM and the Chamber of Mines earlier in the year and of which the NUM-Gengold agreement this month is the latest example.

Yet the pattern of lay-offs continued throughout the year, affecting the highest levels of organisations and professions as well as the less skilled. An estimated 100 000 jobs were lost in four major sectors.

According to the National Manpower Commission, about 5,4m people — or 40% of the economically active — lacked formal employment. But, while Levy describes unemployment as having reached unmanageable proportions, others, like the HSRC's Lawrence Schlemmer, pointing in part to growth in the informal sector, conclude that the problem is more manageable than loose estimates of joblessness suggest (*Current Affairs* December 18).

Strikes during the year accounted for 4,2m man-days lost compared with 3,8m in 1991. The biggest strikes, in the third quarter, were in the metal industry led by Numsa (1,4m man-days) and the Transvaal health sector, led by Nehawu (247 500 man-days).

The main strike trigger was wages (78%). Last year, wage disputes triggered 68% of strikes. This showed that despite the recession and lay-off threats, workers were prepared to strike for extended periods. Grievances accounted for 14,1% of strikes (slightly down on last year), followed by dismissal/discipline (5%) and recognition disputes (2%).

The manufacturing sector, with 39% of man-days lost, was the hardest hit, due mainly to the Numsa/Seifsa strike in August. Next was the automobile sector (19% man-days lost) as a result of strikes at Toyota, the National Bargaining Forum for the Motor Industry and Numsa, followed by retail (13%) and the State sector (12%).

Though strikes in the public sector dropped from a high of 24% in 1990, a surge is expected next year as a result of proposed rationalisation and implementation of the Public Sector Labour Relations Bill, which will give public servants certain rights enjoyed by private sector employees in terms of the Labour Relations Act.

There was a slight decrease in the number of strikes involving 500 workers or more, but, at 45%, the figure is still high. At the same time, the number of strikes lasting 10 days or more increased from 23% to 28%. Looked at closer, a third of these lasted more than 30 days. Notable among them were the 63-day Kentucky/Saccawu strike over central bargaining, the 55-day wage strike by Saccawu against Lubners, and the acrimonious 45-day wage strike involving Mwasu and the SABC.

Other key features of the year

- Agreement was reached to extend basic labour rights to farm and domestic workers during 1993,
- The National Economic Forum, including government, business and labour, was formed to address critical economic problems and two working groups were set up to focus on short- and long-term issues,
- The restructured National Manpower Commission came back on track and is expected to be operating by February,
- Union growth continued in spite of the recession and stands at 3,2m-plus,
- The commission estimated that registered trade union membership formed 23% of the total economically active population or 53% of the labour force covered by the Labour Relations Act,
- The number of industrial councils continued to fall. There were 89, covering 873 000 workers at the end of 1991. This was attributed to the withdrawal of employers because of union pressure to negotiate at plant level,
- For the first time since its inception the Industrial Court's workload was reduced slightly (there were 6 319 applications in 1991 compared with 6 366 in 1990), while Labour Appeal Court cases increased from 84 in 1990 to 149 in 1991,
- An International Labour Organisation fact-finding mission visited SA and made a number of critical findings and recommen-

dations, and

□ Cosatu continued to play a dominant role in labour affairs. As part of the ANC alliance's mass action campaign, it called a general strike on August 3-4, described as the largest stayaway in SA's history.

Towards the end of the year Cosatu general secretary Jay Naidoo signalled the union's intention to safeguard its independence by calling for a post-apartheid "reconstruction pact" with the ANC — as a *quid pro quo* for backing it in an election. Cosatu obviously also wants to safeguard the kind of joint macro-economic policymaking role it carved for itself through the Economic Forum.

Looking at the year ahead, Andrew Levy observes that political events will continue to exert a major influence on labour as well as the economic factors that govern the terrain. Continued political uncertainty will cast a long shadow over the future of SA, affecting business confidence and keeping foreign investment at bay. There was a need for a set of clear statements from management, labour and government on their objectives and timetable for economic restructuring.

Given grim economic prospects, the pattern of job losses can be expected to increase in the first quarter. Union claims for moratoriums on lay-offs will continue. Levy expects public policy shifts on the sole right of employers to make decisions that result in job cuts or favour capital-intensive processes.

The push towards centralised bargaining and the extension of industrial councils will continue. This is seen as inevitable and not necessarily fraught with all the risks and problems that many employers seem to identify.

Sharper attention is expected on removing workplace discrimination and on programmes of affirmative action or "employment equity" — at every level and through consultation. Traditional union opposition to ideas of multi-skilling and productivity bargaining will probably be reshaped, especially if employers seriously address the question of job security.

As to wages, there is the possibility of single-figure increases becoming more common. Wage strikes in the public sector and a surge in organising farm and domestic workers may be expected in the new year.

Unions poised at labour crossroads

AGG 11/11/92

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SHARON SOROUR
Labour Reporter

STRIKE action "seethed" in South Africa last year in spite of the recession, sending the number of work-days lost soaring to three million, says labour expert Dr Duncan Innes.

In the latest political briefing of the Innes Labour Brief, Dr Innes said the country's high inflation rate, especially increasing food prices, played a key role because most strikes were triggered by wage disputes.

Reviewing the labour relations arena in 1992, Dr Innes said Cosatu stood "delicately poised" between two paths. One which led towards constructive engagement with the state and employers and the

other which led to the "more familiar" path of conflict and industrial disruption.

"While the former is likely to prevail over the longer term, the short-term future will not be without serious conflict," he warned.

Strikes that took place in recessionary times inevitably met a tougher response from employers.

Both Setisa (Steel and Engineering Industries Federation of SA) and Toyota were hit by major strikes by metal union Numsa (National Union of Metalworkers of SA) and dug in their heels, forcing the union "to accept defeat".

However, another major strike, the hospital one conducted by Nehawu (National Education, Health and Allied Workers' Union) was far more successful, he said.

"Here, the issues went beyond wages to include demands that formal bargaining procedures be established for the sector.

"Not only did this union win significant wage concessions, but it also won an agreement for the establishment of such procedures and the reinstatement of 7 000 workers dismissed during the strike," said Dr Innes.

While some unions concentrated on strike action during the year, others sought to develop in a different direction by forging less conflictual relations with employers.

In the forefront was the National Union of Mineworkers (NUM), which forged some landmark agreements during the year, including the signing of a code of conduct with Anglo

American to prevent violence on the mines, putting forward a plan to rescue Harmony gold mine and reaching an agency shop agreement with Harmony mine management.

Another Cosatu union, Sactwu (SA Clothing and Textile Workers' Union) involved itself with employers in discussions aimed at restructuring the troubled clothing and textile industries and agreed to commence discussions around productivity in the textile industry, he said.

"Significantly, the more cooperative approach exhibited by Sactwu and NUM occurred in industries whose future was in jeopardy, suggesting that while unions and employers undoubtedly have strong differences, when the future of their industry is threatened, co-operation can occur.



focus on shop stewards

THE INVOLVEMENT of shop stewards in issues beyond the factory floor makes the South Africa union representative different from his European counterpart.

It also distinguishes South Africa from the rest of Africa where the struggle against colonial rule did not involve the mobilisation of an industrial working class.

This view is shared by Siphosile Mlambo and Mark Orkin who are editors of a book entitled *Beyond The Factory Floor*

This followed a survey of Congress of South African Trade Unions (Cosatu) shop stewards which was commissioned by the labour organisation's leadership

On developments in other African states, Mlambo and Orkin say: "Instead independence was won either by nationalist movements led largely by the professional middle class or peasant-based guerilla movements which did not address the concerns of an industrial working class"

In South Africa shop stewards emerged as crucial leaders in the struggle that began in the townships in the 1980s over rents, shack removals, education and township upgrading

The emergence of a powerful shop steward movement opened up the possibility of a distinct role for the working class in the process of transition to a new democratic order

Jay Naidoo, general secretary of Cosatu, is quoted in the book as saying: "The backbone of our labour movement has always been and always will be the democratic shop steward movement which has been painstakingly built up by the ordinary members themselves.

"This powerful shop steward movement is a triumph for the ordinary people of this country. It is a triumph for the people who create the wealth of this country and yet they and their families continue to be deliberately excluded from enjoying that wealth.

"The overriding principle of Cosatu is worker control and democracy. This principle has sustained Cosatu through the most repressive phase of our struggle for political, economic and social rights.

"The structural violence of apartheid made the white minority regime's policies a crime against humanity as it violated practically every human right.

"Yet we have grown as an organisation, increasing our membership from less than a million when Cosatu was formed in December 1985 to over 1,4 million today.

"With over 25 000 elected shop stewards, Cosatu's 14 national industrial unions have a powerful grassroots organisation which is firmly anchored in the factories, mines, offices and shops across South Africa."

Questions like why do some workers define

Sowetan 8/1/93.
Shop stewards, a strategic layer of the trade union leadership, have been the subject of a survey commissioned by Cosatu. **Ike Motsapi** reports on the survey:



Jay Naidoo . . . Cosatu's general secretary.

their interests in collective terms and become shop stewards and others in individualistic terms and become supervisors were often asked.

The hypothesis underlying this study is that explanations that focus on different personality types are psychological as they ignore ideology

Dominant personalities can dominate for good or ill. The use to which they put their abilities is not determined by these abilities. Activity is directed by consciousness.

The shop-floor unions emerged in 1973 with the formation of the Textile Workers Industrial Union and Metal and Allied Workers Union and others coming together to form the Federation of South African Trade Unions (Fosatu)

The shop-floor unions developed a cautious policy towards involvement in the broader political struggle. This led to the formation of Cosatu

By virtue of their location in the workplace, shop stewards are in the front-line of the struggle between the working class and the capitalist

class

They are the key command structure of the unions which has contact with their membership and the bosses through shop stewards. Their role, however, is ambiguous. On the one hand, they are representatives of the workers who elected them and whose expectations often surpass their capacity to deliver.

On the other hand, they find that they are sometimes in conflict with their own constituencies and have to persuade them to accept industry-level agreements, prevent strike actions and sometimes discipline them

In politics workers believe that their leaders and their unions should take part in political activities

Confident in their organised strength and union leaders, they are convinced that they can influence the political system, even though many feel they do not fully understand it. On matters to do with the politics of transition they fully support the position of the tripartite alliance

(132)

Union men arrive in SA

Sunday Times Reporter

A DELEGATION from the largest trade union federation in the world arrives in South Africa today on a fact-finding mission.

The visit has been organised by the Brussels-based International Confederation of Free Trade Unions in conjunction with the Congress of SA Trade Unions and the National Congress of Trade Unions.

The 50-member delegation will pay attention to the violence in the country and will also discuss assistance to South African democratic trade union movements.

3/11/93

LABOUR *Economic circumstances determine laying off of workers in diamond mines*

By-Ike Motsapi

THE National Union of Mineworkers and De Beers Consolidated Mines Ltd have entered into an agreement of first retrenching newly appointed employees when the need arises at mines

Both parties accept that changing economic and operational circumstances can lead to possible retrenchments but that the mine will make every effort to avoid or limit laying off staff

It is recognised that the ways of limiting terminations will be influenced by the individual circumstances.

Retrenchments

Mr Jerry Majatladi, media and Press officer of NUM, said "Subject to any agreement reached at the divisions, the selection of employees for retrenchment will be based on the principle of last in first out (Lifo)"

According to the agreement, divisions, however, after having disclosed the reasons to NUM, reserve the right to retain the services of employees who have particular skills and experience.

A notice period of one month or 30 calendar days applies which may, at the discretion of the divisions, be commuted to one month's salary in lieu of notice

The termination date remains unchanged as the end of the notice period and no pension fund payments will be made before this date

Should a member have secured alternative employment the divisions shall,

New deal for miners

Sowetan 4/2/93

LAST IN Union agrees with De Beers

on new retrenchment rules:

where reasonably possible, release him to take up such employment.

Payment for the notice period shall attract all regular payments and deductions in respect of the pension fund and medical benefit society, any bond subsidy payments and water and electricity allowance payments

This clause may be waived by agreement between NUM and the divisions

Where an employee is under the age of 55 he shall be paid a lump sum calculated as two week's pensionable salary a year of service to a maximum of 10 years plus a further one week's basic salary for each subsequent year of service, thereafter, pro rated as necessary, or three months basic salary whichever is the greater.

The parties also agreed that where an employee is 55 years or older but not yet 60, he shall be paid a lump sum calculated as two week's basic salary a year of service, to a maximum of 10

years plus a further one week's basic salary for each subsequent year of service thereafter, pro rated as necessary and reduced as follow

- Age 55no reduction.
- Age 56 ...Reduced by 20 per cent
- Age 57.... Reduced by 40 per cent.
- Age 58.... Reduced by 60 per cent and;
- Age 59... Reduced by 80 per cent or three months' basic salary whichever is the greater.

The mine and NUM have agreed to establish a scheme to assist members retrenched from the divisions Both parties agreed that the scheme will help retrenched workers acquire basic vocational skills through short training courses

It is expected that these newly acquired skills will help them find alternative sources of income.

The mine pledged to allocate R1,5



Jerry Majatladi ... last in first out.

million to an account to establish the fund for the purpose of the scheme This fund will be jointly managed by NUM and the mine.

Majatladi added "In addition to the notice period, employees being retrenched shall be entitled to a further one month's housing benefit

"Where an employee lives in his own house, an additional month's subsidy, where applicable, shall be paid, and where an employee occupies a unit

of a mine accommodation, he shall be entitled to occupy the property for an additional month

This agreement, which was signed this month, will remain in force and effect for a minimum period of 24 months from date of signing, whereafter any party wishing to amend any clause may submit its proposals to the other party in writing

The period given for this is two weeks prior to any meeting being convened.

Conservative forces 'may try to crush union movement'

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Blom 27/1/93

DIRK HARTFORD

SOME conservative forces in the liberation movement might be tempted to try to crush the trade union movement in the future but they will not get away with it, says ANC economic planning spokesman Tito Mboweni.

Mboweni, who was addressing about 300 businessmen at a conference on the joint challenge for unions and management yesterday, said the temptation to crush trade unions was a real one which could best be avoided by developing an understanding of trade unions and encouraging them to play a constructive role.

Trade unions had been disempowered in many countries in post-colonial

Africa in the name of the "national interest" But this would not happen in SA as the trade union movement was strong and independent, Mboweni said.

He said it would be foolhardy to expect trade unions to vacate the terrain they occupied. Instead, the role of unions in economic policy formulation would increase in the future and membership would continue to grow.

Already the union movement was engaged in jointly working out policy packages on macro-economic issues with government and business and it was essential that trade unions remained part of this process.

Mboweni said he thought the ANC's alliance with Cosatu would be a long-term one as the union movement sought to ensure that the accords it reached with the

ANC were implemented by an ANC government.

Meanwhile, Mercedes Benz SA's human resources spokesman Ian Russell told the conference it was important for regional development forums to be represented at the national economic forum.

He said the Border/Kei economic forum had submitted a document to Finance Minister Derek Keys outlining its proposals for regional reconstruction.

These included asking for a moratorium on ending decentralisation benefits to the region, a big injection of investment for housing, a rural development initiative and the establishment of a strategic institute to facilitate human resources development in the area.

Russell said employers were not satisfied their interests were being represented properly nationally.

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Govt 'involved in violence'

A delegation of the International Confederation of Free Trade Unions, on a one-week fact-finding mission to SA, said yesterday it had discovered that the Government was directly and indirectly involved in violence. ICFTU secretary-general Enzo Friso claimed the security forces were exploiting political differences to destabilise democratic forces.

ICFTU says support for workers limited

Rulers may be hostile to workers

Sowetan 5/2/93.

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Sowetan Correspondent

■ MORE SUPPORT New government

will restrain workers to entice investment:

SOUTH AFRICA'S TRADE UNIONS will need stronger support from international bodies when a new government is in place, a top-level delegation of visiting unionists has been told

Members of the International Confederation of Free Trade Unions were told by the National Council of Trade Unions that a new government would restrain workers in an attempt to attract new investment

The ICFTU delegation is in South Africa this week to demonstrate solidarity with the union movement and investigate the causes of the violence and its implication on workers.

The delegation, led by general secre-

tary Mr Enzo Frizo, was invited by trade union federations Cosatu and Nactu.

"We believe that solidarity with the union movement should be stepped up when a new government takes over because we anticipate wage freezes and other cost-cutting exercises to be enforced in order to attract investment," said Nactu Western Cape spokesman Mr Brian Williams

"Workers will be restricted They will create conditions favourable to investment, which will not favour workers"

Williams explained to the ICFTU

members that a new government could introduce new legislation to further restrain and hamper workers which would make it even more difficult for them to take industrial action

The ICFTU members felt the confederation should continue to provide financial and other support, but "it will become necessary for the union movement here to develop strategies to become self-reliant"

During the two-day visit to Cape Town, the group went to squatter areas and Peninsula townships

New head for labour group

DR FRANS BARKER
will chair the restructured National Manpower Commission — a new tripartite advisory group on labour affairs — that meets for the first time on February 12, Manpower Minister Mr Léon Wessels said yesterday (132)

Only the South African Agricultural Union and the National Council of Trades Union had not named their nominees to the 33-member NMC, he told a parliamentary media briefing.

Trade unionist Mrs Emma Mashinini is the new deputy chairman.

● Comprehensive labour legislation for farmworkers would be passed during this parliamentary session, Mr Wessels said yesterday.

State polishes labour marble

SHARON SOROUR
Labour Reporter

THE government has launched a bid to improve South Africa's image in the international labour world.

Minister of Manpower Leon Wessels has sent a detailed memorandum to the International Labour Organisation (ILO) setting out developments on labour issues.

The memorandum is a response to findings and recommendations by an ILO commission which visited South Africa last year. This country has not been a

member of the ILO — whose conventions set down international labour standards — since 1966

Mr. Wessels said there was a growing acceptance of the government's reform initiatives and a more open relationship with the ILO, and keeping the organisation informed of developments was "conducive to a positive relationship".

He told the ILO that evidence heard by the commission confirmed "beyond doubt that the labour situation in South Africa is neither simple and straightforward, nor susceptible to simple solutions".

"However, there is a strong element of goodwill between employers, (organised) labour and the government and it is submitted that the final event consensus, which is both fair and equitable, will be reached," Mr. Wessels told the ILO.

The government's approach was that the solution to the labour problems could only be addressed and solved through the involvement of the major parties in South Africa.

He said it was evident that changes in the labour relations system "can be effected only when the need arises and if the delicate bal-

ance in the labour relations situation is not disturbed".

"The government is aware of the labour standards developed by the ILO... and due cognisance will be taken of them in the further development of labour legislation and manpower practices. It would be premature, however, at this stage to comment on how a future government would act with regard to possible re-admission to the ILO or ratification of ILO conventions".

Another matter "considered of great concern" was the absence of suitable labour legislation for farmworkers and domestic workers. The government had agreed to

implement a Basic Conditions of Employment Amendment Act for farmworkers not later than March, pending the outcome of negotiations between interested parties.

Proposed legislation to extend basic conditions of employment to domestic workers was published for comment in December, and draft legislation should be submitted by the end of March, he said.

Mr. Wessels said the government agreed with and accepted the commission's recommendation that a consolidated Labour Relations Act be pursued, and that a new Act be structured. The new NMC was undertaking this task.

ACC 15/12/93

(132)

Move to check Bop labour act

CT 17/2/95 (132)
Own Correspondent

JOHANNESBURG — The National Manpower Commission yesterday signalled its intention to press the Bophuthatswana government into not implementing its controversial Labour Relations Act.

Manpower Minister Mr Leon Wessels said the commission had noted "with concern" the possible implementation of the act.

The commission felt its implementation would harm employees and employers and could lead to intensified labour conflict.

The newly restructured commission had unanimously requested the government to "prevail on the Bophuthatswana government to stay the implementation of the legislation".

The commission motivated its request by saying that further discussions were necessary in the light of the proposed redrafting of the South African Labour Relations Act and the discussions regarding a new political dispensation for this country.

The commission said labour legislation should have all role players' support, especially as the labour market and the economies of the two countries were interwoven.

A provision of the legislation holds that only unions registered in the territory will be recognised, which Cosatu believes to be aimed at effectively banning it from operating in Bophuthatswana.

Union debunks 'myth' of forum's 'golden triangle'

SHARON SOROUR
Labour Reporter

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AGT 24/3/93
NACTU, the country's second largest union federation, has questioned the efficacy of the National Economic Forum, dismissing the "golden triangle" between labour, business and government as a "glorified myth".

National Council of Trade Unions (Nactu) spokesman Mr Brian Williams said "In reality there is no 'golden triangle' It is nothing like that at all"

The forum, launched last October, was designed to give the three parties a place to discuss inputs from their constituencies. Consensus could then be identified and joint action taken to address economic growth and social development.

But Mr Williams said "If one looks at the forum in terms of the power relations, no decisive decisions will be made by labour.

"The whole construction is that there is engagement and debate on key areas of the economy but the government is not bound by anything that is discussed"

There were no mechanisms that could compel the govern-

ment, or big business, to act in a particular way

Cosatu key negotiator on the forum Mr Ebrahim Patel said in an interview in the latest Labour Bulletin that the federation was not interested in a forum where "we merely exchange opinions on the economic challenges facing society"

Cosatu saw the forum as a negotiating body that had to bring the three parties together so they reached agreement on the challenges facing society

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

"But government obviously would have to give its consent to whatever is finally agreed, or it is not an agreement of the three parties. To that extent the sovereignty of any parliament will be exercised in the negotiating process"

Cosatu was prepared to

struggle within the forum to reach agreements that advanced the interest of its members "and then have massive struggles to ensure that those agreements are in practice binding"

Mr Williams said the forum was at a preparatory stage of thrashing out a national social contract

"A social contract means that business does something if labour agrees to do another thing, for example, business undertakes to save jobs if labour undertakes to suspend strike action for a certain period"

Mr Williams said there were "major political dangers" because it would mean Cosatu having to agree to outlaw strikes for a particular period and therefore agree to a cut in the living standards of workers and abandon many of the trade union struggles. Many gains previously made would have to be sacrificed.

"This basically means that all the talk taking place now will not lead to a social contract, but a new government will need this contract because they will have to tie the arms and legs of workers to an even greater extent," Mr Williams said

unions discuss violence in SA ● Companies' pressed

Few pay rises this year

Sowetan

18/2/93

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7/1/93 2/1/93

By Ike Motsapi

Trade unions leaders battle to convince employers:

THE continuing recession is making it difficult for trade unions to convince employers to accede to the demands of workers for better pay

Ms Harriet Webster and Mr David Neate of FSA-Contact Human Resources Consultants said many organisations were adopting alternatives to annual salary increases

They said some organisations were deferring increases for a time while others were "freezing" salaries and were not granting increases

Projected increases for 1993 were going to be significantly lower than those granted in 1992

"Our research has shown that just over half, about 51 percent, of the participating organisations are ex-

pecting some sort of decrease in the overall numbers of their workforce as compared with 42 percent in 1992

"The majority of companies are attributing this to retrenchments and redundancies

"Employers are also having to re-evaluate strategies in the light of the above conditions, particularly with regard to pay increases"

Expert outlines worker training scheme

Monday 25/2/93
LINDA ENSOR

SALT ROCK — Industrial training would become an essential part of industrial bargaining and workers would have to demand paid training leave to upgrade their skills

That was the view expressed yesterday by Australian Confederation of

Unions training and grading co-ordinator Alistair Manchin, who has been seconded to Cosatu for six months to look into the restructuring of job grading and training systems in SA. He is expected to present

his findings and recommendations to the trade union movement by mid-year

Manchin, speaking at an open school for shop stewards organised by the SA Clothing and Textiles Union, said the research group would recommend current task-based grading systems be replaced by skills based on competency grading systems

He believed opportunities for advancement would do more to encourage productivity than the current inflation-based wage bar-

gaining. Competency-based training would assess workers' ability to perform a particular job rather than attain formal training certificates.

Programmes to retrain and relocate workers who lost their jobs during economic restructuring would also have to be introduced

Clothing industry board director Peter Riches said the philosophy behind the proposals appeared to have merit and they would have to be discussed.

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Code breaks new ground in labour relations

SHARON SOROUR
Labour Reporter

(132)
A GROUND-BREAKING code of conduct forbidding all forms of violence and intimidation has been signed at the Boksburg factory of Langeberg Foods

Considerable labour unrest and "some incidents of violence" occurred at the plant in 1991 and 1992

Company managing director Mr Ray Brown said in a statement the code was signed by representatives of Langeberg

Foods, the Food and Allied Workers' Union (Fawu) and the United Workers' Union of South Africa (Uwusa) ARG 5/3/93

"It is aimed at ensuring that a climate of tolerance and fair-dealing will prevail at the factory and sets up a system to ensure the settlement of disputes by negotiation," Mr Brown said

The code signalled "a new beginning for all who are bound by a common interest in the prosperity of Langeberg and represents a triumph for

reason, negotiation and the democratic principles of tolerance and respect for the individual"

Fawu president Mr Chris Dlamini said the code was "history in the making"

Mr Dlamini said the parties at Langeberg were brave enough to discuss ways of sorting out problems even though the country was being devastated by violence

"If we learn to respect and tolerate one another, the question of violence as a product of

mistrust could be stopped immediately," he said

According to Mr Brown, one of the "outstanding" features of the code was that it had not simply been imposed by top management and union officials, but had evolved through the process of broad consultation involving all groups in the factory

The local committee of the National Peace Accord had helped in the mediation which culminated with the signing of the code

Protest against high tax on married women

ERICA JANKOWITZ

COSATU is to stage a lunch-time picket today outside the Receiver of Revenue offices in Johannesburg to protest against high tax rates for married women. This is one of the Cosatu events to mark International Women's Day today.

Cosatu gender co-ordinator Dorothy Mokgalo said a charter of women's rights would also be launched.

The charter contains demands on maternity rights including 12 months' fully paid leave, job security, an end to victimisation for pregnancy, removal of sex, race and age discrimination and women's representation on employment committees. It also covers domestic and sexual violence, sexual harassment at work, education and training and the establishment of child care centres.

Mokgalo said the lack of child care facilities at union meetings and congresses prevented women workers from participating fully in these events. Cosatu is tackling this problem as well as rescheduling meetings to accommodate women.

A march on John Vorster Square will be held this afternoon to deliver a memorandum on women and violence.

W B HOLDINGS LIMITED

(Incorporated in the Republic of South Africa) (Registration number 88/00570/06)
 Directors: Robert Silverman (Chairman), A Silverman (Managing Director), B Peck, Theo B Rood, B Sacks, L Wilck, B G Ricketts.

PRELIMINARY PROFIT ANNOUNCEMENT 1992 AND DECLARATION OF DIVIDEND

GROUP FINANCIAL STATEMENTS INCOME STATEMENT

	Year ended 31 December 1992	Year ended 31 December 1991
	(Unaudited)	(Audited)
Turnover	R 000 12 830	R 000 15 364
Operating income	4 402	5 953
Interest paid	97	21
Net income before Taxation	4 305	5 932
Taxation	484	487
Net Income	3 821	5 445
Dividends	1 598	2 350
Retained income for the year	2 223	3 095
Retained income brought forward	10 240	7 145
	<u>12 463</u>	<u>10 240</u>

'Critical days' ahead for labour in era of change

ERICA JANKOWITZ

THIS will be a "make or break" year for labour, says SA Labour Bulletin editor Karl von Holdt.

Following a dismal 1992, unions will have to reassess their willingness to strike for "insignificant extras", says Von Holdt.

Wage restraint might be offered in exchange for training facilities, increased "social wages" and negotiated industry restructuring. Job security and retraining of retrenched workers would appear to be overtaking wage bargaining as the core of union activity.

Writing in the latest issue of the bi-monthly journal, Von Holdt says five key influences will drive industrial relations in the year ahead: wages, macro-economic policy and industry restructuring, workplace reform, organisational reform, and less political activity.

It is on the issue of macro-economic policy that Cosatu stands to gain substantially if it can avoid the pitfall of being co-opted by government and business into accepting their proposals, he says.

It is also in this arena that union leadership and membership are apparently growing further apart, as

On the workplace reform front, von Holdt suggests both management and labour are moving closer to establishing a "global approach to shopfloor change".

This will consist of training and skills development linked to productivity, increased worker autonomy and participation in decision-making mechanisms. Productivity gains will have to be shared with workers in the form of production bonuses, profit sharing or even share options.

He says organisational renewal will probably take most of Cosatu's time and energy as a drop of more than 75 000 members since 1991 has had a major effect.

Recruitment in new areas and sectors, redefinition of bargaining units to incorporate higher grade workers and strengthening of shopfloor structures are the likely basis of this drive.

Mergers of unions within the same

monetary and fiscal policy is difficult to sell to constituents.

As a result, the easier options of job creation, VAT, food prices and social wage issues were likely to remain in focus.

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Mergers of unions within the same

It will, however, be involved in mobilising for elections and the establishment of a reconstruction pact with the ANC aimed at ensuring labour rights in a future constitution and resting on "four pillars": job creation, development of social services and the social wage, human resource development, and expansion of citizenship rights.

On industrial action, von Holdt suggests there will be fewer days lost to strike activity in 1993 as unions have realised this is an expensive and often fruitless form of forcing employers' hands. He says a stayaway is unlikely to be called, for the first time since 1984.

Other significant collective bargaining issues are the restructured NMC, a further push for centralised bargaining, a major recruitment drive in the public sector, gender issues, and extension of legislation to cover farm workers.

Other significant collective bargaining issues are the restructured NMC, a further push for centralised bargaining, a major recruitment drive in the public sector, gender issues, and extension of legislation to cover farm workers.

IT DID not need the official responses of the ANC and Cosatu on Wednesday to confirm that one of the most sensitive and controversial aspects of Finance Minister Derek Key's normative economic model is going to be its approach to the labour market.

Focusing on strikes, wages, centralised collective bargaining, small business development and job security, the report was immediately attacked by the two organisations as having an anti-union bias. This is true in some respects. In most, though, it takes an evenhanded approach which, while setting parameters for future negotiation, is vague on its own preferences.

Unarguably, though, it raises crucial issues. More, then, is the pity that one of its main starting points in the discussion on the impact of labour costs on the economy is introduced through the misuse — either willful or uninformed — of strike statistics. And it also draws a highly questionable linkage between strike levels and earnings.

Strike levels, it argues, increased by an average 33% a year from 1983 to 1987. This "had a negative impact on labour intensity of the SA economy (equivalent to) a 7.9% increase in wages". Thus, it further argues, was worth 483 000 job opportunities

It goes on to argue the "bright side" — which happens to fit in with the model's requirements. It suggests that, since 1987, strike levels have fallen by an average 14.8% a year. Thus, it says, had a healthy effect on the earlier trend towards greater capital intensity and "a further reduction of 4.7% per annum would bring the strike index back to its 1985 level by the end of the century" which would allow real wages to rise more rapidly.

A cursory examination of strike trends in the past decade (see graph) demonstrates how it is possible to make statistics mean anything you desire. To use 1987 as the base year is ridiculous as it was a most atypical year, largely because of the three-week wage strike by 220 000 miners. On the whole, strike patterns have followed a more gentle upward trend

Keys model falters When it confronts the labour market

BIDAY 12/3/93

ALAN FINE

throughout, correlating closely with the increase in union membership.

To argue that the five years up to 1987 saw a 33% huge annual increase in strike activity (A) is ridiculous. Therefore so are the conclusions drawn about labour cost increases and lost job opportunities. The same must be said for the clearly mismatched conclusion (B) that strike levels have been on a downward trend from 1987 to the present and the hope (on this basis) that the trend could continue or even accelerate.

(The model also argues that strike activity adversely affects real wage levels. This is true, hypothetically, under certain circumstances. But it ignores the reality that militant unionism of the 80s won for its practitioners a larger slice of the economic cake previously distorted in favour of business and white labour by legal obstacles to black unionism.)

Feeding the presumably sophisticated econometric model used with false information renders this part of the model invalid. And if, as has been suggested, the overall model is dependent on the accuracy and availability of each of its component parts, the entire project is in trouble. Unless, of course, the nature of the industrial relations system were to change over the next few years. The model certainly talks of the need to develop a less adversarial system, but it is silent on how this is to be

achieved. If anything, a number of the (vague) suggestions have the potential to increase, rather than decrease, industrial conflict if crudely interpreted and implemented.

Take job security, for example. The model points out, quite correctly, that "countries which have ensured a high degree of job security for workers by means of legislation (have) found that it impedes the adaptability of enterprises to changed circumstances and (affects) international competitiveness".

Implicit is the suggestion that SA norms on retrenchment are too severe. It takes a similar approach to unfair dismissal standards. Industrial Court guidelines require formal consultation over re-

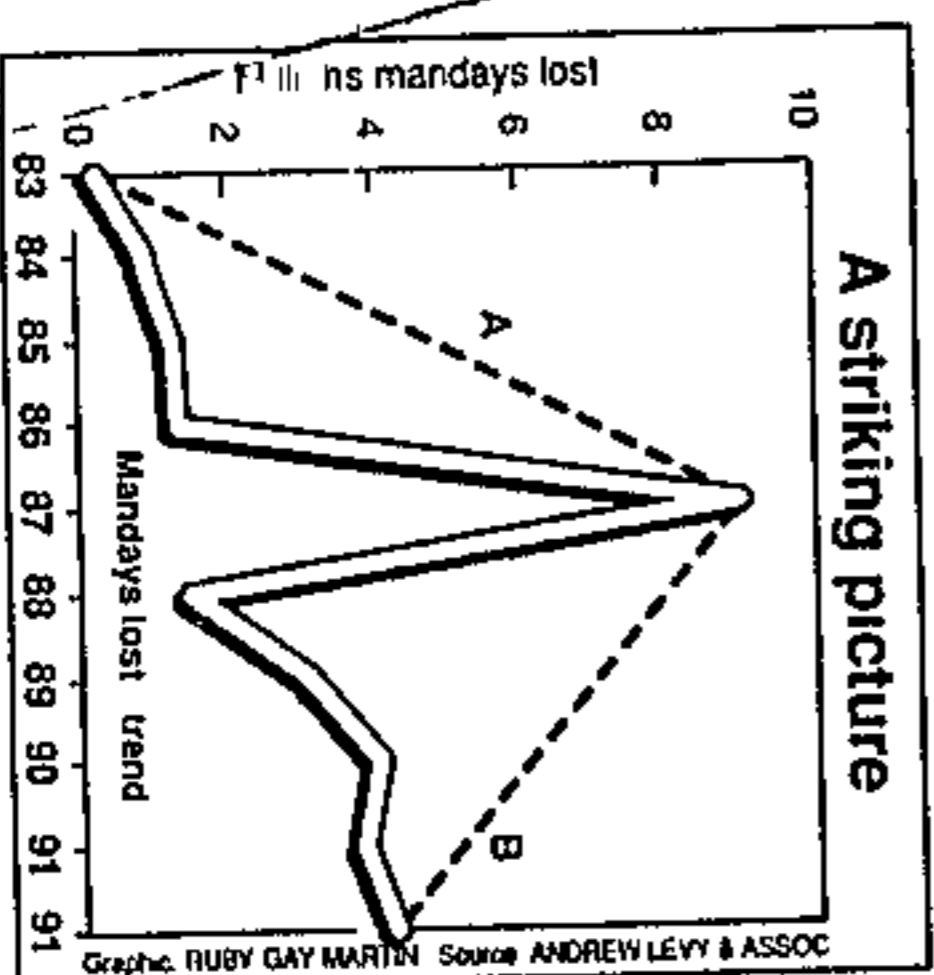
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trenchment between management and employee representatives to minimise lay-offs and to determine terms of retrenchment, including severance payments. Where individual dismissals for disciplinary offences or incapacity are concerned, the law and court guidelines require both procedural and substantive fairness.

The authors of the Keys model appear to have ignored the effects of these norms on the strike patterns about which they are so concerned. According to Andrew Levy and Associates' data, dismissal disputes triggered 20%-25% of strike activity during the early- to mid-'80s, before Industrial Court adjudication and private arbitration became the norm. That figure was, by last year, down to 4.9%. And last year retrenchment disputes were responsible for 0.2% of man days lost due to strikes — remarkably low given the high incidence of retrenchments.

Whimsical dismissals are no longer possible, more skilled manpower management is a requisite for any successful business and Industrial Court decisions are not as consistent as they might be. But retrenchment and dismissal standards in SA are not overly restrictive — including by international standards. And their benefits in terms of industrial peace cannot be ignored.

Centralised collective bargaining,



and the industrial council system in particular, is a more complex area. While the system has, as the model acknowledges, contributed to industrial peace, it can potentially be used by both big business and labour to make entry and survival difficult for new, small business.

Cosatu spokesman Jayendra Naidoo reiterated yesterday the organisation would never accept the dismantling of the system which it saw as crucial to the whole process of industrial restructuring. Ngr would accept a blanket exemption from council agreements for small business and/or non-parties.

If that is so, the solution would have to lie in realistic wage differentials between different areas and sub-sectors, and a greater willingness to grant ad hoc exemptions on merit (a process which has already begun). In a nutshell, this means greater flexibility.

Propounding the new Cosatu approach, Naidoo acknowledges the need for a new system of wage determination. As does the model, Cosatu sees better training and education, and hence higher productivity, as the key to significant improvements in real wages. But it also seeks a new philosophy on grading and skill recognition as part of an overall new approach to wages.

Ultimately, a shift to a more decentralised system of wage bargaining — and more restrained wage claims and a less adversarial industrial relations system — will require in the context of a strong labour movement, a series of trade-offs. The nature of those trade-offs is emerging even now in the gold mining industry, where crisis has acted as the midwife.

The elements there have been a greater willingness to share financial and operational information with employees, a direct link between productivity and earnings (the profit-sharing scheme) and — still in embryonic form — a shift to a participative management system resembling German co-determination.

Such microeconomic questions may not be the traditional stuff of normative economic models. But without it, Key's plan is at worst defective, at best incomplete.

Pay pact breaks new ground

Printing company and union reach landmark agreement

SHARON SOROUR
Labour Reporter

SIGNS of a significant shift in labour and business relations are emerging with an agreement reached at one of Cape Town's largest printing firms to cut wage increases and limit overtime payments to reduce retrenchments.

The "remarkable interim agreement" between Cape Town printing firm Creda Press and the SA Typographical Union cuts wage increases by 75 percent and pegs overtime payments at the normal time rate.

It comes on the eve of tomorrow's tough Budget and a warning from Finance Minister Mr Derek Keys that real wage increases would have to be kept to 0,75 percent a year if a targeted extra 1,3 million formal sector jobs were to be created within five years.

Mr Keys said labour costs were a vital factor listed in the government model for economic recovery and the increase of employment opportunities.

A Creda spokesman said the recession had hit large and small printing firms "where it hurts" and many had already gone to the wall or retrenched staff in a last-ditch attempt to stay in business.

The idea behind the agreement was "simply to cut costs and ensure against retrenchment and redundancies" and it had agreed to the cost-saving measures for a four-month period.



As the economic climate improves, wages and overtime rates would revert to their normal levels, with increases of 12 to 14 percent as negotiated between management and the union last December," the Creda spokesman said.

Union spokesman Mr Derrick Fredricks said the ground-breaking agreement was "simply a question of planning intelligently in current market circumstances. Our union proposed the creation of a special programme which would bring the boardroom to the people with the idea of sharing ideas and exploring solutions."

Cape Chamber of Industries executive director Mr Colin McCarthy said the agreement showed a good relationship between labour and management and that there was a willingness on both sides to solve the problem.

He believed more companies would follow the precedent if trade unions were willing to "bend" as the typographical union had done.

Mr Charles Nupen, head of Independent Mediation Services of SA (Imssa) and recently appointed to the new National Manpower Commission, said the "adversarial relationship" between labour and capital was changing.

"We envisage an environment much more consensus-based and more planned, emerging by virtue of inter-

MISSING! WHO KNOWS WHERE?

Girls pray for aunt's return

JACQUELYN SWARTZ, Staff Reporter

EVERY night before they go to sleep two little girls pray for their beloved aunt to return home. Nadia Prime, nine, and her sister Stacey, five, last saw Samantha Prime three years ago when she left home.

Now it seems their prayers will be answered because in January their father Greg, 30, had a birthday card from his sister Samantha, now 20. But there was no return address.

"I love and miss you all. Please forgive me," said the card, postmarked Durban.

It was the first contact she made with them since her disappearance from the Prime family home in Steenberg.

"I felt good because she is still alive. I just want to get hold of her and talk to her," said Mr Prime.

He believes a series of phone calls to the Prime home around the time of their mother's birthday may also have been from Samantha.

"Don't miss the opportunity to see her," he



JOB MARKET

Advice to ~~Bank~~ ¹³² on ^{21/3/93}

DESPITE present difficulties, there could be bright prospects for SA in the future, says a draft World Bank paper

"But no miraculous solution or way out should be expected from either the total removal of the apartheid system or some extraordinary windfall coming from a favourable terms of trade shock (such as a sudden rise in the price of gold)," bank staffers say in a discussion document

The paper is likely to become the formal bank position on SA once responses have been solicited from key parties locally

The document has garnered some support from the ANC. Economics head Trevor Manuel told a press conference on government's Normative Economic Model that he preferred the bank's approach to that of government's

The World Bank paper says a virtuous cycle of economic effects can be launched in SA if the relation between economics and politics can find a co-operative mode of expression

It identifies a three-point strategy to reform the SA economy

● Restructuring the budget to raise public investment in areas of infrastructure and publicly provided services. This should be targeted towards the poor and underprivileged. The authors want to restrict the growth of recurrent expenditure in the budget

● Upgrading the skills of existing workers by improving skills in the

short-term and investing in human capital in the longer-term

● Creating a stable and export-orientated business environment by encouraging a shift in the orientation of the manufacturing sector towards exports in the short-term while providing a longer-term commitment to a stable export-orientated environment

Impediment

Serious upgrading of skills can only come about through the efforts of the private sector. "One viable solution could come through a pact between major employers and trade unions through the provision of training in widely applicable skills

"The trade unions would play their part by agreeing to limits on strikes and other activities which disturb industrial peace"

A central point is that industrial relations problems have become a major impediment to industrial development, and a pact should therefore have the effect of encouraging a revival in private sector investment, the paper says

The authors see two rays of light. If a political settlement is reached and social and political instability diminishes, this should ease SA's capital constraint

"Although conditions in world markets are not at their most encouraging, a political settlement would have the effect of opening access to financial support from both bilaterals and the major finan-

cial multilaterals (including the World Bank)"

The second ray of light is that SA has the rare distinction among upper-middle income countries of possessing a low external debt-to-GDP ratio

"Given foreign finance, a path of growth and redistribution will be less vulnerable to external constraints during its transition"

Provision for both education and training has been inadequate on distributional grounds and in terms of future growth needs, the authors say

"The position on training seems to be a dire one" Only about 9 000 apprentices were indentured during 1990, of whom 6 700 were whites while the number of apprentices has not increased during the 80s

The paper says that while 280 000 individuals were trained on various public and private training courses during 1990, much of this training was provided on a very short-term duration — one week or less

Barriers

It says it may be possible to encourage more rapid employment creation through the expansion of small-to-medium scale production activities and through the provision of subsidies on additional jobs created by enterprises with relatively elastic demand for labour

"The evidence so far indicates that regulatory obstacles are not a major constraint upon the entry of small-scale entrepreneurs. It would seem that other barriers to entry, such as capital-market imperfec-

tions and entry-forestalling pricing policies of big firms, may need further investigation"

A key strategy will be to reduce the anti-export bias in the economy as it is now structured. The paper identifies this as an urgent task

The authors say a Sacob study found that two-thirds of the disadvantage that South African exporters suffer relative to foreign competitors derives from the higher prices that they have to pay for manufactured inputs

Complicated

"Ideally, trade policies should eliminate this disadvantage and place exporters in a position of indifference between selling at home or abroad"

The paper says all exporters must have free access to imported inputs. It says that problems in SA's tariff or import duty structure should be addressed quickly. These problems include unevenness in the duty schedule, complicated tariffs and highly unstable tariffs

Access to government support should be related to export performance. "The Korean government conditioned its allocations of short- and long-term capital to export performance. Tax incentives were also conditional on exports"

"Countries which attempted to follow a more classic infant-industry approach — i.e., produce first under lax standards of the protected domestic market, and then move on to export promotion — were much less successful"

Volkswagen in talks to reduce staff by 25%

Own Correspondent

JOHANNESBURG — Volkswagen SA has begun negotiations with employee representatives expected to lead to a reduction of about 25% in the company's workforce.

Talks with the National Union of Metalworkers of SA (Numsa), representing 6 000 hourly paid workers, and the SA Iron, Steel and Allied Industries Union, which claims about 2 000 members, and VW management began last Friday and again yesterday. Another meeting is scheduled for Friday this week. ET 24/3/93

A VW spokesman said the company was looking at all opportunities to cut costs because of the current state of the SA and international car markets.

VW declined to confirm suggestions that it was seeking to reduce its 9500-strong workforce by 2300 through layoffs, natural attrition and early retirement. The spokesman said it was hoped to avoid retrenchments but this could not be ruled out.

He also denied the cutbacks were due to VW's falling market share.

The company produced some 15% fewer vehicles in 1992 than in 1991 and lost 2% of its market share - second only to Toyota which was badly affected by a protracted strike.

Further, the launch of VW's third generation Golf and Jetta ranges has been postponed to mid-April because of sub-standard quality determined by inspectors from VW's German parent company

Iron & Steel Union spokesman Van Niekerk Venter said rumours of 2 000 retrenchments had been denied by VW MD Peter Searll. But in the past "the grapevine had been proven to be accurate"

At present the company was discussing reducing its workforce considerably by means of early retirement and natural attrition, he added

A Numsa spokesman yesterday refused to comment "because of the sensitivity of the discussions".

● German auto group Volkswagen suffered a 12,6% plunge in its world sales in January-February by comparison with the same period last year, a spokesman said yesterday, Sapa-AFP reports

The group sold a total of 488 000 vehicles during the period, 350 000 bearing the VW name, 55 400 Audi, 50 200 Seat, and 32 400 Skoda

The spokesman said that, for the year as a whole, the group expects its sales to drop by 20% compared with 1992 in Germany, where they were off by 28,8% for the first two months.

NEWS IN BRIEF

Mayekiso joins picket

SANCO president Moses Mayekiso joined a UK anti-apartheid picket at FNB-owned Henry Ansbacher Merchant Bank in London yesterday.

The picket had been organised by the End Loans to SA group and was aimed at raising consciousness about "socially irresponsible" banking in SA, Sanco said.

Mayekiso will address the Local Authorities Against Apartheid conference in Sheffield today.

Tough anti-poaching law

BOPHUTHATSWANA this week amended its Nature Conservation Act and introduced tougher anti-poaching measures following official concern about an increase in regional poaching.

Water quotas loom

FREE State farmers would have their irrigation quotas halved on May 1 unless water reserves in the province's dams improved, Water Affairs Minister Japie van Wyk said yesterday.

The recent good rainfalls had not brought relief to Free State wheat farmers who have had almost total crop failure this year. The rain had also not been sufficient to boost dam levels.

Van Wyk said farmers would still have time to complete harvesting because the intention was "to pull current crops through without restrictions".

Hippo evades capture

THE Dullstroom hippo, "Mighty Maas", trapped in an eastern Transvaal dam, has continued to frustrate TPA nature conservation efforts to capture it.

TPA nature and environmental department chief director Pieter Mulder said this week the hippo would not leave the dam while people moved around the area. He appealed to the public and media to avoid the dam.

REPORTS Business Day Reporters

Industrial action at lowest in five years

BIDAY 25/3/93

THE dramatic decrease in strike activity for the first quarter of 1993 — at its lowest in more than five years — is largely attributed to a reluctance by unions to initiate industrial action in light of the economic climate.

According to Andrew Levy & Associates' latest strike report only 65 000 man days were lost in the first three months of this year compared with 135 000 in 1992 and 180 000 in 1991. The report suggested, however, strike activity would increase in the second half of this year as wage rounds began in earnest.

The most likely sector to be affected by strikes was the public service, which was expected to oppose the 5% wage ceiling imposed by government.

To date the protracted dispute by the SA Democratic Teachers' Union over wages and retrenchment was alone responsible for more than half the man days lost.

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ERICA JANKOWITZ

The main trigger factor this year was discipline and dismissal. This triggered 37,5% of strikes followed by grievances and wages (25% each) and retrenchment (12,5%).

"Given high levels of unemployment and continuing retrenchments affecting all sectors of the economy, unions are adopting a cautious approach and not resorting to strike action as readily as they have in the past," the report said.

Traditionally wages accounted for a far greater proportion of strike action from the second quarter of a year. This year was unlikely to be an exception given the economic constraints companies were facing.

Realistic opening demands, such as the one tabled by Numsa, also made settlement more difficult as unions showed their determination to stand their ground.

Postal workers in wildcat strike

ABOUT 2 000 SA Post Office and Telkom workers in Natal and Cape Town have embarked on wildcat strike action over a looming wage dispute.

Yesterday Posts and Telecommunications Workers' Association (Potwa) president Khabisi Mosunkutu said the action stemmed from a belief that wage talks were "shifting towards deadlock".

Management had offered increases of less than 5% whereas Potwa's demands ranged between 14% and 30%, he said.

Potwa officials had tried to intervene and were desperately trying to resolve the matter. However, if management adopted a "high-handed" attitude this would "simply escalate the situation", he added.

National strike action could not be ruled out unless management moved substan-

ERICA JANKOWITZ

tially on the present offer. Talks are scheduled to resume next week, he said.

A Telkom spokesman said the Cape Town strike action had been limited to Post Office employees and details from Telkom Natal were sketchy.

Meanwhile, 155 Telkom workers based at the Phillipi Technical Services Centre were dismissed yesterday.

Telkom said their dismissals followed a series of work stoppages which did not concern wages. During the course of mediation yesterday workers refused to return to work and they were sacked.

Negotiations on the set of demands submitted in November would continue, Telkom said.

BIDAY 25/3/93

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Business, labour get new role

(43)

132

CT27/3/93

By ANTHONY JOHNSON
Political Correspondent

ORGANISED labour and business will be invited next week to have a say in determining spending priorities in next year's Budget.

The breakthrough — paving the way for joint decision-making in government — was announced by State Expenditure Minister Mr Amie Venter as part of a 12-point plan to slash state spending by R5 billion over the next two years

He predicted the programme would help to reduce the tax burden

For the first time "outsiders" will help decide how the Budget allocates money to government departments, including Defence and Law and Order

Mr Venter said yesterday that the representatives of business and labour sitting with the government on the National Economic Forum (NEF) would be able to nominate members to make Budget inputs through 15 state-function committees

He told a press conference yesterday the committees were being established to draft five spending scenarios for each of the 15 departments

After these had been forwarded to the cabinet, the committees would decide how the money would be spent in

terms of the scenario decided upon by government ministers

Mr Venter said the plan to cut state spending involved setting ceilings in current expenditure, before inflation, at R104,2 billion for 1994/95 and R101,7 billion for 1995/96 — down from the anticipated R106,7 for 1993/94

Central to the plan will be a change in government budgeting principles from what departments felt was needed to what could be afforded

Another important aspect of the plan is the scrapping of additional expenditure budgets — the "additional estimates" Only "unforeseen and unavoidable" expenditure will be authorised by Parliament

Other features of the plan are

- Ministers or administrators must reduce spending on specific functions to a targeted amount The function committee will play an important role in setting these targets

- Unexpended funds will be carried over to the following financial year to eliminate spending on non-essential items at the end of the year

- A Treasury committee consisting of the Ministers of Public Enterprises, State Expenditure and Finance will advise the cabinet on spending priorities and savings targets

Long journeys drain workers

S/Times (BUS) 28/3/93

By KEVIN DAVIE

COMMUTING distances for many black workers have become increasingly arduous over the years and may have reduced their effectiveness at work

A World Bank draft report, aspects of which Business Times reported last week, says the average commuting distance of urban blacks is as much as three times that of unskilled workers in more developed countries than SA.

"Distorted patterns of residential location could be expected to both raise the supply price of black labour and to lower the effectiveness of workers through increased fatigue

Care

"It is highly plausible that these effects still represent a significant impediment to productive efficiency"

The authors suggest that the future government will redirect capital expenditure to urban infrastructure in deprived areas. Sanitation, water supply, roads, garbage collection and electrification of existing dwellings will be targeted.

"Consideration also needs to be given to the development of new sites in more central urban locations"

Infrastructural needs, such as new schools and clinics, are also identified as probable priority areas

(132) (440)
"Care should be taken, however, to ensure that the locational distortions introduced under apartheid are not extended"

The authors also warn that the programme should not neglect the needs of the rural sector, "otherwise excessive rural-urban migration will be encouraged"

They suggest that workers on public works programmes should be paid about half of formal-sector rates

Staffing requirements in local government should be assessed in relation to levels of remuneration elsewhere in the economy

"At present, for example, a primary schoolteacher earns around one and a half times the average black wage — a pay ratio that is well out of line with that observed in other countries

"Pay restraint may have to be examined as a further device to control recurrent expenditure growth."

The report warns that sustained and higher growth in SA will not be possible without a marked improvement in the performance of the industrial, agricultural and mining sectors

"This would encourage faster growth than in the commercial, service and construction sectors"

SA historically developed by investing in heavy capital-intensive first-stage processing industries for the export market. In the last decade the terms of trade have

moved against primary products and simple manufactured products

"SA has thus lost much of its gains from trade, while exports have not created sufficiently high income growth"

Agriculture, in particular, is singled out for criticism in the report

"International comparisons with countries at similar levels of GDP per capita suggest that SA's current share of agriculture in GDP is lower than would normally be expected," the authors say

Tractors

Although the proportion of arable land (12%) in SA compares favourably with many other agricultural producers, productivity lags badly

Irrigation accounts for 30% of total value of agricultural production. But only 3,7% of SA's cropland is under irrigation compared with 33% in Asia

Over-mechanisation has been a feature of SA agriculture. "The use of tractors has been so extensive that the marginal productivity of tractors is effectively zero"

In agricultural marketing and processing "a monopolistic system has transferred value to white producers at the expense of consumers and international competitiveness"

The report says that although mining receives no protection in the domestic market, it buys its input from companies which receive protection and consequently pays more than under free-trade conditions

"As a result effective protection for the mining industry is negative"



RENEGADE'S RIGHTS

Don't tangle with the 'boss':

By Takalani Madima

THE NATIONAL UNION of Mineworkers is reported to have expelled 21 renegade members some time late last year

Does a trade union have the right to expel a member? Can a union say "We do not want to associate with you because your unbecoming conduct is detrimental to our interests"

The principle source of the right of association is the International Labour Organisation. Other sources are the Universal Declaration of Human Rights, International

Unions draw line for members

Covenant on Social, Economic and Cultural Rights, International Covenant on Civil and Political Rights. Regional instrument for our continent is the African Charter on Human and People's Rights known as the Banjul Charter

Human rights' instruments, as they are called, guarantee the workers' right to associate with like-minded people in an association for the protection of economic and other interests

Freedom of association

It is illegal to forbid workers to belong to a trade union or to punish them for doing so. There are certain categories of workers whose deprivation of this right remains compatible with international labour standards

What concerns us in this article is whether a worker, who the law of the land has accorded the right to join a trade union, can be lawfully denied that right at the insistence of fellow workers

The Num case is a good illustration, so is that of Cheall versus the United Kingdom. Mr Cheall was expelled from his trade union (Apex) because he had joined it without getting a clearance from his former union (ACTSS). The expulsion was in accordance with the Brington Principles (to which both unions are signatories) which states that "No one who is or has been a member of any affiliated union should be accepted into membership in another union without inquiry of his present or former union"

Cheall challenged his expulsion in a civil action on the grounds that it was contrary to the European Convention on Human Rights which states that "everyone has the right to freedom of assembly and freedom of association with others, including the right to form and to join trade unions for the protection of his interests"

Allowed to appeal

The tribunal ruled against Cheall. He was allowed to appeal. Apex counter-appealed and the House of Lords decided that "freedom of association can only be mutual, there can be no right of an individual to associate with other individuals who are not willing to associate with him"

Cheall took the matter to the European Commission on Human Rights. They arrived at the same conclusion, reiterating that the right to join trade unions was a special aspect of freedom of association which protects first and foremost against state action. It said that the right to form trade unions involved the right of trade unions to draw up their own rules

This right is also protected by Convention 87 of the ILO. Trade unions therefore remain free to decide, in accordance with their own rules, the question concerning admission to, and expulsion from the union

The Num constitution states that "should a member, in the opinion of his branch committee, conduct himself in a manner detrimental to the interests of the union and its members, his membership and benefits may be suspended or he may be expelled from the union"

The right to belong to the trade union of one's choice is not absolute. Freedom of association is not intended to benefit just the individual but the collectivity as well

As the Num constitution points out, before an expulsion can be effected an inquiry is held which affords the member the opportunity of defending himself

The constitution makes provision for appeal

● The writer is senior research officer, labour, Centre for Applied Legal Studies, University of the Witwatersrand

FACTS ABOUT BTH BUS TARIFFS

Since Bophuthatswana Transport Holdings (BTH) announced its tariffs increase of 15% effective from 29 March 1993, many inquiries were received pertaining to how much bus tickets really cost.

The following is a number of examples of prices of 5 day weekly tickets. The prices represent the portion that the passenger pays after subsidy has been calculated.

1. HAMMANSKRAAL AREA

Botlhaba Tswana Transport:
Telephone: (01464) 78360

All prices are from the relevant zones to the centre of Pretoria (Central Business District).

	5-Day	Per Trip	Per Day
Zone 1: Tembisa/Bosplaat	R20,40	R2,04	R4,08
Zone 2: Stinkwater/Makapanstad	R26,90	R2,69	R5,38
Zone 3: Haakdoornlaagte/Kgomo-Kgomo	R27,70	R2,77	R5,54
Zone 4: Pankop/Bultfontein	R31,50	R3,15	R6,30
Zone 5: Skilpadfontein/De Putten	R32,90	R3,29	R6,58
Zone 6: Ngobeni/Verglegen	R31,70	R3,17	R6,34

The following prices are for trips to Brits

	5-Day	Per Trip	Per Day
Zone 1: Haakdoornlaagte/Bultfontein	R30,30	R3,03	R6,06
Zone 2: Lekgonyane/Jericho	R24,20	R2,42	R4,84
Zone 3: Mabopane	R23,60	R2,36	R4,72
Zone 4: Letlhabile	R20,80	R2,08	R4,16
Zone 7: Ga-Rankuwa	R20,70	R2,07	R4,14
Zone 9: Bapong	R23,10	R2,31	R4,62
Zone 10: Hartbeesfontein	R25,30	R2,53	R5,06

3. MABOPANE AREA

Batswana Gare Transport:
Telephone: (01461) 23311

The following prices are for trips to Pretoria CBD.

	5-Day	Per Trip	Per Day
Zone 9: Klipgat/Madidi	R30,40	R3,04	R6,08
Zone 10: Shakung/Molletswane	R33,20	R3,32	R6,64
Erasmus	R23,60	R2,36	R4,72

The following is for bus trips to Valhalla.

	5-Day	Per Trip	Per Day
Zone 1: Waterford	R29,40	R2,94	R5,88



Sowetan 29/3/93 132

Unions 'must boost women'

SHARON SOROUR
Labour Reporter

ARC 1/4/93
TRADE unions need to embark on affirmative action programmes to boost the number of women workers in decision-making structures, according to Nactu's Women's Unit

In an article in the latest SA Labour Bulletin, Ms Crecentia Mofokeng of the Women's Unit, and Ms Thembi Tshabalala of the Information Unit said trade unions needed to look at the possibility of quota systems where unions reserved seats for women in decision-making structures.

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

In Nactu alone women rep-

resented more than 40 percent of the membership. A recent survey conducted by Nactu, the country's second-largest union federation, on the status of women in its affiliates, showed there were only two women general secretaries, two women presidents and three vice-presidents.

The level of participation in meetings, national congress, the national executive and education was very low

A code of conduct had to be formulated for the protection of women against sexual harassment by male colleagues.

Nactu's Women's Unit was formed in 1984 to ensure full participation of women within Nactu and its affiliates, to create a platform for women's issues and to examine problems encountered by women in the

workplace and the union environment; to eliminate discrimination and to integrate women into trade union activities

Ms Tshabalala and Ms Mofokeng said it was "not enough" for a trade unions to present themselves as non-sexist organisations when women continued to be under-represented in decision-making structures.

"In the various education activities of Nactu's Women's Unit, problems women experience both at work and in the trade union movement have been raised."

These included low wages, lack of promotional opportunities, restricted maternity leave, limited sick leave, lack of support from spouses to share responsibilities on the home front to allow women to participate in union activities.

HOPES that American investors will flood back to create new employment opportunities in SA when the ANC announces an end to sanctions need to be tempered by the following grim fact

The South African labour force is among the most costly and least productive in the developing world — at least when it is employed by affiliates of US companies

This emerges from data gathered by the US Commerce Department for a benchmark survey of foreign direct investment by American firms published late last year

The survey is based on detailed financial statements US parent companies were legally required to submit to the department. It provides an unusually comprehensive, country-by-country picture of how US overseas investment performed in 1989

Not all the news is bad. Calculations based on the data show that the 92 US parents which still held a majority interest in South African operations achieved a relatively decent 8.3% pre-tax return on assets then worth \$1.6-billion

Thus compares with average returns of 6.5% on assets in Latin America, 5.5% in Asian and Pacific

In SA it's more pay, less work

From SIMON BARBER in Washington

countries and 4.9% in Western Europe

In other respects, however, the picture was less rosy for South African subsidiaries. Net income as a fraction of sales was at the low end of the scale: 6% compared with a 12.1% average in Latin America

Among developing nations on the Pacific Rim, sales-to-income ratios ranged from 7% for Malaysia to a whopping 20.8% in Indonesia

Startling

But the most troubling signs are on the labour front

The average South African worker in a US manufacturing affiliate was paid \$4.47 an hour in 1989, \$1.23 more than his or her average counterpart in Latin America

In Asian and Pacific countries, excluding Japan, Australia and New

Zealand, only the Taiwanese and Koreans were paid more. The remainder averaged \$2.13, less than half the South African figure

Even more startling are comparisons of net return generated per worker

During the survey year, non-bank, majority-owned affiliates in SA produced a pre-tax return on direct US investment of \$134-million. They did this with just under 23 000 employees. Return per worker was \$5 800

The same calculation for Latin America gives a figure of \$9 500, for Asia and the Pacific \$10 400, and Western Europe, where US subsidiaries employed 2.3-million highly paid (but also highly skilled) workers, \$12 500

The survey data suggests one other reason not to be optimistic about major infusions of US investment — at least until SA can demonstrate that it has a healthy and growing market for products made by American affiliates

The great majority of sales by US

subsidiaries the world over are within the country where the subsidiaries are operating. This is particularly the case in SA, from which only 10% of US affiliates' products were exported in 1989

Isolation

Parent firms clearly did not see the country as a springboard to other markets, and though this may have reflected political considerations, geographical isolation and the poverty of the surrounding continent appears to have had a lot to do with it

But even in Asia and Latin America, local markets (accounting for 71% and 64% of sales respectively) are where US subsidiaries did the bulk of their business

And note this statistic for the survey year, sales by US affiliates in all of Africa (\$11.5-billion) only just managed to top those of American subsidiaries in Ireland

51 Times [Buss]

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SHOULD wage bargaining be centralised or decentralised? And should other issues — such as investment and pricing policies — be included in the bargaining process? Should government be involved?

These questions have been disputed in policy debates throughout the world, including in SA. Many contributions have focused on Sweden's "social corporatist" arrangements, and that country's relative success in preventing mass unemployment in the '70s and '80s. Such arrangements are thought to deliver improved economic performance by being able to produce different outcomes in the wage bargaining process than would otherwise occur.

Restraining money wages need not effect real wages, provided inflation falls fully in line. The difficulty is to ensure that a reduction in money wage increases does indeed result in inflation falling to the same degree, rather than feeding through into higher profits and allowing firms to continue using outdated equipment which would otherwise have had to be replaced.

However, a separate argument is that the growth of real wages should indeed be reduced. Workers, it is argued, price themselves out of jobs and restraining real wage growth would improve competitiveness, allowing increased production and hence increased employment.

But wages have a complex relationship with employment. In the short-term, wage restraint might encourage individual firms to take on more workers because their wage costs are lower. But low wage dependency has two long-term costs to the national economy. In the first place, it redistributes income towards the relatively better off who consume a higher proportion of imported goods, reducing demand and causing unemployment. In the second place, it eases pressure on firms to replace their outdated equipment and managerial methods, with the result that innovation slows down and international competitiveness is lost.

Wage policy hangs on competitiveness and productivity

BIDON 16/4/93

JONATHAN MICHIE

These problems could be tackled by a package of measures including labour market policies for centralised bargaining, which do not aim at reducing real wages.

In Britain, though, incomes policies in the past made it increasingly necessary for organised workers to make concessions on employment levels, working practices and other forms of job control in return for securing wages above the norms set by government policy. Such changes could be effectively achieved only at local level. At the same time, it was at the local level that wage bargaining was most effectively hidden from government surveillance. So, ironically, the imposition of centralised income policies itself led to a decentralisation of bargaining.

Incomes policies also had a detrimental effect on the institutionalised relationship between organised labour and government. Traditionally, the labour ministry and its successors had been the sponsors of good industrial relations and guarantors of effective and fair labour standards. From the early '60s onwards, the use by governments of wage councils and of the ministry's arbitration and conciliation machinery for the purpose of pay restraint brought about an erosion of its credit-

ibility in the eyes of organised labour.

The wider failure of incomes policies lay in their inability, over the longer term, to produce the circumstances for higher levels of investment and productivity. Separately from the claims that pay restraint is necessary in order to curb the "inflationary" tendencies of collective bargaining, incomes policies have at various times been advocated as a means of diverting resources from wages and consumption into investment for securing national competitive advantage.

In practice this did not happen in Britain in the '60s and '70s, largely because the private sector did not respond by increasing investment as expected. Instead it used the surpluses from wage restraint for other purposes, such as increases in dividends. The failure to put into place effective mechanisms for directing investment meant many of the potential economic gains of income policies were lost, and the "sacrifice" of lower wage growth wasted.

The Swedish strategy of solidaristic bargaining, on the other hand, involved, first, a restrictive fiscal

policy designed to minimise the risk of demand-induced wage and price inflation and, second, the adoption through centralised wage bargaining of wage levels and employment standards observed by the more profitable and efficient enterprises in a given sector. Less efficient enterprises which were unable to pay the higher wages had then either to increase productivity or close down.

The third element was an active labour market policy, whose function was to compensate for the consequences of structural adjustments in the economy caused by the other two parts of the strategy, by encouraging training and job mobility for employees. Retraining programmes served to transfer labour from stagnating to prosperous industries and to reduce the danger of overheating from labour shortages.

Swedish "social corporatism" was, then, a force for structural change throughout the '50s and '60s, forcing the progressive modernisation of the economy through tight fiscal policies combined with rising national wages, forcing a high rate of economic scrapping but backed up by an active labour market policy to encourage the switching of labour to high productivity sectors. Thus the Swedish economy was well placed to

meet the global shocks of the '70s, and the operation of their "social corporatist" institutions resulted in low rates of unemployment compared with other OECD countries.

However, although the success of the Swedish model of economic regulation came to be demonstrated when faced with global pressures, it is in the face of further global integration that this system of regulation is now disintegrating. While this may appear paradoxical, it is perhaps not surprising that it is precisely when the system is called on to deliver in the face of adverse circumstances, requiring a redistribution of losses rather than gains, that the system should crack.

International experience has naturally varied tremendously, and reading from it lessons for SA would not be straightforward. Britain experimented with a number of labour market policies, but never succeeded in using centralised bargaining to force through modernisation, as happened in Sweden. Other countries varied their institutional arrangements in face of global changes, while in Sweden these are only now being faced.

Detailed work by SA's Macroeconomic Research Group has shown how Australia's social accord, for example, was launched as one component of an ambitious program of economic and social reform. But when the other elements in the reform programme faltered, the wages policy alone was left to bear the brunt, and suffered accordingly.

The key lesson from the experience of both Sweden and Britain, though, is that achieving full employment combined with low inflation requires improved productivity and competitiveness. The focus of any labour market policy should therefore be on how to force industries to match best practice through investing productivity gains are passed on in reduced output prices.

□ Michie teaches at the Institute of Management Studies at Cambridge University. He is visiting SA.

Star 26/4/93

More protection sought for workers

Claire Gebhardt

Workers are at the bottom of the heap when a company goes bust — and the Law Commission is currently looking at ways of protecting them

Les Cohen of liquidator Westrust has revealed that millions of rands of wages owing to workers are going down the drain as liquidations soar.

He told delegates to a Credit Guarantee conference last week that 99 percent of firms which "go bust" had already hogged all the assets by notarial bond or cessation, leaving nothing for

employees

Economic fraud had reached such unprecedented levels that it necessitated the Law of Insolvency being reviewed, he said

"The Law Commission is currently investigating legislation which will protect employees' wages and this might be to the prejudice of both secured and unsecured creditors"

With liquidation "brutal and harsh in terms of unemployment", an alternative form of judicial management, such as the Chapter 11 in the US, should be sought.

A spokesman for the Law Commission has confirmed that

the protection of workers is being reviewed

Employees rank below secured creditors and preferred creditors such as the Receiver of Revenue.

In July 1984, the commission recommended that employees be paid after the cost of sequestration and administration and before the Receiver of Revenue and others

The proposal has not yet been implemented, but would now form part of a wider investigation.

Cabinet approval would be needed before new legislation could be passed.

Survey of African employee benefits

CAPE TOWN — Old Mutual has prepared itself for the move by SA corporates into Africa by undertaking a major comparative survey of employee benefit schemes in 11 countries

Old Mutual assistant GM Henk Beets said the aim of the survey was to enable the life assurer to provide a consultancy service for companies planning to set up operations in other African countries

The completed survey — which covers Botswana, Egypt, Lesotho, Nigeria, Kenya, Swaziland, Zimbabwe, Malawi, Zambia, Namibia and SA — would be expanded to incorporate other African, and possibly European countries, and would be updated every two months to take account of new developments

Beets said business decisions demanded a careful analysis of local conditions and arrangements, and the employment environment.

"In the case of employee benefits, it is crucial to have a thorough understanding of relevant legislation, employment practices, the investment environment and foreign exchange regulations. Only then can an effective and coherent employee benefits strategy be developed."

He said the survey would prove an invaluable guide to companies poised to expand into Africa, adding

that SA could learn valuable lessons from Africa in terms of social security, health care and housing systems. Systems specific to Third World conditions where the average income per capita was low had to be found

Beets said it was more feasible to extend employee benefits in the context of an AIDS epidemic, as unlike individual life assurance products, rates were reassessed on an annual basis to reflect the claims experience.

Comparing the social security schemes in Kenya, Egypt and SA, the researchers found that in Kenya and Egypt national social security funds were funded by employers and employees whereas in SA the social old age pensions were funded from tax revenues. The benefits offered in Egypt and Kenya were far more comprehensive than in SA.

More emphasis was given in these African countries to private sector funding for social service benefits.

Beets said the advantage of a compulsory national contributory scheme was that it was a more explicit form of taxation than income tax and led to a greater sense of ownership and responsibility on the part of the contributor.

LINDA ENSOR

Big jump in strikes and layoffs in 1992

BIDM 29/4/93.

CAPE TOWN — Labour relations suffered during 1992, with dramatic increases in the number of jobs lost and the number and intensity of strikes, although a modest increase in labour productivity was also recorded.

The Manpower Department's annual report for 1992 said SA's poor economic growth during the past three years had resulted in the number of formal job opportunities dropping by 250 000. However, average wage increases in 1992 were between 12% and 13%, compared to an inflation rate of about 15%.

The report said about 1,9-million man days were lost during 1992 and 833 strikes took place.

The figures indicated substantial increases over figures for the previous year, when about 600 strikes took place and 1,2-million man days were lost. The number of man days lost per striking worker was almost double the rate in 1991, representing the highest rate yet.

The average number of man days lost per striking worker for the period 1979 to 1986 was 2,6 compared to an average of 8,7 from 1987 to 1992.

Labour productivity and "multifactor productivity" — a combination of labour productivity and cap-

ital productivity — showed increases in the private, non-agricultural fields. Labour productivity increased 2,3% in 1991, and by another 1% in the first nine months of 1992.

Multifactor productivity showed a 0,3% increase in 1991, while capital productivity decreased 1,7%.

The report also noted an increase in registered trade union membership, which was close to 3-million.

However, Cosatu had registered a growth rate of only 5,3% — a substantially lower rate of increase than it had seen during the past decade.

Both the National Union of Mineworkers and the SA Clothing and Textile Workers' Union had recorded decreases in membership.

Sapa reports National Manpower Commission chairman Frans Barker said retrenchments had caused workplace tensions, with unemployment causing a sharp increase in poverty. Difficult economic circumstances were one of the main causes of violence and crime, aggravated by uncertainty linked to political change.

Most interest groups had become aware that a solution lay deeper than just a political settlement and that structural adjustment was needed.

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TIM COHEN

IN THE field of labour and economic policy SA is fast becoming a corporatist society. But the corporatist goal works at cross-purposes to the existing industrial relations system. One or the other will have to give way.

The national economic forum institutionalises a role for business and labour in formulating state economic policy. The new National Manpower Commission (NMC) is official acknowledgement that labour law can be changed only with tripartite consent. Other established institutions are also changing — from the National Training Board to the Unemployment Insurance Fund Parallel initiatives can be seen in some industries. Talks between unions and managements in the mining, clothing and motor sectors deal with long-term restructuring and go well beyond collective bargaining issues.

Love it or hate it — there are detractors on the left and the right — corporatism is the only realistic route forward. It is hard to imagine a scenario which excludes major economic actors from a key role in the formulation and regulation of socio-economic policy. Keys and De Klerk accept this, as do Manuel and Mandela. The corporatist vision proclaims the need for economic restructuring, without leaving this simply to the hidden hand of the market, or relying solely on the heavy hand of the state.

But if corporatism is to work it needs a compatible industrial relations system. Deals brokered at the highest level — between union federations, employer organisations and the state — must be reinforced, not undermined, on the ground.

Four aspects of our present industrial relations system are likely to undermine the corporatist endeavour. Problem one is the Labour Relations Act (LRA) which says little about how unions and management should relate. It grants immunity from prosecutions for certain behaviour (such as a legal strike). But it provides few positive rights. SA labour law, like its British counter-

Policy makers need a new body of industrial relations

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JEREMY BASKIN

part, makes little attempt to define a place for organised labour in society. Workers are permitted to form unions, but combination is not facilitated. Management and labour are allowed to negotiate, but nothing compels them to do so. Must an employer recognise a union — who knows? What rights and duties do shop stewards have? Here, too, the LRA is silent. Unfair labour practices are contemplated in the LRA, but barely defined. The result is a confusing mish-mash of contradictory Industrial Court decisions.

The LRA establishes a passive and voluntarist framework. The result? An unstable system, often unnecessary conflict, inconsistent and unfair conditions and more labour lawyers than anyone needs. Hardly a foundation for building consensus around socio-economic policy.

The second problem is that there is no collective bargaining system in SA. For most workers "bargaining" remains a foreign concept, they are paid on a take it or leave it basis. In some sectors unions and employers bargain on the basis of recognition agreements or custom. In others, industrial councils operate. But these bodies — sometimes national, sometimes regional — cover less

than 10% of all employees. In general, only the threat of unrest compels an employer to bargain in a particular forum, or to bargain at all.

Even in the industries with centralised bargaining there is little to stop an employer withdrawing from the bargaining forum. A mine can withdraw from the Chamber of Mines, or an engineering firm from Seifsa and, hey presto, collective agreements often no longer apply.

We have many different bargaining systems. Not surprisingly, we have endless disputes about how, where and whether to bargain.

For some, especially free marketers, this laissez-faire approach to bargaining is not a problem. But for those wanting greater consensus around socio-economic policy, the absence of a comprehensive bargaining framework must undermine their efforts. How can difficult national economic deals be reached when the collective bargaining system encourages each employer, union and plant to go its own way?

Third, and relatedly, it is hard to see how deals reached at the national economic forum or NMC can be im-

employer bodies able to look at the big picture.

The flip side of this problem is the lack of union centralisation. Even the strongest federation, Cosatu, lacks the muscle to enforce difficult decisions. Constitutional and financial power is vested with affiliates, which jealously guard their independence.

Could the union movement agree to a plan which promoted one industry at the expense of another? Cosatu and Nactu might agree, say, that Mossagas is a waste of resources and should be closed. But what would the Mossagas workers and their unions say, with their jobs on the line?

Fourth, there is no agreed system of plant-level governance. Some companies recognise shop stewards, others do not. Some stewards have extensive rights, others have nothing. A few firms grant majority unions exclusive representative rights. Most don't. Some companies leave non-unionised workers with little voice. Others actively encourage their own employer-employee channels, frequently as a way of bypassing unions.

On both sides of the industrial relations fence it is agreed that the plant level is the crucial interface. But the absence of a coherent system encourages adversarialism and sectionalism. Each side must be on its guard — protecting its backyard and always on the lookout for attempts to withdraw hard-won rights.

Without a strong, well-defined system of industrial relations (from national down to plant level) the corporatist project is unlikely to deliver. The existing system encourages protectionism, short-sightedness and needless conflict. Grafting a corporatist head onto an Anglo-Saxon industrial relations system can only lead to grief. It is time to review the Wehahn model of unionism and industrial relations.

□ Baskin is a former unionist and author of *Striking Back — A History of Cosatu*. This is the first of two articles based on research conducted for the Centre for Policy Studies.

plemented while employers remain poorly organised. To a lesser extent, the union movement faces the same problem. Certainly there are employer bodies in almost every industry, and chambers of commerce in every town. But at the national level, where the big issues are thrashed out, there is a confusing array of organisations. It is doubtful whether they can bind their members to any difficult deal. Attempts to avoid last August's stayaway broke down over the question of mandate. And during the 1992 metal strike a number of employers broke ranks with Seifsa and went their own way.

At present nothing encourages employers to combine, our voluntarist LRA and laissez-faire bargaining system actively discourage combination. Co-operation on socio-economic issues is discouraged by the fact of commercial competition, and there are no incentives to cooperate. And the big conglomerates tend to bypass their employer bodies when they have something to say. But if meaningful economic strategies are to emerge (regarding international competitiveness, tariffs, productivity, industrial restructuring and so on) then it will require the existence of strong national

Study finds wage rates set to fall

B/DAY 5/19/93.

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LINDA ENSOR

CAPE TOWN — Wage rates were expected to show real declines this year and next as the recession wrought changes in the attitudes of workers towards their pay, a study has found

University of Stellenbosch Bureau for Economic Research (BER) director Ockie Stuart, in a review of economic prospects for 1993 and 1994, has forecast an average wage rate increase of 10,6% for 1993 and 9% for 1994, translating into real declines of 0,9% and 0,1% respectively

Three reasons for this were that trade unions now favoured job security rather than high pay rises, the loss of jobs as a result of the recession forced people to work for less money in real terms, and the scarcity of work caused an imbalance between labour supply and demand

Between the second quarter of 1989 and end-1992, about 276 000 jobs were lost — and the likely acceleration of retrenchments would send unemployment soaring to an "alarmingly high level" over the next two years, Stuart said. It was unlikely non-agricultural sectors would show signs of an upswing before early 1994. The bottoming out of the recession and improvement in business confidence apparent in the first quarter had been negated by the Budget

Exports should give the economy a boost towards the year end, but not enough to cause a growth in GDP, expected to decline 0,5% this year and grow by a real 2,3% next year.

Stuart said the next upswing would have to be export-led, yet SA's export performance until the fourth quarter of 1993 would be slowed by the deterioration in the world economy. The total value of merchandise exports was forecast to rise 8,6% in 1993 and 13% in 1994.

Exporters would benefit from a more rapid depreciation of the rand against the dollar — which Stuart forecast at 10,5% this year and 4,2% next year. This would translate into an exchange rate of R3,33 per dollar at end-1993 and R3,47 per dollar at

end-1994. While this trend might exert upward pressure on inflation, BER forecast an average inflation rate of 10,2% in 1993 and 8,4% in 1994 with rapid increases thereafter. An average gold price of \$333/oz this year and \$340 next year was forecast

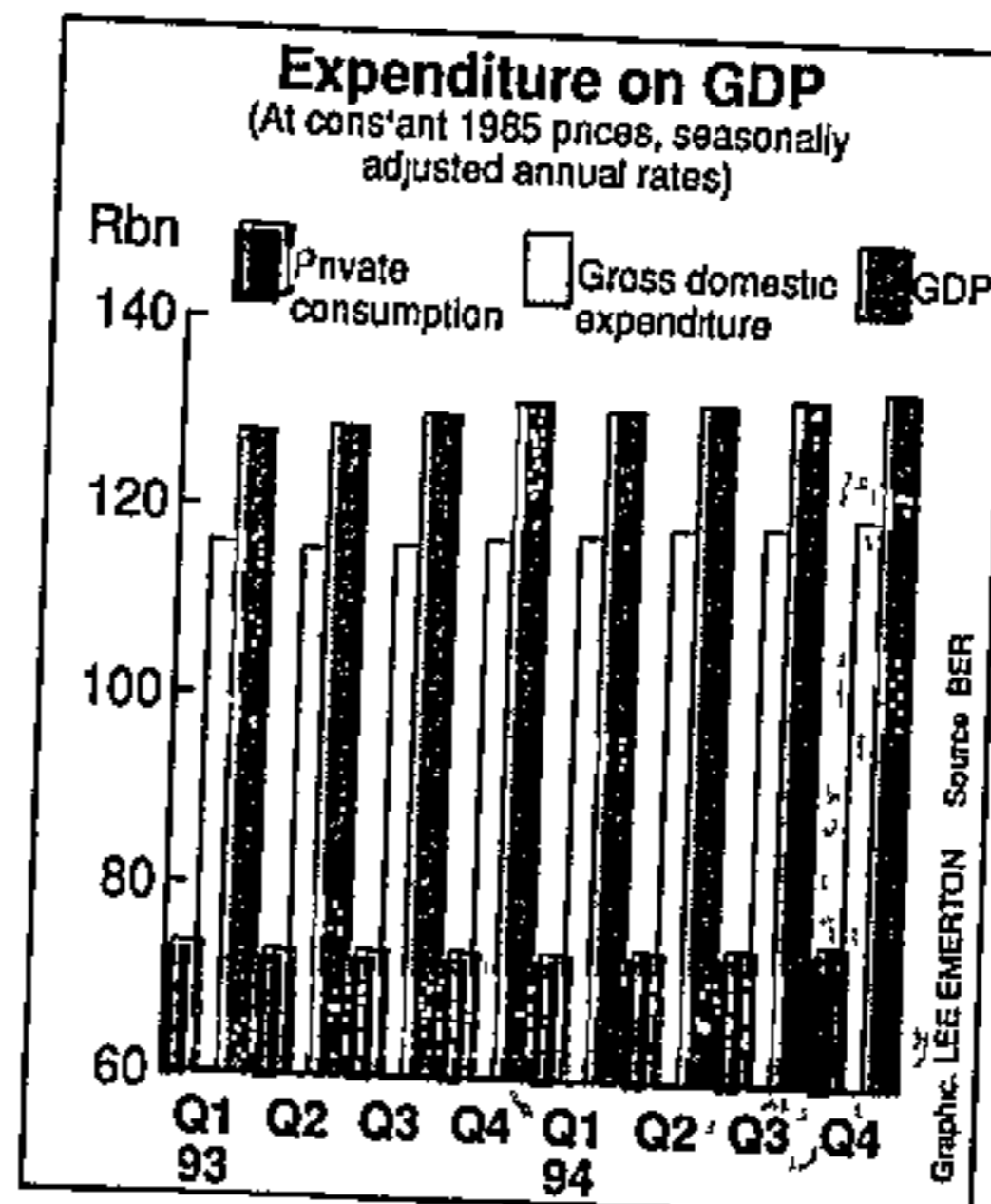
The total income of consumers was likely to increase by 10,6% in nominal terms, with real disposable incomes falling by 1,9% in 1993 and rising by 1,3% in 1994. Private consumption expenditure would drop 1% in real terms in 1993 and might not even reach 1% in 1994.

Gross domestic expenditure would drop during 1993 and grow sluggishly during early 1994, with forecast figures of -1,6% and 2,2% respectively

Total gross domestic fixed investment by the private sector was expected to fall 6,9% in 1993 and to grow marginally by about 1% in 1994

Stuart said BER's forecasts were based on a number of "rather brave" political assumptions such as that the negotiating process remained on track and a government of national unity was installed next April

There was the possibility that VAT would rise next year but no further decline in the company tax rate seemed likely and this could mean a fuel levy increase, he said.



Unions look at economic crisis

ERICA JANKOWITZ

(132)

THE country's three major labour federations have reached agreement on joint proposals to address the economic crisis and will soon present their views to the national economic forum.

An insistence on centralised bargaining is a key element in the joint initiative by Cosatu, Nactu and the middle-of-the-road, white-collar Federation of Salaried Staff Associations of SA (Fedsal). This position is in direct contrast to government policy of decentralised collective bargaining.

Their two-pronged strategy, announced yesterday, focuses on job creation and an end to retrenchments throughout the economy. The three federations agreed to five steps to reduce retrenchments: centralised bargaining, job security agreements, training and retraining of workers and the establishment of work security funds, targeted assistance for industries in structural

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Unions

decline, and the rethinking of public sector downscaling and restructuring.

On centralised bargaining, which came under specific attack in Finance Minister Derek Keys's normative economic policy document released earlier this year, Cosatu spokesman Ebrahim Patel said the proposals called for agreement in principle from employers and government to "centralised, industrywide structures to co-ordinate and negotiate collective bargaining and industrial policy matters".

Fedsal spokesman Piet Heymans said his federation was in favour of centralisation but thought it would take some time to

implement sectors such as banking.

Patel said job security agreements should contain full disclosure of company financial information, a commitment to consider options to retrenchment, reasonable notice periods, fair severance packages and protection of permanent jobs against contracted work practices.

The proposals had been shown to employer organisations at a meeting on Monday and had been met with some negative sentiment, said Patel. He said labour was not trying to be confrontational or prescriptive, but was looking for an immediate start to addressing the crisis.

□ From Page 1

STAR 5/5/93

Unions unveil plans to curb job losses

By Paul Bell
Labour Correspondent

Organised labour has called on business and the Government to accept a sweeping and controversial series of proposals for immediate action to stave off further job losses and stabilise the unemployment crisis during transition.

At a press conference in Johannesburg yesterday, the three major trade union federations, Cosatu, Nactu and Fedsal, unveiled the proposals — which include job security agreements and industry-wide collective bargaining structures, both of which are certain to attract flak from business

The proposals, already seen by business's representatives at the National Economic Forum, will be considered by its negotiating committee, which meets tomorrow

The NEF labour negotiators stressed that their proposals should not be construed as confrontational but acknowledged that the initial reaction of their business counterparts had been

negative. But business, they said, and especially manufacturers, were faced with increasing conflict on the shop floor as a result of ongoing large-scale retrenchments. This would encourage employers to take labour's proposals seriously

"Some of these proposals could be implemented within weeks," said Ibrahim Patel of the Cosatu-affiliated SA Clothing Workers' Union, "If we can do that in the NEF within the next few weeks, we can initiate programmes that will protect and create jobs in the short term and have an immediate effect on the unemployment crisis"

Cosatu negotiator Jayandra (Little Jay) Naidoo listed the job-saving proposals as follows:

- Changes to collective bargaining structures to effect centralised, industry-wide collective bargaining and enhance labour's ability to contribute to the development of national industrial policy
- Job security agreements to protect existing jobs and hold down the cost to society of retrenchments by requiring employers to explore all other alternative remedies before re-

sorting to the quick fix of axing jobs

● The Government's agreement not to cut jobs in the public sector without consulting the unions, and to concentrate instead on the setting of minimum levels of service provision and the elimination of inefficiencies.

● Targeted assistance to industries, notably mining, and major industrial enterprises affected by long-term, possibly terminal, decline — to help them down-scale on a planned basis and thereby minimise the "devastating" socio-economic costs of large-scale closures.

● The establishment of industry-wide work security funds — funded by employers at this stage — and the improvement of the Unemployment Insurance Fund, including a review of the latter's cut-off level as more skilled workers are affected by job cuts.

Dr Ben van Rensburg, an SA Chamber of Business delegate to the NEF's negotiating council, said the other negotiating blocs had not been consulted before labour went public with its proposals. He himself was not aware of them and they would have to be studied carefully before business would respond.

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Is it not strange how the old Wiehahn labour dispensation trundles on — at a time when the policies and underlying assumptions of every institution in our society are being questioned? Some changes are being debated, but these are little more than amendments. The basics of our industrial relations system remain largely unchallenged.

SA is moving in a corporatist direction. The national economic forum and other bodies are an attempt, for the first time, to give a meaningful role to organised labour. There are growing attempts to move beyond adversarialism and zero-sum approaches in industrial relations.

The corporatist route is the only realistic one. How else can we hope to tackle socioeconomic problems, restructure our economy, increase productivity and competitiveness if not by involving the key economic players? But there are many obstacles, not least the existing industrial relations institutions and system.

The time has come to rethink the Wiehahn model. Current debate revolves mainly around amending the existing Labour Relations Act, extending coverage of the system to farm workers and others; the extent to which international conventions need inclusion; and the need to consolidate the Act. While these are valid concerns, they fail to tackle the root problem — the disjuncture between the industrial relations system and the direction which society and labour relations is trying to take. Three aspects of the system need to be put under the spotlight.

The first is the approach. At present the system tolerates unions, it certainly does not encourage them. They are widely seen as distorters of the market, and blamed for a host of social and economic ills. Their exercise of collective power is rarely seen as positive, nor are they credited as a major source of black economic empowerment.

A changed approach needs to review this and define unions not as a necessary evil but as essential social

Time to bury the Wiehahn model of industrial relations

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JEREMY BASKIN

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Institutions Our legal framework needs to include a place for labour in society. In the industrial relations arena this means talking about positive rights, not negative immunities, and defining basic rights for all parties. It means finding a place in law for collective activity, not seeing union activities as an embarrassing exception to the individualism of contract law.

Secondly, the collective bargaining framework requires dramatic overhaul, otherwise it will remain a source of tension and instability. This means working towards centralised bargaining, without which employers and unions are unlikely to develop a pro-active approach to the future of their industries. It is no accident that talks on industrial restructuring are most advanced in the mining, motor and clothing sectors. Those sectors have relatively centralised structures. And without some form of centralised bargaining it is difficult to see how tripartite macroeconomic deals can avoid being undermined.

However, it must be acknowledged that centralised bargaining has many unattractive features. Technological change enables more flexible production which allows —

even encourages — the devolution of management and industrial relations decisions from corporate headquarters to the local plant.

In addition, centralised bargaining frequently has been inflexible, treating all companies alike. It can set conditions which some companies are unable to afford while simultaneously letting other, more profitable, firms off the hook. Centralised bargaining can also cause problems for unions. It often encourages a widening gap between leaders and members with negotiations far from the workplace and with little involvement from ordinary union members.

It will be difficult to achieve national socioeconomic goals without the discipline of centralised bargaining. At the same time one must accept the strong arguments for devolved decision-making. But to simply devolve collective bargaining within the present framework means little more than fragmentation of the industrial relations system.

The real choice is not between centralised and decentralised bargaining, but the appropriate relationship between the two. The challenge is to

develop a system which accepts decentralised bargaining and plant-level concentration within a centrally guided framework.

But, to be effective, such a framework needs to be comprehensive, with a place for every employee in every industry. It is hard to imagine this emerging from the present Labour Relations Act, which simply encourages employers and unions to slog it out and develop piecemeal solutions about where to negotiate. This is hardly a recipe for long-term industrial peace.

Thirdly, a defined system of plant-level governance is needed. The present Act is silent on this issue, yet all sides agree the plant is the basic interface. It is the place where production happens, strikes take place, and where employer-employee relationships are either rocky or smooth. It is where corporatist deals are undetermined or accepted.

Under our system, recognition and rights have to be fought for plant by plant. And they are always under threat. Defensive approaches are the result. For unions, the key is to maintain representivity. It is no accident that the closed shop is found only within the Anglo-Saxon model of unionism. Unable to have a relative-

ly secure, defined existence, unions attempt to gain a legal monopoly as employee representatives.

Clearly, any trend towards industrial restructuring and devolved management requires greater employee participation. Unions (their officials and shop stewards) will struggle to remain involved at every stage, they simply do not have the capacity. In any event, the need is to involve all employees (even the most skilled), not simply union members. The present industrial relations system does not make space for such developments. Indeed, it encourages unions to see greater workplace participation by employees as an attempt by management to bypass unions. And, given the adversarial nature of our system, it often is.

The German model is worth exploring further. It involves a comprehensive system of workplace councils where the employer and all employees interact and take meaningful decisions. The rights and duties of employee representatives are clearly defined. And within this comprehensive system the unions operate — promoting their policies, nominating candidates for elections, providing logistical support. The system does not stand or fall as union fortunes fluctuate from one year to the next, although the packages negotiated are obviously affected.

Of course, a radical rethink of our industrial relations system involves much more than is covered here. There are other questions. How to encourage strong employer organisation? Does one aim for unionism? What role for the state? Does one aim to institutionalise conflict, or consensus?

The state of the economy, and our history of conflict are already major obstacles in the corporatist path. Retaining the existing institutions and system of industrial relations only adds to chances of failure.

□ Baskin, author of *Striking Back* — a History of Cosatu, is a writer and consultant in the fields of labour and development. This is the second of two articles based on research.

LABOUR

No streets paved with gold in Egoli

SOUTH AFRICA is not the goose that lays the golden eggs on which Africa is depending — if the decline of its cities is anything to go by.

In a working paper for the Development Bank, Richard Tomlinson shows that employment in major sectors of the economy has dropped dramatically in major and secondary cities

"The decline in these cities is worse than that for South Africa as a whole," he notes.

Manufacturing employment in the central Witwatersrand dropped by almost 40 percent between 1980 and 1991. Other cities fared little better: the PWV, Durban and Cape Town, on average, lost 21 percent of their manufacturing jobs.

Other major industries where jobs have been shed around the country in the past two years are mining and quarrying (6,9 percent), construction (6,6 percent) and transport and communication (eight percent)

Roland Hunter, who works for Planact, researched trade union membership statistics for the PWV and found these had decreased, with few exceptions

The Congress of South African Trade Unions' construction, chemical and clothing affiliates lost the most members, while its metal, food and paper affiliates gained members

There has been an almost national growth in commerce, catering and accommodation. Improved tourism to Durban and Cape Town saw employment increasing by 16 and 31 percent respectively. But jobs in the central Witwatersrand declined because of the mass migration of business and tourists from the city centre

The sector which stands apart is financial services (banking, insurance,

The heart of South Africa's industrial complex, the central Witwatersrand region, is not beating strongly.

FERIAL HAFFAJEE

reports on the decline of our cities

business services and real estate) where employment has almost doubled nationally in the past 11 years.

The most remarkable growth has been in the PWV (44,3 percent) Cape Town (43 percent) and Durban (35,9 percent), but interestingly, growth in the country's financial epicentre, Johannesburg and surrounding areas, has been much slower.

The meteoric rise of this sector and the 16 percent growth in the community service sector balanced against sharp losses in manufacturing employment has caused a "change in the occupational distribution of each city's labour force".

It has created a small group of professional workers and a large pool of low-wage service workers. Tomlinson predicts that these changes may "lead to a decline in average individual income levels" People who lose jobs in the formal sector are also moving into the informal sector.

Central Statistical Services (CSS) estimated in 1990 that this sector provided full-time employment for 1,7-million people and part-time employment for 2,8-million people

But the CSS excluded the homelands and researchers believe that this sector employs 4,5-million people — a quarter of an urban labour force.

Large-scale immigration to South Africa from the frontline states and fur-

ther afield is not helping: there are fewer "formal opportunities and the market for informal products is diminished".

Planact has found that 20 percent of hostel-dwellers and informal settlement inhabitants in the PWV are Zimbabwean or Mozambican, indicating the depth of migration into South Africa

Tomlinson says that apartheid policies have made cities inefficient and that this has also led to their decline. The distances the labour force has to travel to work has caused exhaustion and low productivity. Administrative and fiscal imbalances have meant that black local authorities do not have the "capacity to maintain services"

Decentralisation policies have not worked; instead, they have made "cities less efficient sites of production", says Tomlinson

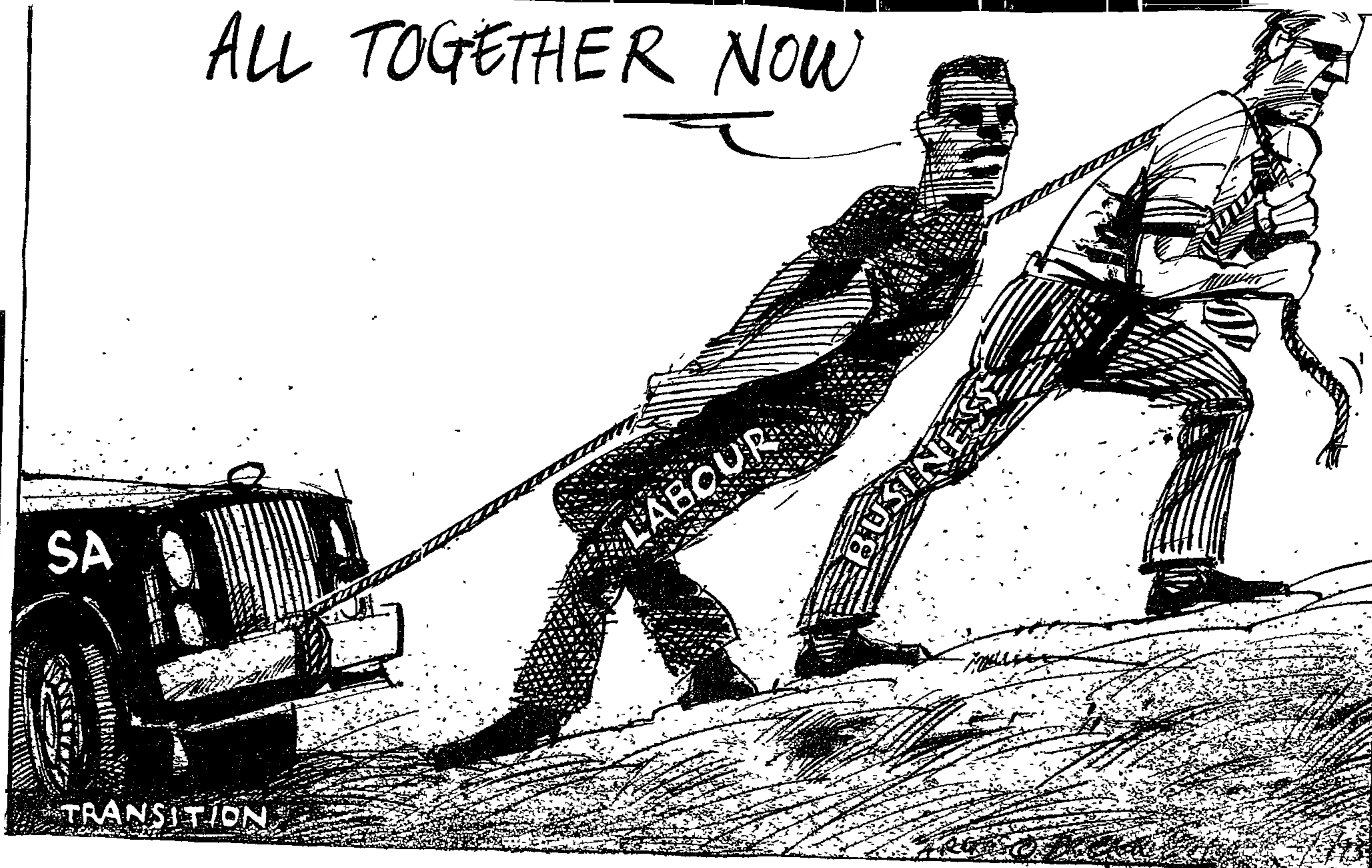
Regenerating the cities is one of the most urgent challenges facing the country: they house 60 percent of the population and account for 80 percent of the country's gross domestic product.

The World Bank suggests the deregulation of urban markets to increase the supply of housing, finance and infrastructure as well as to improve business opportunities. It also stressed the urgency of uniting local governments.

For Tomlinson, the future of the cities lies in "public-private partnerships". He says: "They combine government powers with private sector management and flexibility" by including local authorities, influential business leaders, community organisations and trade unions.

New marketing strategies, the encouragement of small and medium scale enterprises as well as assistance to the informal sector are other ways of improving city economies.

ALL TOGETHER NOW



Yugoslavia or Germany?

Options for the new SA

(132)
ARG 8/5/93

RELUCTANT reconciliation is taking shape in South Africa. The ambivalent alliance between the two major contenders for power, the National Party (NP) and the African National Congress (ANC) results from a balance of forces where neither side can defeat the other. It is their mutual weakness rather than their equal strength, that makes both long-time adversaries embrace negotiations for powersharing.

But, developments in South Africa also have been widely misunderstood owing to the tendency to apply false colonial analogies or popular stereotypes of violent tribalism.

Which are the likely futures of South Africa, compared with developments elsewhere? We have selected three courses as played out in other countries and, by exploring the similarities and differences between South Africa and Zimbabwe, Yugoslavia and Germany, draw lessons about desirable post-apartheid policies

■ Three possible scenarios loom for South Africa, argue **PROFESSOR HERIBERT ADAM** and **DR KOGILA MOODLEY**: Zimbabwe's "authoritarian populism" in which white and black elites divide the spoils among themselves; the violent, ethnic disintegration that characterises Yugoslavia today, with Zulu speakers, or Afrikaners, cast in the role of the Serbs; or — the most likely outcome — the post-war German model based on a social-democratic pact between business, labour and the state.

Zimbabwean civil service resulted largely from the departure of half of the country's white population after independence. Relatively skilled incumbents had to be replaced by poorly prepared African bureaucrats. Even with a similar pressure of Africanisation in post-apartheid South Africa, a large-scale exodus of skilled administrators to a receptive neighbouring country is ruled out. Africanisation is likely to take place more through attrition than through replacement or expansion.

Secondly, the expansion of the Zimbabwean civil service resulted from the absence of a strong private sector to absorb newly graduated students. In South Africa, a much stronger private sector is keen to recruit qualified blacks and give itself an African image.

Thirdly, even if the lobby for a quick Africanisation for the sake of political, rather than occupational, were to build up in South Africa, the strong role of the private sector in the governance of the country would counteract the corruption that befell Zimbabwe.

International forces, want to prevent virulent civil strife at all costs.

Like the Serbs, Zulu speakers are the largest ethnic group in the nation's cultural mosaic, although both groups are politically divided.

Serbs and Zulus are economically and educationally disadvantaged, compared with more affluent and "westernised" competitors like the Slovenes and Croats or more urbanised Indians, coloureds, and whites in South Africa.

A closer historical parallel can be drawn between the Serbs and Afrikaner nationalists. Both dominate a divided state and monopolise its army. In both countries, there were pro-Allied and pro-Axis factions in World War 2.

In South Africa, unlike Yugoslavia, none of the factions, with the exception of a small Afrikaner minority, strives for an expanded homeland — even the Boerestaat advocates do not envisage an area cleansed of outsiders.

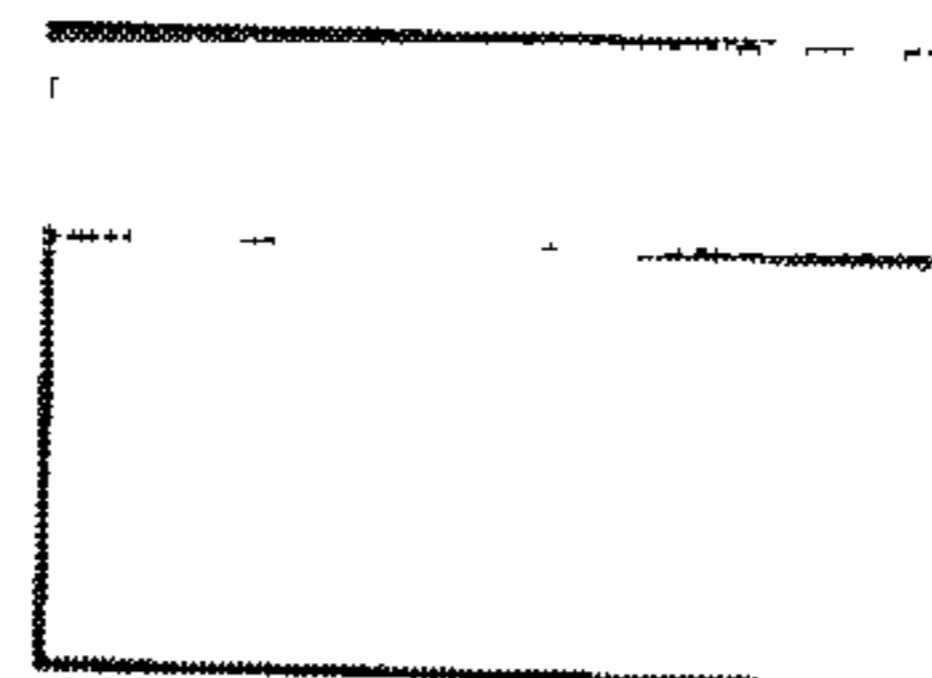
There are no internal boundaries in South Africa that are considered as legitimate as those in the artificial Balkan federation.

In spite of the massacres and deaths in political infighting during apartheid's dying years, the conflicts between the main contenders for power still are conducted with some restraint, especially when compared to

the brutality devastating Yugoslavia

In addition, international capital and local business are in the forefront of engineering stability. Such forces for negotiation and peace have little stake in Bosnia.

In Yugoslavia, all sides resorted to the battlefield because a victory seemed possible and advantageous after the discredited political rules had broken down. In South Africa, mutually credible political rules are in the process of being established for the first time.



ANOTHER GERMANY?

THE most rational and also the most likely scenario for South Africa is a social-democratic pact between business, labour and key state bureaucracies, as practised in post-war Germany.

This pact would involve genuine co-determination in the private sector and negotiated wage constraints and limited price increases in order to make South Africa competitive in the world market and so raise productivity. Labour and business would see themselves as partners in rebuilding a na-

tion, not adversaries engaging in regular trials of strength through strikes and mass action.

An affluent economy with high wages and stable industrial relations is the goal, not the social-democratic vision.

Unlike Europe and industrial democracies elsewhere, South Africa granted union rights before granting the political franchise. The ensuing struggle for political rights through industrial action has created one of the most militant union movements in the world.

However, there are emerging forces that pursue a wider vision and occasionally achieve a breakthrough.

■ The launch of the tripartite National Economic Forum at the end of 1992.

■ The deal struck between Cosatu and the government on the unionisation and social benefits for farm and domestic workers, and

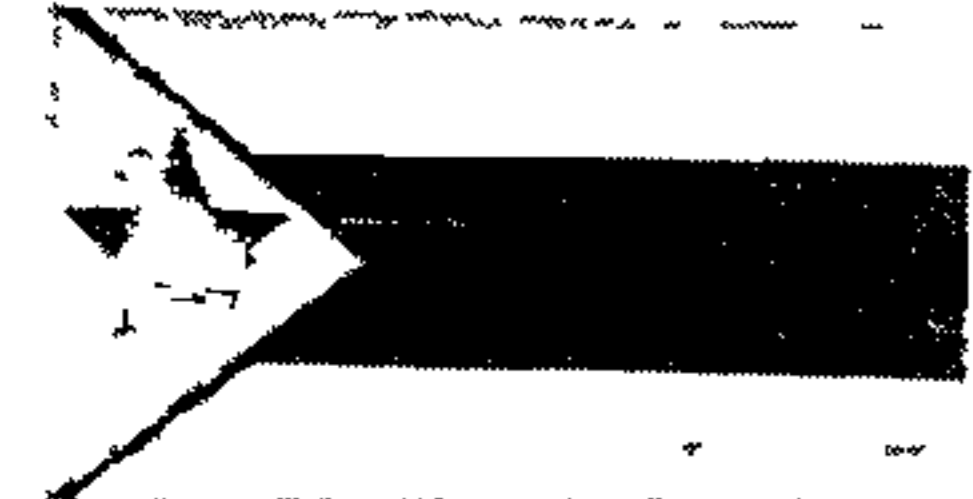
■ The restructured National Manpower Commission.

These rightly have been labelled "a watershed" in a dramatic new industrial relations system.

In the process of forging cooperation, many a utopian dream will be disappointed particularly on the left, but also among hardline advocates of an unfettered free market. Their capitalist vision nonetheless will survive in a modified form. The socialists will have to sacrifice most of their dream because they have the least real power, in spite of mass sympathy for radical restructuring.

Whether democracy and a social charter can be achieved depends on those holding power. The dismantling of apartheid has brought the ANC into the government, but it is unlikely that the formerly disenfranchised will hold power in the immediate post-apartheid era.

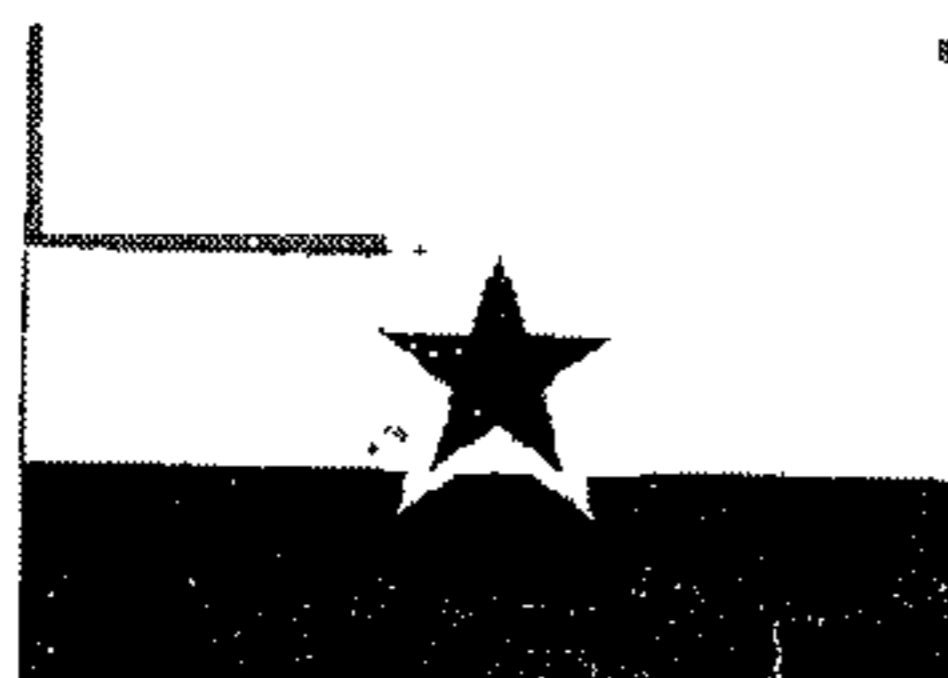
■ Extracts from an article published in *South Africa International*, quarterly review of the South Africa Foundation.



ANOTHER ZIMBABWE?

AT least three major structural differences make a Zimbabwean course unlikely in South Africa.

First, the failure of the new



ANOTHER YUGOSLAVIA?

SOUTH African state and business interests, together with in-

Union values independence

South 1916 - 23/6/48

FORMED IN 1989 after a merger of four affiliates of the National Council of Trade Unions (Nactu), the Metal and Electrical Workers Union of South Africa (Mewusa) is at the forefront of forging new labour relations.

It claims a national membership of about 69 000 paid up and 110 000 signed up members.

Mewusa's regional secretary, Mr Brian Williams, said the union is involved in several community campaigns.

"We are involved in the 'Viva Voltage Campaign'. The union is pushing for electrification," he said.

"We regard it as an important factor in creating jobs and helping to relieve the pain of unemployment."

Williams said Mewusa would be opening an information centre in Khayelitsha soon, where people could go for information and assistance regarding problems they might have.

"It is part of our commitment to provide support to disadvantaged

At their national congress in Johannesburg next week, hundreds of members of the Metal and Electrical Workers Union of South Africa will determine their union's role as an independent force in the new political climate.

EDWINA BOOYSEN examines the union's activities in the Western Cape:

communities in which our members live."

As part of the union's strategic vision, Williams said, worker leaders would go to France to "learn alternate methods of union organisation" which could be applied in South Africa.

The union has also started French classes for union leaders.

"Our long term goal is to enable union members and officials to eventually initiate link-ups with trade unions in the rest of Africa, which is predominantly French speaking," Williams said.

Together with the Urban and Rural Development Education Project (Urdep), Mewusa is trying to combat the problem of illiteracy.

The two organisations are involved in raising funds and implementing literacy programmes.

"We are focusing strongly on education and training. It is vital to provide ordinary factory workers with tools and skills to enter into dialogue with their employers," Williams said.

"This will enable them to be effective representatives of their fellow workers. A key word in education in Cape Town is 'empowerment' and we have identified a clear strategic area of education and skills training for all our members."

Mewusa believes "empowerment" is necessary for effective communication between workers and management, so both can know what their respective needs are.

"It is a condition of employment at the union's Cape Town office to be engaged in education or training, either of themselves or others. That is how important education is to us," Williams said.

Mewusa has a strong political position about social and economic issues but "is not party political".

"We don't believe that trade unions should ever become linked to party politics. It eventually leads to workers being pawns in the political power game. The union has a strong principle of maintaining its independence," he said.

"Worker control and worker democracy are the two key ideas which workers uphold as necessary to protect their independence."

SA no good for unionists

MALAWI and SA are the most dangerous countries for trade union and pro-democracy activists in southern Africa.

During a trade union conference held in Harare last month, the International Confederation of Free Trade Unions (ICFTU) submitted a report which cited trade union and human rights abuses in 27 African countries

The report says innumerable cases of violation of human rights and victimisation and intimidation of trade unionists took place over the last four years

On the African continent, the report says, SA, Malawi, Chad,aire and Togo are considered the most dangerous countries for trade union activists, who often led pro-democracy movements. A document lists details of assassinations, torture and arrests

According to statistics in the report, SA remains the most dangerous country. At least 25 labour activists were killed in political violence during the first six months of 1992

Last February an ICFTU mission visited SA to investigate violence there. It concluded that the government was directly or indirectly responsible for most of the violence

In Malawi, the gross violation of human rights and the systematic

suppression of the opposition by President Kamuzu Banda has drawn worldwide condemnation, particularly after the arrest in April last year of Chafukwa Chihana, secretary-general of the Southern African Trade Union Co-ordination Council (132)

Two weeks earlier, Banda had arrested eight Catholic bishops for openly campaigning for a return to democracy.

"His ministers had gone to the extent of threatening that all democracy supporters who dared return from exile would become meat for crocodiles," said union leaders "

At a pre-conference symposium, trade unionists said that the economic reform programmes prescribed for African countries by the International Monetary Fund and the World Bank had not brought the intended economic recovery. (158) (159)

At least two-thirds of countries on the African continent have or are implementing World Bank and IMF-backed economic reforms

Reviewing the situation in 29 African countries over the last 10 years, the report paints grim pictures of falling living standards, rising unemployment and bleak prospects for growth. (160)

Africa's total foreign debt,

which stood at \$165 billion (R495 billion) in 1984, rose to \$237 billion (R711 billion) last year, with sub-Saharan Africa alone having a total external debt of \$172,6 billion (R517,8 billion) in 1991

Unemployment levels reached worrying proportions, with annual growth rates of up to 10 percent between 1986 and 1990, compared with six percent in the 1970s. In urban areas, unemployment was running at 20 percent compared with 10 percent in the 1970s

The informal sector, which accounts for about 70 percent of urban employment in sub-Saharan African countries, suffered terrible exploitation, and wretched working and living conditions

The unionists blamed the failure of the "ill-defined" structural adjustment programmes on the absence of social dimension programmes and the lack of consultation with representatives of organisations such as trade unions

"In the context of authoritarian rules, where those leaders claiming to support adjustment were the same whose mismanagement had caused the economic problems in the first place, it has been evident that adjustment was designed merely to buy time for unpopular rulers trying to cling to power," said the trade unionists

JOB MARKET

SA's recovery lies in the Korean example

THE apartheid government was too preoccupied with propping up an unworkable system to really worry about growth. One hopes that the next government will put economic growth — particularly employment-creating growth — at the top of its agenda.

It can join the rest of the world in studying the recent experience of the high-growth East Asian economies to find strategies which can work economic wonders.

The region nearly quadrupled per capita incomes in 25 years, a record unparalleled in economic history, writes Michael Prowse in the Financial Times.

"On present trends (East Asia) may overtake much of the industrialised West early in the 21st century. If its startling success could be replicated elsewhere, billions of people in developing and formerly communist countries could look forward to improved living standards. And the hope of eliminating the scourge of poverty would seem less quixotic," says Mr Prowse.

The country which epitomises this success and has served as the role model in East Asia is South Korea, a nation with roughly the same population as South Africa but with 10 times more manufactured exports. South Africans were fortunate

EAST Asia has quadrupled its per capita incomes in a generation. Can South Africa replicate this turbo-charged growth? By KEVIN DAVIE.

last week at the Aspen Institute-Idasa conference to be able to hear from former South Korean Prime Minister Duck-Woo Nam how to do it Korean-style.

Mr Nam says the maintenance of a realistic exchange rate is a key condition for maintaining international competitiveness and continuing export growth.

South Korea set up a free-trade regime for exporters by allowing duty-free access to inputs used for exports.

This was extended to include indirect exports or domestic inputs used for exports. Inputs used in export production were exempt from indirect taxes and exporters received a tax credit of 50% of their income.

Other factors identified by Mr Nam include entrepreneurship dynamism, high exposure to the world economy and enforced stable labour relations, limited time-scales for new industry protection and phased capital-intensive investment so as not to overburden the financial system.

South Korean industry which produced for the domestic market was relatively highly protected, but this was reversed in the mid-1980s.

"There was a growing awareness that the economy had outgrown the highly interventionist role of the State and that liberalisation was called for.

"Externally there was growing pressure on Korea from the West to open up its domestic market to imports of their goods and services.

"Today Korea has largely eliminated selective treatment for exports in the area of taxation and bank credits. Korea's average tariff rate stands at about 6%, comparable to that of developed countries," says Mr Nam.

But he warns South Africans who may think the South Korean example is easily replicated today: "The tide in favour of open markets and fair trade is running high in the major industrial countries, and protectionist measures are likely to invite retaliation from developed countries."

Developed countries are better advised to put greater emphasis on the indirect support of export promotion through the dissemination of information, education and training, providing adequate public facilities and, above all, providing a sound macro-economic policy framework in a well-functioning market system.

This may suggest that there is little role for the State in economic development. But, as Sanjaya Lall of Oxford's Institute of Economics and Statistics points out, the evidence suggests that a pro-active State can play a major role.

He says Chile has the same population as Taiwan, and "is the longest case of laboratory structural adjustment in the world." Yet it exports manufactured goods of about \$700-million compared with Taiwan's \$80-billion.

"The industrial development has been pathetic, despite its human capital base, precisely because it did not intervene to deepen the industrial structure and to support infant export industries," says Dr Lall.

Chile's experience challenges the conventional developmental wisdom which says that growth will come from the removal of price distortions in an economy through de-



Duck-Woo Nam: South Korea a lesson for developing nations

regulation and liberalisation coupled with active reductions in bureaucracy and privatisation.

The world's primary development agency, the World Bank, is accordingly rethinking its strategy in the light of the East Asian experience. A new paradigm is expected to replace the bank's emphasis on market-friendly policies.

Mr Prowse notes several other factors in South Korea's success not highlighted by Mr Nam, including using the financial sector to steer credits to preferred sectors, creating State enterprises when necessary and setting up conglomerates.

South Korea also created from scratch a steel industry in spite of foreign donor opposition and the lack of private-sector enthusiasm. "The State-run business went on to become the world's most efficient steel producer," says Mr Prowse. Although the evidence suggests that government intervention can make a major contribution to sound development, the risks are high and caution is needed.

Dr Lall points to many advantages in the South Korean example. It has a homogeneous population, favourable income distribution, mobilised nationalist sentiment, a strong base of human capital, direct economic involvement at the highest political level, a single-minded pursuit of particular economic objectives and the ability to monitor performance and penalise poor performers.

"This may mean that the complexity and range of Korean interventions may not be replicable. It does not mean, however, that no selective interventions are possible," says Dr Lall.

Unions call for end to income ceilings

THE Federation of SA Labour Unions (Fedsal) yesterday resolved to apply to the National Manpower Commission for the equalisation or abolition of income ceilings in three major Acts regulating labour relations.

Speaking at the federation's annual conference, president Johan du Plessis proposed that salary ceilings in the Acts either be abolished or one common ceiling be set and reviewed annually.

Du Plessis said employees could be covered by one or more of the Acts and many moved into and out of the legislation's scope as a result of inflation-linked annual wage increases.

The lowest ceiling is that placed in the Basic Conditions of Employment Act — ranging from an annual income of R27 000 in rural areas to R31 800 in major metropolitan areas

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ERICA JANKOWITZ

In the Workmen's Compensation Act the ceiling is an annual income of R45 084 which may be extended by employers to cover higher earners. Finally, the Unemployment Insurance Act imposes a ceiling of R58 188 per annum for contributors.

Du Plessis said these different levels led to inequality of treatment, confusion and economic hardship.

Speaking at the same conference, National Manpower Commission chairman Frans Barker said he did not believe legislated affirmative action programmes would redress the inequality of opportunities in SA.

He said a more viable approach would be voluntary programmes based on intensive company-run training for those who had suffered

from past discriminatory practices.

On the question of industrial councils, Barker said there was an international move away from centralised bargaining. Barker himself was not opposed to the principle of councils as long as they displayed a degree of flexibility on the questions of small businesses and regional differences.

Barker identified three developments in overcoming the obstacles to building social consensus.

He said the major role players in the process — organised labour, business and government — had agreed the process was more important than the substance of discussions. Bodies such as the commission were well-placed to help the process since they were representative, acceptable and had mandates to reach agreement within parameters.

Future government may act on affirmative action

St Times (Buss) 16/5/93

By DON ROBERTSON 132

AFFIRMATIVE action practised by large employers is not meeting the requirements that a future government might demand and legislation to correct this might soon be introduced

This warning comes from a new survey conducted by the Steel and Engineering Industries Federation of SA (Seifsa)

A policy based on equal opportunity, practised by most companies, rather than preferential treatment for disadvantaged

groups, is not acceptable, says the report.

The industry lost over 110 000 workers between 1989 and December 1992 and now stands at about 350 000 people, largely because of the drastic turn the economy has taken

But the report, conducted by the Innes Labour Bureau, finds that

the equal opportunity option "is not strictly speaking an affirmative policy, but rather a policy of non-discrimination. As such it does not meet the requirements which a future government is likely to demand from companies"

Seifsa companies, according to the report, do not seem to be paying enough attention to this aspect and if legal requirements are instituted, some companies might find it difficult to employ skilled black labour

Affirmative action has become a major issue for businesses with SA moving into a new political dispensation.

The International Labour Organisation (ILO) which drafted the Affirmative Action Employment Bill in Namibia, is investigating the possibility of a similar one in SA.

The demand for affirmative action stems from the very low level of involvement of blacks in ownership and management of companies, says the report. In 1991, only 2% of assets in the private sector were owned by blacks, while 90% of managerial positions were held by whites.

A total of 39% of the survey respondents had affirmative action policies in operation, but 55% did not. The emphasis, however, is on equal opportunity programmes, rather than preferential treatment schemes and these might not be suitable

Survival 'depends on clear vote result'

BUSINESS had to push for a "definite result" in the country's first democratic elections if it wanted to survive, a conference on voter education was told in Johannesburg yesterday.

Consultative Business Movement executive member Leon Cohen told the conference organised by the Continuing Education Programme that a clear cut result was needed to avoid polarisation, which would lead to violence and ultimately the collapse of the economy.

"The issue is not to influence people's vote, but to influence employees to exercise their vote," he said.

Engen human resources consultant Mel Palmer told the conference that

WADAM 19/5/93
GAVIN DU'VENAGE

business had clear cut reasons for getting involved in the election process

By encouraging employees to vote, a decisive victory for the winning party would head off the "Angola option", Palmer said

Getting people to accept the result would also be difficult, but by promoting voter education, people would be encouraged to cast their ballots and accept the final decision

With 20-million prospective voters, business would have to help with logistical arrangements, and give time

off to workers who were involved in education programmes, as well as marshaling at polls.

Employees represented an influential force in their communities, as they had jobs, skills and respect, he said.

Promoting voter education among workers would have positive effects in the larger community.

However it was important that business was not perceived as biased to any party.

The emphasis had to be on education, and not on politics, he said.

In this respect, the trade unions could play an important role in the education process

Jobs task group set up

Political Staff

THE National Manpower Commission has been given a host of tasks, including revision of labour legislation, the Minister of Manpower, Mr Leon Wessels, has announced.

Mr Wessels said a task group had been set up to develop a national training strategy because huge sums were spent on training without visible return.

Speaking in Parliament, he said the newly-reconstituted commission would examine, among other things

- "Modernising" labour laws.
- A code for good labour practices
- The establishment of labour standards
- The question of increased productivity
- The principles that would give rise to legal actions in court.
- The question of a minimum wage.
- Dealing with Aids in the workplace.
- Harmonising labour legislation
- Labour-related questions raised by the government's nor-

native economic model

- The ratification of international labour relations conventions.
- The effect of not abiding by agreements on collective action
- The political involvement of unions
- Programmes for the unemployed.
- Sapa reports that Mr Tony Leon (Houghton, DP) told Parliament that industrial councils should be scrapped as they were anachronistic and throttled small businesses

NEWS FEATURE ICFTU says at least 260 unionists were killed worldwide last year

By Ike Motsapi

DEFENDING worker's rights all too often means losing your job, risking prosecution, prison, torture or even your life

This is the conclusion to be drawn from the 1992 report of the Annual Survey of Violations of Trade Union Rights by the International Confederation of Free Trade Unions

And South Africa is listed as among the countries where trade union leaders pay the "highest prices" for defending workers' rights

The report gives a day-to-day account of what happened in South Africa in violation of trade union rights last year

Some 260 trade unionists throughout the world were killed last year, says the survey, as a result of repression by governments, security services and death squads operating in many countries

"Most of these crimes remain unpunished," the report stated. At the same time, 2 500 activists have been arrested and imprisoned

"Hundreds of trade unionists spent May Day in prison," the report noted. The mass dismissal of unionised workers, a tactic revealed in a survey report of 1991, continued last year

It says more than 40 000 workers lost their jobs simply for demanding better wages or working conditions

A total of 87 countries are cited in the survey for violating, to varying degrees, the fundamental trade union rights that are recognised and formulated at conventions of the International Labour Organisation

South Africa, Burma, China, Colombia, El Salvador, Guatemala, Iran, Malawi, Peru and Sudan rank among the most dangerous countries for trade union leaders

The report states that in third world countries, trade unions are presented by their oppressors as obstacles to development or as subversive organisations

Mr Enzo Friso, general secretary of the ICFTU said "If this were true, one could still reasonably look at the catalogue of cruelty which include beatings, torture and the killings inflicted on men and women simply because they belong, or want to belong to a trade union

"This is too high a price to pay for development. But in fact, the opposite is true. The poorest countries tend to be the most repressive ones

"Attacks on trade unions are more than a threat to the labour movement, democracy and an obstacle to development," Friso said

It is estimated that at least 80 members of the Congress of South African Trade Unions were killed in 1992

Trade unionists who took part in the fight against violence are cited as those among the principal victims of a campaign "orchestrated" by those opposed to the democratic change

The report notes "Further conclusive evidence of an organised campaign against opponents of the state or 'third forces' constituted by elements operating within or linked to the Government and its security forces, was uncovered in November after a raid on a secret military

SA labour activists in risky profession

Sawetam 26/5/93

WORRYING PATTERN *Defending*

workers may end in death or

imprisonment for unionists:

intelligence base by the Goldstone Commission set up under the September 1990 Peace Accords to investigate violence

Pattern

"The pattern and timing of political violence which has claimed thousands of lives since mid-1990 increasingly pointed to its manipulation as a political tool and the trade union movement figured prominently among the victims

"The death toll of trade unionists increased sharply since 1991, rising to an alarming level in 1992

"Included among trade unionists assassinated during 1992 was that of comrade

Dungwe, a member of the National Education Health and Allied Workers Union, whose severely mutilated body was found in Mdantsane in January, and Sivuyile Siyobi, a member of the Food and Allied Workers Union

"Also in March, a National Union of Metalworkers of South Africa organiser, Blacky Swart, and the wife of another union official were murdered when police opened fire on them at a funeral in Tembisa

"In May, two members of the Paper Printing, Wood and Allied Workers Union, Ben Moloi and

Roland Shabangu, were attacked and killed by unknown men in Kaitshong the report noted

Violence and deaths of trade unionists intensified in June in the Transvaal after the negotiation process reached a deadlock in May

On March 23 last year Mr James Mdlalose, president of the National Council of Trade Unions, was detained for several hours and interrogated about political organisations. During the same month two Nehawu organisers, Mike Myembezi and Humphrey Masegwana, were abducted in East London at gunpoint and interrogated about political organisations and infiltrators of the union

In conclusion the ICFTU resolved to

● Strongly condemn the increasing incidence of killings, discrimination and other shameful acts of hatred and violence aimed at ethnic, national, religious and linguistic minorities, migrant



James Mdlalose was detained last year.

workers, asylum seekers or indigenous peoples all over the world,

● Recognise the growing number of women migrant workers among the victims who are in a particularly vulnerable position, and further strongly condemn all atrocities committed against women, and

● Call on the ICFTU family to make a determined response to all manifestations of racism, xenophobia and religious intolerance

Steur 2815193

Union moots ban over article

Staff Reporter 

The Soweto branch of the South African Democratic Teachers' Union (Sadtu) has threatened to bar The Star from its meetings and activities following an article published in the newspaper this week about division among its members over the indiscriminate use of strikes to back demands.

Sadtu local spokesman Solly Mautjana said yesterday members took "strong

exception" to the report reflecting a crisis within its ranks and would decide at a meeting today whether or not to "ban" the newspaper.

Tuesday, The Star reported there was a schism in the Soweto branch and that senior executive members of the local committee had refused to sanction some of the recent campaigns, including a chalk-down and sit-ins.

Six senior executive members of the branch de facto resigned their positions when

they refused to stand for reelection at the annual meeting held at the weekend.

The six top officials are vice-chairman Madoda Madi, general-secretary Veli Mnyandu, education officer Mxolisi Nkosi, publicity secretary Oupa Mpetha, treasurer Palesa Popi and sports officer Bhabha Memani.

Mautjana accused The Star of sowing division in the Sadtu ranks and demanded an apology or else the union would "take action"

Supreme Court tells 12 employers to abide by the rules, honour industrial agreements

SHARON SOROUR
Labour Reporter

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IN a watershed judgment, the Supreme Court in Cape Town has ruled that 12 employers comply with the agreements of the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industries.

ARG 31/5/93
This reaffirms the rights of industrial councils to extend wage and labour agreements to employers who are not members

In a statement, the council — the largest of its kind in the country — said the 12 employers refused to contribute to the industry's pension, provident and education and training funds on behalf of employees

They also launched counter applications against the industrial council's court application, alleging defects in the council's registration, misinterpretations of the Labour Relations Act and lack of representation of the employer parties to the council

The Supreme Court "comprehensively rejected the opposing applications on all counts", said the council

The court determined that the main respondent, Photocircuit, pay all costs and the counter applications were dismissed with costs

Mr Horst Peschkes of Photocircuit also gave the court a written undertaking that he would refrain from inciting or encouraging people to reject industrial council agreements

The judgment was welcomed by the engineering industry as it confirmed the important role of the council in regulating the industry collectively through agreements negotiated between employer organisations and trade union parties to the council

Council secretary general Mr David Levy said he was satisfied the court had "fully repudiated the intemperate and defamatory claims" made against the council in the course of proceedings

He hoped the judgment would encourage a more balanced perspective of the council's important role in industry

Mr Levy said the council would continue to serve the interests of employers and employees by striving to create a stable and organised industry

Unita rebels claim important victory

SAO TOME — The Angolan rebel movement Unita said yesterday it had scored a major victory over government troops near the capital Luanda.

Unita radio, monitored in the island state of Sao Tome and Principe, said rebel forces had smashed a government offensive about 100 km west of Ndalakando, the capital of Kwanza North province on Sunday night.

It did not name the locality, but it could have been Ucuca in Bengo province, about 100 km north-east of Luanda, where Unita radio reported heavy fighting.

The radio said that rebel forces dispersed several battalions of government troops, capturing three tanks, two armoured cars, a bulldozer, nine other vehicles and 30 000 litres of fuel.

"Many dead he scattered in the bush," it said, without giving precise casualties. The broadcast said Unita

was resisting another government offensive at Cacuso, a town in Malanje province in northern Angola which fell to rebel forces in February.

Cacuso lies on the main road and railway linking Luanda with Malanje city and Unita radio said government forces there appeared to be on the verge of withdrawing towards Luanda.

Unita radio said rebel forces had killed 30 government troops in recent fighting in another hotspot in Cunene province near the Namibian border in southern Angola.

It said the army began an offensive in the area 10 days ago and government troops raped children and old women when they overran a Unita hospital at Kandyaya.

Unita's secretary for information Jorge Valentim went on the air to defend the rebel movement's attack on a train at Quipungo in Huila province in southern Angola on Friday — Sapa-Reuters

Blue collar workers down on their luck

By Bunty West

When most people think of the homeless, they have a mental picture of a low income group without trade or profession, but for Lieutenant Basil Meinljes of the Salvation Army in Krugersdorp it is the blue collar worker who has now fallen on hard times.

As the man in charge of Goodwill House, where shelter for the homeless is provided, he sees the dark side of life and is trying hard to bring a little self-respect back into the lives of the jobless who have reached rock bottom.

"The families who come to us now are often artisans or professional people who, in the past, earned a good living and were comfortable.

"As retrenchments began, these people first lost their jobs, then their homes and, finally, their self-esteem.

"We provide accommodation and meals for as many as we can.

"But the situation is getting worse."

Around 50 people stay at

Goodwill House and 8 000 meals are provided monthly for residents and those who queue outside.

In addition, 900 children, black and white, from six schools, are fed daily with sandwiches, fruit or mealie meal and stew, depending on what is available.

Lease

Three months ago, Krugersdorp Town Council offered the Salvation Army a 10-year lease on a hectare north of town which had been earmarked for sale.

It had previously been a police station and had some dilapidated buildings on it.

Lieutenant Meinljes jumped at the chance to be able to house families in proper units and accepted the offer.

"We had hoped to work on the buildings before we housed anyone, but the need was so great that families moved in immediately, and we cleaned up and knocked down as we went along.

and four-bedroomed, but although they have bathrooms and hot water, cooking is done in a communal area.

So far, R100 000 has been spent on improving the property and 34 people are housed in eight units.

Much of the building material has been donated by companies on the West Rand, but there is a need for much more, including gutters, old paving, paint, cement, etc., to build or renovate.

The Family Mission Centre, as it is called, is run by Moya and Glen Hay, who are volunteers and live at the mission.

There are strict rules which families must follow, which helps give them the motivation to climb out of the trough into which they have fallen.

"Some of the residents have jobs, but before they can go back out into the world they need the basics.

"They save to pay for flat rental, plus deposits on lights and water, etc, and then we try and supply furniture for

them, for which they must pay us back. That takes time and the families need nurturing.

"It is not only the parents but often the children who need to see that someone else cares.

"Those who do not have jobs must spend one day per week cleaning or doing something at the mission. The other days they are out hunting for jobs."

Generosity

"We have not had preference here, and at present there are black, Polish, Indian, Afrikaans and English people housed with us, and their jobs range from accountant to artisan. The units are all furnished — sparsely — and the communal eating area does need a lot of work, but we are getting there, thanks to the generosity of private individuals and companies."

If you can help with anything, including old clothes and furniture, contact Moya Hay at (011) 953-1739.

Trade unionists go back to school

*Why are missiles called peacekeepers when they're aimed to kill
Why is a woman still not safe when she's in her home*

W/week 4/6 - 10/6/93.

Trade union officials and ordinary members are learning negotiating skills — and other relevant courses — at Cape Town's Workers College. **FERIAL HAFFAJEE** reports



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Omar and Kader Asmal have all taught at the Workers College.)

The lecturers are paid by the college, but usually return the money. "If you don't pay, you can't criticise," says Coetzee.

A rigorous application process puts potential delegates through their paces. They are short-listed and interviewed and their progress monitored. Coetzee says Workers College graduates are easily spotted: they become more articulate in negotiations and are more visible in trade union meetings. Selectors are also sensitive to keeping a gender balance in courses and also ensuring that there is no urban or rural bias. There are usually equal numbers of union officials and workers.

Already, two shop stewards have been employed by their trade unions as organisers after attending courses at the college. Soon, an ex-students forum will be launched. Denver Joseph, a South African Clothing and Textile Workers' Union shop-steward, this week said he learnt "when to talk and what to talk". He feels better equipped for congresses where "mostly advanced shop stewards speak".

A former student, Rachel Visser, said of her course at the college: "I learned to love myself and accept myself as is. In a conference I stood up and gave an input. Everyone thought I was an official and could not believe that this was worker leadership."

Workers College students graduate during UWC's graduation ceremonies with gowns and the works. Coetzee says that certificates of attendance (there is no pass or failure) are all displayed prominently and proudly in students' homes.

TRACEY CHAPMAN has a lot to do with the New World Order, you'll find out at the Workers College at the University of the Western Cape.

Lecturer Martin Jansen uses the words to one of her songs on an overhead projector, and a variety of mediums like cartoons and role-playing to take about 20 workers through a course on international political economy.

It is part of a carefully planned six-month programme to train trade union leaders, including union officials and shop stewards. The course, which is run in two three-month blocks, comprises modules in organisational development and leadership training. It also includes sections in trade union studies and political economy.

The Western Cape Workers College was established in February 1991, in line with a Congress of South African Trade Unions' education and training resolution.

Although it is a Cosatu initiative, the college is "inclusive" of other federations and trade unions, says co-ordinator Michael Coetzee. In practice though, Cosatu rules the roost.

The National Council of Trade Unions (Nactu) has two out of 11 trade union trustee positions on the Workers College's board, there is one representative of an independent union and the rest are from Cosatu-affiliated trade unions.

The board is elected by the College Council, in turn comprised of representatives of all participating trade unions.



Learning the trade ... Students at the Workers College

Photo: ERIC MILLER

The college is totally funded by overseas sources though it realises that self-sufficiency is a challenge and is investigating sources of support in the country.

Students at the college are drawn predominantly from the western Cape, although applicants from the eastern Cape "will not be turned away", says Coetzee. Attendance is open for any trade union in the region with at least 500 members. Unions with between 500 and 5 000 members send two delegates and two more are allowed for every additional 5 000 members.

Criteria for attendance are two years' experience, basic shop steward training and a commitment to return to the

labour movement.

The Workers College syllabus is interesting for its range and currency. In addition to professionally run courses in labour law and collective bargaining, there are also short courses on the history of the working class and on the collapse of Eastern European socialism.

International trade unionism covers topics like international funding agencies, the New World Order and new methods of work organisation being practised in Japan and the United States.

There is a strong emphasis on regional trade union links to develop regional trade union solidarity. Local topics include Cosatu's

Reconstruction Accord and scenario planning sessions. The Mont-Fleur scenarios and Nedcor's scenarios are introduced "even though we teach a Marxist approach", says Coetzee. The economic crisis in South Africa plus the role of women in the economy are other study blocks.

It's not all sociology and politics though; the course planners also put in time management, media as well as writing and reading skills.

Lecturers are drawn from universities, trade unions and organisations like the Centre for Southern African Studies and the International Labour Research and Information Group. Luminaries like Jay Nardoo, Dullah

Fm 11/6/93.

Wanted: an employer-friendly climate

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Lawrence McCystal is CEO of Pro Regno insurance brokers and chairman of the Confederation of Employers of Southern Africa. This is taken from his speech last month to the confederation's 34th conference.

We are now at a point where jobs are needed to stabilise the country and save the economy from collapse. With international markets opening for us and foreign businesses trying to penetrate the SA market, we have new challenges: international productivity standards, quality, price and service excellence. Outdated constraints should be eliminated and the economic system should be open to free competition to ensure that SA becomes internationally competitive and encourages foreign investment.

National bargaining forums promoted our unions and over the years we have become one of the most unionised countries in the world. Employers are dealing with radical unions and socialist demands for a so-called living wage, national minimum wage, paternity leave, the right to strike without being dismissed, even to be paid during strikes.

This has frightened investors away. They have many countries where they are welcomed and do not have to deal with all these negative factors — Hong Kong, Singapore, Chile and Taiwan.

The truth is that those unions that are making daily headlines with their demands have only 1,5m members, a minority of our 6m-strong employed work force. They also do not represent the nearly 6m unemployed or underemployed people in the country. The fact is that it makes no economic sense to strive for a policy of minimum wages when there is massive unemployment.

The unions' objective appears to be to make the country ungovernable or at least to obtain for their limited number of members a short-term dispensation that takes no account of the needs of employers or the country, or the long-term interests of their own members.

In our pursuit of a just society we should also remove discriminatory practices. In 1924 the industrial-council system was devised to protect white artisans against black labour. That original objective has fallen away but now the councils have gained a new form of protectionism — to protect the parties to the agreement against nonparties and the unemployed. Councils are even entitled by law to extend their jurisdiction to nonmembers and thereby eliminate "unfair competition." Nonmembers are forced to pay levies to the councils and adhere to high minimum wages and standards, which effectively prevent them from competing with members.

Studies of small businesses around the world show that one of the few advantages they have is their conditions of employment, including lower wages. Take this away and a

major element in their competitive position is lost.

The industrial-council system should be transformed into a job-creation — friendly, democratic and voluntary system with a sensitivity for the unemployed. It should also accommodate government initiatives for job creation. We should consider the fairness of those regulations that are applicable, but over a long period have not been enforced in the informal sector, where more than 3,5m workers are employed.

We should again commit ourselves to the basic rights and freedoms of employers to

- Trade without interference as set out in the preamble to the constitution,

- Protect the freedom of association and disassociation of employers and employees as set out in the Convention of 1948 of the International Labour Organisation,

- Convince the Minister of Manpower to withdraw the councils' jurisdiction over nonmembers, and

- Point out to the Minister of Law and Order that industrial councils should not misuse the police to intimidate employers.

For a successful employment-creation programme, we need the co-operation of all players. There is clearly a need for employers to communicate continuously with their workers to promote an understanding of the free-market system and to oppose the rhetoric of the radical elements. We have to promote a positive climate that will convince entrepreneurs, both local and foreign, to invest in SA.

Star 22.16.93
Bidvest acquisition likely

By Stephen Cranston

Bidvest chairman Brian Joffe says an announcement which will have a material effect on the share price will be made today. This follows a cautionary statement published yesterday.

It is expected that Bidvest will make a further acquisition in one of its core fields of catering, services or packaging materials.

Joffe has denied speculation that he is interested in buying Karos Hotels, but possible acquisitions include Foodcorp's

catering subsidiary Catercraft or the purchase of a master franchise of an international fast food operation such as McDonald's.

An alternative move might be the disposal of the 50 percent interest in Justine, which does not have an obvious fit with the rest of the group.

Although several pyramids such as Gencor Berherend, Malhold and M&R Investments will be eliminated soon, it is unlikely that Joffe is considering removing the Bidcorp pyramid because it would jeopardise his control.

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Workers urged to go to World Trade Centre

WORKER rights were in "grave jeopardy" because workers were leaving their future in the hands of negotiators at the World Trade Centre.

To solve the problem, workers had to find out where the World Trade Centre was (outside Johannesburg at Kempton Park) "go there in great numbers" and make their presence felt when their future was being decided.

Mr John Copelyn, general secretary of the SA Clothing and Textile Workers Union, told a labour conference at the weekend workers had made too many sacrifices and had fought too long to become passive.

"We've gone to sleep as a trade union movement. We are always referred to the World Trade Centre and told that people at the World Trade Centre are looking after our interests."

To loud applause Copelyn reminded delegates to the conference of the story about a group of people who were told to close their eyes and pray and everything would be fine. When they opened their eyes their land was gone.

"We are being told to close our eyes and leave things to the World Trade Centre and when we open our eyes everything will be all right."



Sheila Camerer

Supporters of the ANC were led to believe that as long as the ANC was at the negotiating table everything would be all right. The same situation existed among National Party supporters, Copelyn said.

"Unfortunately this approach is a great discredit to the trade union movement. We have suffered too much and fought too long to be passive about our rights."

Representatives of a few negotiating parties at the World Trade Centre presented their positions on worker rights at the opening of the "Worker Rights in a Democratic SA" conference.

Professor Albie Sachs stood in for



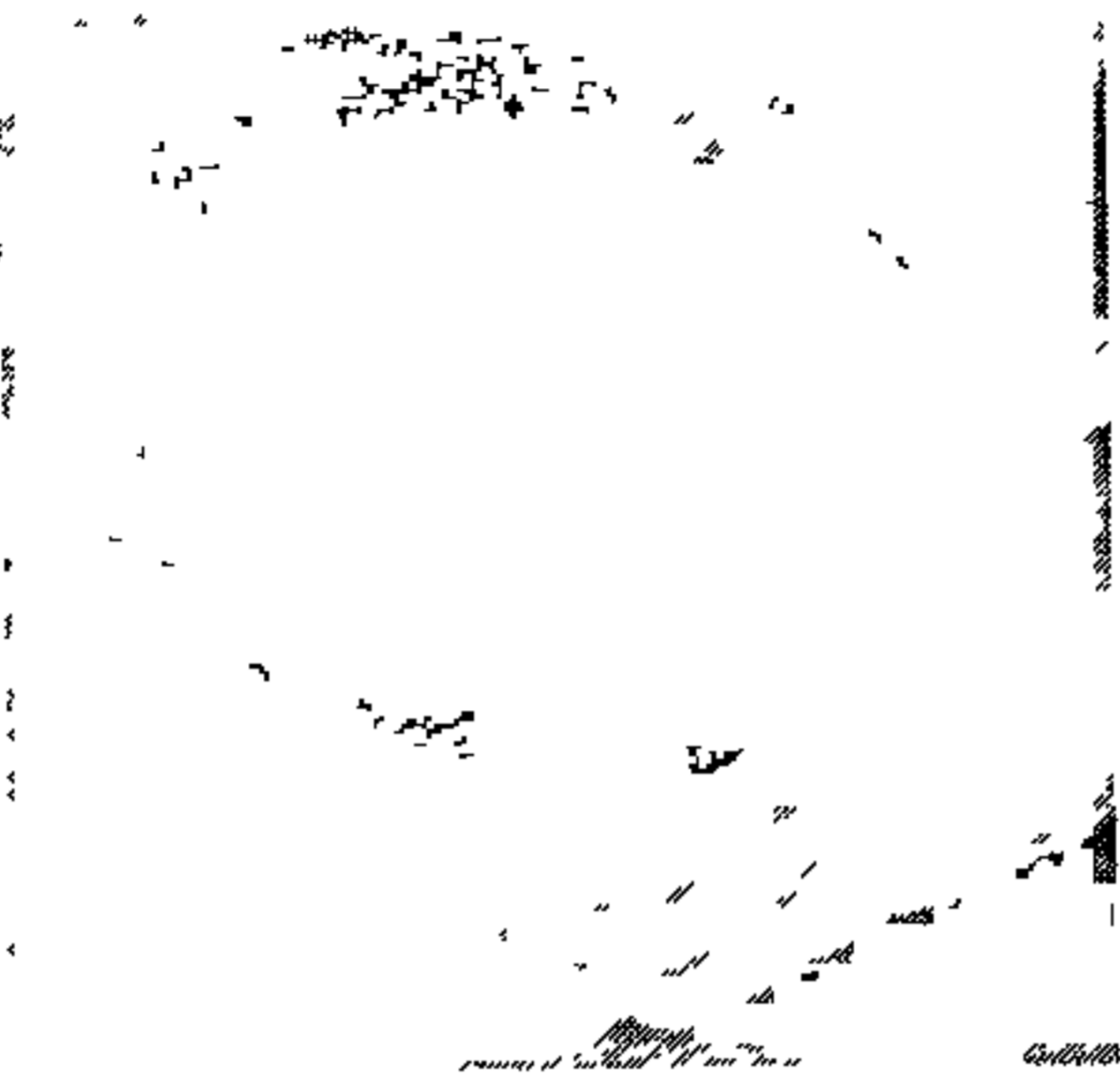
John Copelyn

the ANC, Mrs Sheila Camerer for the NP and Mr Tony Leon for the Democratic Party.

After the speakers from the political organisations presented their viewpoints Mr Copelyn commented: "I am not here to stroke you, be polite and welcome you to the new South Africa I'm on home turf!"

Copelyn said workers should be concerned about the outcome of negotiations and how it affected them in the future. He said if unions lost the right to closed shop agreements and industrial councils, political parties would not be responsible but courts would.

"If we lose our rights it won't be



Tony Leon

the NP or the ANC taking away those rights but court judgements. We have to be wary."

Camerer and Leon prefaced their speeches with warm thanks to Sactwu for inviting them to address the conference because, both said, it was not very often that got invited to conferences of the sort.

Camerer was put on the line after presenting the NP's position on worker rights. According to the NP charter workers have the right to go on strike but employers, at the same time, had the right to employ an alternative workforce. After some fumbling she composed herself and said.



Albie Sachs

Our approach is to be fair to workers and employers."

She added the NP charter could be amended.

Sachs told the gathering that worker rights should be firmly entrenched in a future South Africa and that "no government in future, including an ANC one, can take away these fundamental worker rights".

Sachs warned, that workers should not only confine themselves to fighting for worker rights. "You should not ignore the general rights that every person is entitled to. You are all South Africans, not only workers" **RAFIQ ROHAN**

Cosatu to lobby for more rights, says labour expert

Bill Day 28/6/93

COSATU and other trade union groupings would press for statutory organisational rights and employers would have to "formulate positions in this regard", Professor Peter le Roux said in the latest edition of Contemporary Labour Law (1993).

In the absence of a consistent body of jurisprudence, as well as the period required by the Industrial Court to establish standards, Le Roux said legislative changes were likely to be made to regulate these rights.

Cosatu made a detailed report concerning organisational rights to the International Labour Organisation (ILO) fact-finding commission which visited the country last year. It argued for the inclusion of right of access, stop order and collective bargaining facilities, and the recognition of shop stewards.

Le Roux said access was recognised by the ILO commission as being of crucial importance in SA, where many workers both worked and lived on employers' premises. Denial of access under such circumstances would hinder unions in their recruitment of members, as well as prevent them from having access to members.

In light of an ILO convention, the commission recommended that "access should be granted more freely to unions for the purpose of carrying out normal union activities".

On collective bargaining facilities, the commission said "space for union

ERICA JANKOWITZ

business and meetings; time off for union business or training; (and) access to information for negotiation purposes should be accorded to the unions either through national laws, regulations or collective agreements".

However, the granting of facilities should not "impair the efficient operation of the business" and should take into account the undertaking concerned.

The ILO also recommended that the prohibition on stop-order facilities under the present Labour Relations Act should be repealed. Currently, unregistered unions are not entitled to apply for such a facility unless the Minister gives permission.

Le Roux noted the draft Bill drawn up by the National Manpower Commission which is being circulated for comment included this change.

ILO recommendations also cover shop steward rights and duties. Victimization and time off for training and to attend to union matters are dealt with as well as access to necessary information.

Le Roux said that as the article was wide in application and contained financial implications, the ILO provided for countries, either through statute or collective agreement, to define the "precise extent of facilities and the conditions under which they should be granted".

New approaches to staff relations

Bl Day: 11/7/93

ERICA JANKOWITZ

NEW forms of work organisation and pay schemes based partially on incentive are being implemented in some SA companies intent on achieving "world class performance".

A seminar hosted by FSA-Contact management consultants last week focused on this topic.

Bromor Foods MD Patrick Fleming spoke of the company's attempts to optimise employee performance by "building commitment".

Noting the inability of management to foster commitment from lower level employees because of lack of communication, financial incentive and succession planning, Fleming said Bromor looked at a dramatically different approach to human resources.

The two strongly-held beliefs used as the foundation of its "towards excellence" programme were that people were valuable assets, and a performance-based culture.

Bromor made a commitment not to reduce its workforce as a result of productivity improvements, and implemented a multipronged approach consisting of supervisory training and worker participation.

The company assessed all workers to identify those with potential for development. These were sent on training courses. Literacy and numeracy programmes were introduced for those without basic skills.

But it was on the reward side that Bromor made major changes. Three "tangible reward systems" were developed — ad hoc financial rewards in recognition of excellent service; financial rewards for suggestions which resulted in improved performance; and performance-based incentives.

The performance-based scheme covered every employee and was

linked to either individual, team or company performance.

"This was a major structural and conceptual change, and we sallied forth with some trepidation," Fleming said.

In assessing the success of the programme, he said: "At the end of the day success will be determined not by the programmes we embark on but by the relationships we develop. It is the quality of relationships which leads to mutual trust and respect, and without these there can never be commitment." (32)

In a similar vein, Carlton Paper MD Keith Partridge spoke of his company's programme based on "building a productive relationship with labour".

Carlton's initiative rested on the premise of total employee involvement and the democratic participation of all workers in reaching consensus on important issues.

Partridge described the "new employee" as being committed to company goals; informed about all aspects of company performance; developed by the company within his capabilities; customer orientated; a creative thinker; a participant in company success; and able to add value to company performance.

Carlton's reward scheme was not purely financially based but had a recognition component, Partridge said. The company had identified personal recognition for lifting self-esteem, which in turn helped empower the workforce.

Partridge and Fleming said they were a long way from achieving their goal of becoming world class manufacturers. However, progress had been made in involving workers in more aspects of production planning.

But what about the (white) workers?

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SI Times 4/7/93

THERE are two taboo subjects in South African politics. Each is as shocking to the politically correct as sex was to the Victorian English.

The first is the failure of black Africa. There is a stricken silence when you point out that black Africa under majority rule is a catastrophe, much worse than South Africa under apartheid.

The second is the white working class. The same silence falls when you point out that it was only the privileged whites who opposed apartheid and that the white working class supported it all the way.

A political chasm divides white South Africa. It is not between the English and Afrikaners but between rich and poor. The rich welcome the new South Africa; the poor deplore it. On one side are the accountants and academics who live in northern Johannesburg and Pretoria's Waterkloof; on the other are the boilermakers and mechanics who live in Vanderbijlpark and Secunda.

You can see this division glaring with menace from the negotiations at Kempton Park, where the white ruling class is represented by the NP, the DP and the ANC, and the white underclass is represented by Cosag.

The fact that white workers were the strongest supporters of apartheid was only to be expected. All over the world, racial and national differences are felt more keenly lower down the social scale.

As people advance economically and socially, they become more secure, they are able to move into suburbs further removed from the racial frontline, and they begin to copy the liberal fashions of the international bourgeoisie.

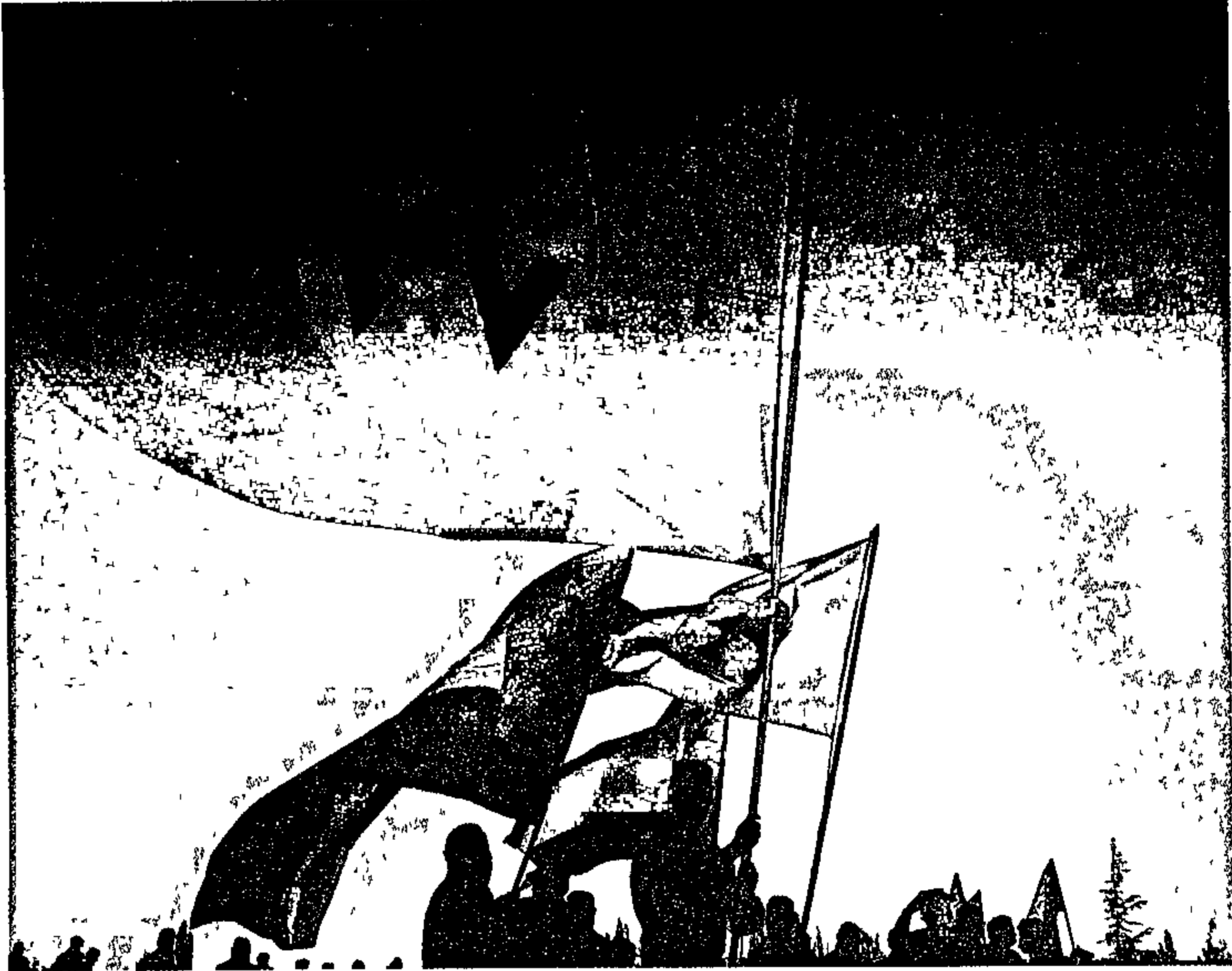
THE fundamental reason for the collapse of apartheid was that since 1948 a large fraction of the whites had moved from the working class to the middle class and had adopted the liberal ideas of the upper class. Sanctions, by slowing down this process, merely prolonged apartheid (which I believe was the aim, conscious or unconscious, of the sanctions campaign).

The whites who remain in the working class are not only potentially dangerous politically but are of crucial importance to the economy. South Africa is awash with university graduates but it has a critical shortage of tradesmen.

The white artisans, foremen and supervisors are the bedrock of South African industry. It is mainly because of them that we have the best infrastructure in Africa. When black workers have gone on strike at large factories, production has been little affected, if white workers went on strike, production would cease completely.

During a recent visit to Zimbabwe, I was struck by the failure of Zesa (Zimbabwe's Eskom) to provide

When the AWB broke into the World Trade Centre, the almost universal reaction of white workers at the factory at which ANDREW KENNY works was one of chortling delight. He explains why ~~below~~



FEARFUL white workers, abandoned by the National Party, now rally around the AWB flag. Picture CHRISTINE NESBITT

sufficient electricity, despite having good power stations, particularly at Hwange. The reason is that it lacks the skilled men to run them. The white artisans left Zimbabwe en masse when President Robert Mugabe took over, and the economy has been devastated by their departure.

At our mill in South Africa, there are a number of these ex-Rhodesians, all excellent, skilled workers who could easily run those power stations. All of them still love the country of Zimbabwe, and all of them hate Mugabe, as he seems to hate them.

A similar mutual loathing exists in South Africa between white workers and the ANC. The leaders of the ANC, who are quite at ease in the company of the white capitalist bosses, seem unable to talk to the white toiling masses. Support for the ANC and the Communist Party is limited to the most privileged whites, such as the precious souls who inhabit our universities.

The white workers overwhelmingly prefer Inkatha to the ANC. Part of the reason might be that Inkatha, even if it contains the ancient Zulu enemy, is clearly indigenous — of South African soil — whereas the ANC, with its overseas funding and advice, seems foreign, condescending and anti-South African.

The National Party, which

was once the party of the white workers, abandoned them as it moved up the social ladder. The CP and its allies, being closer to the land and the workshop, have moved in to woo them.

In the 70s, business leaders, from the vantage point of their head offices in Johannesburg and their swimming pools in Sandton, realised that there must be a redistribution of wealth. So, facing the challenge with unflinching resolve, they dug deep into the pockets of their white workers to give to their black workers.

THE result is that skilled white workers in South Africa are now worse off than skilled workers in Western Europe (from where they originated), whereas unskilled black workers are enormously better off than unskilled workers in black Africa.

On the factory floor, white workers sullenly endure the reforming edicts of their remote bosses, including affirmative action (which, they believe, is a plot to replace them with black men). Ordinary, decent men though they are, they are driven, by the imperious attitudes of senior management, to seek security in other directions.

When I asked an engineering foreman, an English

immigrant, why he had joined the whites-only Iron and Steel Union, which is sympathetic to the CP, he replied in a thick Lancashire accent "Because nobody else looks after the white worker." After work, the white workers buy guns, cheer the CP, attend the rallies of the AWB, and are now looking to General Constand Viljoen for salvation.

In England, newspapers like the Daily Mirror and the Sun express the concerns of the working man. In South Africa, the white workers have no public voice. Public debate among whites consists entirely of middle-class chatter among journalists, politicians, academics and businessmen — among people who have no experience, and no understanding, of life in factories and mines.

When majority rule came to Zimbabwe, the white workers left. But the white workers in South Africa have nowhere to flee. Brooding, unsettled and fearful, they feel cut out of the deal for the new South Africa. They are rejected by the NP, ignored by the academics and editors, abused by big business and despised by the ANC.

They are vital to the economy. They are heavily armed. I suggest we start talking to them.

□ Andrew Kenny is an engineer at a South African factory.

Call for national worker summit

W/m on 9/7 - 15/7/93
By FAROUK CHOTHIA, Durban

FLEXING its muscle, the trade union movement in Natal this week called for a national worker summit to discuss strategies to ensure that worker rights are entrenched in a future Bill of Rights and constitution

This comes against the backdrop of growing fears in the labour movement in the province that worker interests are not only being ignored at the World Trade Centre, but that politicians may also introduce legislation which threatens worker rights

The Regional Worker Summit, the first of its kind in the country, was attended by about 200 delegates from the Congress of South African Trade Unions (Cosatu), the National Council of Trade Unions (Nactu) and the independent unions

Cosatu head office has been reluctant to call a national worker summit. With Cosatu's Chris Dlamini and Nactu's Cunningham Ngqokana present at their regional summit, Natal leaders hope that their initiative will now win support at head office.

The delegates resolved that their head offices should join hands to convene a national worker summit within three months — before a constitution and a Bill of Rights are finalised at the World Trade Centre

"There are indications that worker rights are being attacked (at the multi-party negotiating forum) On the issue of centralised bargaining, for example, they want to deregulate it," said Rohan Persad, co-ordinator of

Cosatu's Economic and Development Initiative in southern and northern Natal

A representative of the independent unions, Kessie Moodley of the National Union of Leatherworkers, said the summit noted that in other African countries liberation movements "eroded" worker rights once they assumed power. He said the negotiation process, and the proposed Bill of Rights, was dominated by debate around regionalism and federalism, and addressing minority fears. Worker rights have been placed on the backburner

"The longer we take to set up a national worker summit and to adopt a workers' charter, the more critical it will become for workers," he said

Warning that time was running out, Moodley added "The boat hasn't left the shore yet. We can throw a life raft out to get on board."

Persad said the workers' summit had to address other "unanswered questions" as well, including whether trade union leaders can be allowed to take positions in a new government

"There is a lot of uneasiness about this, particularly given the history of Africa. We need clarity on the issue," added Persad

The workers' summit should also look at formulating a national economic restructuring programme in order to ensure there is unity when challenging business and government.

LABOUR

NEF tripartism triumphs

WJMail 917-1517(93) (132)

A SEA of sober suits and the odd struggle T-shirt greeted delegates to the first ever plenary session of the National Economic Forum this week.

Six government ministers, the cream of South Africa's unions and the best of the business world met on Monday in a conference centre outside Johannesburg to present to an eager public the fruit of their first eight months of work.

This was tripartism at work: the state, business and labour getting together to hammer out economic and labour market policy, taking decisions on consensus and throwing in a good few checks and balances to even the enormous odds.

A chortling Japie Jacobs (a government advisor), an almost smug Bobby Godsell (Anglo-American director) and the Congress of South African Trade Unions' other Jayendra Naidoo

a transparent process' submissions have been invited from the public, it has promised regular bulletins and plenaries and even had a question time at Monday's meeting where delegates were free to criticise and condemn.

Strong condemnation came from Cosatu's Jane Barrett: to loud applause she noted that "there is not a single woman on the working groups (of the NEF)". There were only five women in the labour delegation and not one in the business delegation.

At a gathering of such a diversity of interests, ideologies and identities, there were bound to be tensions.

The South African Municipal Workers Union's Salie Manie told the government his union was not opposed to public sector restructuring, but that retrenchments were not the answer: "If you don't know how to do it, come to the workers, we've got

some ideas." The South African Chamber of Business delegate said the NEF's commitment to voluntarism — voluntarily entering into bargaining agreements — contradicted their commitment to centralised bargaining.

And the Inkatha Freedom Party's delegate complained that participants were dictating "an indefinite lifespan for the NEF". "Console yourself, this is a process not an event," a patient chairman kept saying.

But the air at the indaba was generally conciliatory and often jocular. Said Naidoo: "When do you know that the process of change has touched the hearts of everybody? When Japie Jacobs advocates a process of transparency?"

And Godsell said "Labour's prodding me to get on. I'm used to labour prodding me."

● See PAGES 17 and 22

The National Economic Forum, where the state, business and labour are thrashing out future national economic policy, has made great strides in its short existence.

By FERIAL HAFFAJEE

chaired the proceedings. Labour had clearly arrived — albeit not in a Mercedes-Benz — and was sitting as an equal negotiating partner.

The NEF, which was formed in October last year, has done a lot of work in very little time: numerous agreements have been reached, stumbling blocks identified and a macro-economic policy outlined.

More important, though, is that it is



Unions at odds over new workers' party

SATimes 11/7/43

132

SOUTH AFRICA'S two largest unions are engaged in a battle over the formation of a working-class party to pressure the ANC into implementing socialist policies, including nationalisation, once an interim government is elected.

At its congress last week, the National Union of Metalworkers of SA (Numsa), which has around 240 000 members, passed resolutions in favour of the new party and the breaking of Cosatu's alliance with the ANC once it is part of an interim government.

But the 300 000-strong National Union of Mineworkers (NUM), headed by James Motlatsi, is vociferously opposed to the party and supports the long-term continuation of the alliance with the ANC.

Numsa officials, including general-secretary

By RAY HARTLEY
Political Reporter

tary Moses Mayekiso and president Mthuzeli Tom, are in favour of the party. Mr Mayekiso, who is also a central committee member of the SACP, said this week the new party would provide a home for socialists within the SACP and those outside it such as ANC NEC member Pallo Jordan.

But senior SACP officials such as party chairman Joe Slovo, general-secretary Charles Nqakula and central committee members Jeremy Cronin and Ronnie Kasrils are known to be strong opponents of a new workers' party.

Cosatu general-secretary Jay Naidoo and ANC secretary-general Cyril Ramaphosa, who

attended a caucus meeting in May which agreed to "the long haul character of the alliance" between Cosatu, the ANC and SACP, are also believed to oppose the idea.

NUM publicity officer Jerry Majatladi said the NUM believed a workers' party would usurp the role of the SACP. "To talk of another revolutionary party smacks of a political anachronism which belongs to another era."

Innes Labour Brief manager Dr Duncan Innes said Numsa was likely to gain the support of the SA Clothing and Textile Workers' Union, one of Cosatu's largest affiliates.

The SA Commercial and Catering and Allied Workers Union and the Chemical Workers Industrial Union could also support Numsa in its bid to form the new party, he said.

Mr Kasrils accused proponents of a workers' party of "weird thinking" and "snatching defeat from the jaws of victory."

Mr Mayekiso said the new workers' party would monitor the extent to which the ANC implemented socialism, including the nationalisation of the land and key industries once it was in government.

While Numsa would support the ANC in next year's elections, the party could challenge the ANC at the polls in the future if it was unhappy with its performance, he said.

A priority would be the nationalisation of the land, partly without compensation.

Mr Majatladi said NUM was opposed to any decision being taken on nationalisation at present because it was a sensitive issue, which needed further debate. Nationalisation without compensation was out of the question, he said.

Trade union fund shows slow growth

132

W/M and 16/7 - 22/7/93.

By MONDLI MAKHANYA
THE trade union controlled Community Growth Fund (CGF) learnt a hard lesson in social investment in the past year, when it missed out on the gold price surge.

The CGF reported mild growth for its first year of operation, posting returns of 16,3 percent, just above the rise in the Johannesburg Stock Exchange's All Share Index, which was 15,4 percent.

The fund invests in companies which meet the investment criteria set by Syfrets fund managers and

the trade unions' social responsibility criteria.

But, as mining companies are perceived by the unions as being among the most conservative employers in industry, they have not met the social responsibility criteria.

Hence, the fund's missing the gold rush which so many other funds joined. But this may change in the coming year.

"We are going to be approving some gold companies soon," says Labour Research Services' Mark

Anderson.

Six new companies were approved in the past six months, bringing the total in the portfolio to 17. Nine others are currently being studied.

While there was some scepticism in union ranks last year, Anderson says the CGF has greatly improved since then.

"Presentations have been done to shop stewards and many actually ask why we are not approving a greater number of companies," he says.

CGF Management Company's Anthony Asher adds that it is the corporations rather than unions who are increasingly sceptical of the fund.

"It involves the empowerment of unions and they therefore feel threatened," Asher says.

The CGF — now worth R45-million — certainly has no shortage of cash to invest, only avenues.

Union pension funds pump between 10 and 20 percent of their cash flow into the fund every month.



Worker party will halt compromise

132

17-21-7-93

MOUNTING calls for a Workers' Party to stem the "compromise of workers' interests" by political negotiators have raised questions about the role of the South African Communist Party (SACP) in negotiations

The National Union of Metal Workers of South Africa (Numsa) — the largest Congress of South African Trade Unions (Cosatu) affiliate — recently expressed concern at the lack of worker participation in negotiations.

Numsa resolved to ask Cosatu to investigate new forms of organisations to "unify working class organisations and take forward a programme to implement socialism". This could take the form of a Working Class Party.

At its conference last week, the Workers Organisation for Socialist Action (Wosa) also resolved to support the formation of a "Mass Workers' Party".

"Only an independent Mass Workers' Party can halt and reverse the wholesale compromise

of the interests of the working class by the negotiations at the World Trade Centre," said Wosa chairperson Mr Neville Alexander. Alexander said Wosa would use the election campaign to promote the Workers' Party.

The SACP adviser at the negotiations, Mr Essop Pahad, conceded this week that workers had a "valid criticism"

The ANC and the SACP, Pahad said, represented the interest of the working class at the negotiations

He conceded the party was not effective enough in ensuring that workers received regular and sufficient reports on how their interests were being defended at Kempton Park. But he said he would not accept there had been a "sell-out" of worker interests at the talks.

"It is quite clear that there should be more report-backs to the organised constituencies of the working class: the trade union movement."

Pahad said the SACP believed the responsibility to report back to



NEVILLE ALEXANDER

workers on the negotiations lay "first and foremost" with Cosatu. Cosatu assistant general secretary Mr Sam Shilowa was also an adviser at the negotiations and was reporting back regularly to his organisation.

Numsa had also discussed the future of the tripartite alliance and resolved that Cosatu should remain independent of political parties or the government.

Numsa will encourage its members to support the ANC in the coming elections, but once an interim government is established

the union should not have a formal alliance with the ANC.

Pahad disagreed with the "rupture" of the alliance, although he believed the trade union movement should make its decisions independently on how long it should last.

"I would argue that the need to broaden the alliance to include all mass democratic forces would become more critical after the elections," he said.

"We need to work and fight together to bring about a policy of reconstruction and radically transform South Africa.

"To bring about a national democratic revolution requires that the alliance continues after elections."

Pahad said he did not believe it was necessary to work towards the establishment of a Workers Party.

Other political formations of the left which believed the SACP was not fulfilling its role would have an opportunity during the elections to test their popularity.

REHANA ROSSOUW



Fat spreads: No sign of collusion

COMPETITION BOARD chairman Dr Pierre Brooks, who is investigating the recent price hike in margarine and low and medium fat spreads, said there was no evidence yet to suggest collusion took place between manufacturers

The board started its inquiry last week after retailers announced increases of up to 84%.

Dr Brooks said "warning bells had started ringing" when the announcements were made, particularly as they were accompanied by remarks by manufacturers that the margarine price war could not be allowed to continue

The board hoped to complete its investigation by the end of the week.

● Retailers yesterday said the increase would not be as severe as originally speculated.

The largest price rise would be in the medium fat spreads which could increase by up to 60%, depending on the brand

The prices of regular margarines could go up by an average 30% — Staff Reporter, Sapa

THE trade union movement will have to make considerable strategic adjustments in the forthcoming period of reconstruction, and selling these changes to rank-and-file members will not be easy.

National Union of Metalworkers of SA (Numsa) education officer and top Cosatu strategist Alec Erwin offered a range of insights on this theme at the weekend labour law conference at Durban's Natal University. This period of "new unionism", which was central to the transformation of society, would have to encompass a reconstruction programme, including a collective bargaining dimension, to protect membership and union objectives.

For Erwin, the most critical areas to be included in "a coherent policy package" should be:

- Achieving a macroeconomic balance by controlling inflation,
- Employment creation, which he described as "an absolute priority";
- Reintegration of SA into the world economy;
- Ensuring all players participated in the benefits of economic growth, and
- Political democracy

Reconciling labour's interests with those of the broader SA society required all parties to recognise the need for industrial restructuring, based on a combination of macro- and microeconomic policy.

This, explained Erwin, was the basis for Numsa's three-year proposal submitted at this year's wage negotiations. The aim was to redress serious structural problems in the metal sector. "The bargaining process is changing, with unions proposing a programmatic approach in contrast to the previous year-on-year process," said Erwin.

He conceded there should be a direct relationship between wage increases and productivity gains. "Higher wages do imply higher productivity." But, he added, "we need to reorganise to get rid of existing inadequacies in production."

Management, through a process of interaction, participation and negoti-

ation, should explore the most effective way of using human resources. Wage flexibility had been accepted by the union movement, as evidenced in the recently signed agreement on labour-intensive production.

However, this "is different from accepting a cheap labour policy". Unions were averse to workers being landed with the brunt of training and reorganisation costs by accepting low wages during those processes, Erwin said.

"Wages and restructuring are part of a macroeconomic policy. We will have to negotiate much wider issues and the context in which these negotiations take place. They will have to be much more detailed, sophisticated and pragmatic."

Comparative advantage was not based on wage rates, Erwin argued. Education, skills, training and other factors had to be taken into account in determining whether a country was competitive. Also, with world trading patterns changing rapidly, SA needed to study these changes and adjust accordingly.

The debate on levels of collective bargaining was crucial, Erwin believed. Over time, many different levels of bargaining had emerged and combinations had changed, he said. "In some sectors organised business and labour bargained at indus-

Trade unions plot their course in a changed society

Biday 21/7/93

ERICA JANKOWITZ

try level, in others plant level is the best interests of both parties. It is how these processes are integrated which is of fundamental importance. Existing agreements cannot be moved without conflict.

"Collective bargaining as a pillar of reconstruction is the only way forward. If collective bargaining structures are weakened it will be a recipe for disaster (132)."

To Erwin, the major challenge for employers was to accept "co-determination" as the predominant management style.

The real challenge lay with the labour movement, which would have to "maintain, strengthen and develop



□ ERWIN

work organisation and production methods which require higher skills levels and a generic understanding of processes, including technology, numeracy and communications."

During transition, unions' objectives remained the same, but labour had to accept that critical changes were taking place in industry. "To maintain and protect living standards at a time of high unemployment is a cul de sac. To retain these issues on the agenda when industries are under severe pressure is defensive and demoralising. And to assume employment patterns are fixed is a serious error."

All parties to the National Economic Forum agreed that economic growth and development had to be tackled at the macro level, and all contributors to the process needed to benefit from the outcome, despite the short-term hardships this would cause, Erwin said.

Erwin said Finance Minister Derek Keys appeared to have accepted the inadequacies of government's traditional "trickle down" approach to economic development. The forum had agreed that growth, democratisation and redistribution could not be separated. This, said Erwin, was the current arena of debate, but considerable progress had been made.

On the issue of increasing capital intensity as a result of labour multitenancy, Erwin argued wage levels were not the sole determinant of capital expenditure.

Work reorganisation, state subsidies, interest rates and other factors were also relevant, he said. However, he agreed this was a major challenge facing trade unions at a time of high and rising unemployment.

Erwin said one valuable lesson learnt through participation in tripartite forums was that compromise and agreement were possible. "The only way to resolve the problems inherent in a period of reconstruction is through negotiation, participation and democratisation. We must learn to respect each other's positions and reach a compromise."

traditional internal democracy", he said. With members' lack of formal education, it was incumbent on unions to develop their capacity rapidly to enable meaningful debate. Currently management came up with all the proposals and solutions, which rendered negotiations useless.

Erwin said the divide between union leadership and membership had grown. As leaders struck deals with employers and government, members were becoming more and more disenchanted with poor pay increases — their major concern at a time of rising prices and shrinking employment. Whether the union movement would be able to rise to this challenge and mobilise members behind its macroeconomic initiatives remained to be seen. If not, the sophisticated deals struck at leadership level would not stick.

Labour, said Erwin, had accepted that SA's economic woes were based on structural decline. "Re-entry into the world economy exacerbates our vulnerability to world trends. With the long-term decline in primary product markets and substantial changes in manufactured products markets, SA, which has been isolated from international competition for decades, has to restructure industries to cope with new demands."

"SA is faced with introducing new

Strikes by thousands of workers looming

ARG 22/7/93 132

□ More jobless as industrial action increases

PAT CANDIDO
The Argus Bureau

PORT ELIZABETH. — Prospects for labour stability during the third quarter of this year are looking increasingly gloomy with threats of strikes involving thousands of workers.

Strikes by municipal, motor industry and leather industry workers are looming during the next few weeks

The South African Municipal Workers Union will embark on a countrywide strike on August 2

Samwu national secretary-general John Ertzen said further meetings had been planned and he hoped the mat-

ter could be settled through negotiation

The South African Democratic Teachers Union remains at loggerheads with the State over salary negotiations and rationalisation of teaching posts. Failure by the government to meet Sadtu's demands could lead to "mass action".

Negotiations in the automotive industry — a key sector of the Eastern Cape's economy — are on the brink of collapse over final wage increase positions adopted by employers and unions

Car makers have joined tyre manufacturers and engineering companies in offering a seven percent across-the-board increase while National Union of

Metalworkers of SA members are holding out for an increase of 15 percent.

The national bargaining forum for the automotive sector meets this week in a final attempt to bridge the gap

The National Union of Leather Workers is also holding a strike ballot after employers offered a seven percent pay rise in response to union demands for 10 percent

The present increase in industrial action is coupled to a rise in the number of unemployed in the Eastern Cape. The number registered with the Department of Manpower stands at 21 590, only the tip of the iceberg.



Labour to S

By SEKOLA SELLO

THE uneasy marriage between the labour movement and political organisations is beginning to show signs of strain. Or is it?

What appears to be the first signs of discord surfaced early this month when the giant National Union of Metal Workers of SA (Numsa), proposed that its mother body Cosatu disaffiliate from the ANC-led tripartite alliance once an interim government had been established.

Numsa further hinted at the possible establishment of a workers' party that could even challenge the ANC.

Until a few months ago, supporters of such ideas would have been considered heretics and would at best have been marginalised within the tripartite alliance and at worst hounded out.

The fact that these sentiments, expressed during Numsa's conference at the World Trade Centre, did not elicit any criticism from the ANC or the SACP, did not go unnoticed among political and labour observers.

This week another important Cosatu member, the Southern African Clothing and Textile Workers Union, resolved at its national conference in

25/7/93 (132)
Durban that it would also sever links with the ANC once a constituent assembly has been established.

Numsa and Sactwu's widely publicised stances could well indicate tensions within the labour movement as the demise of apartheid nears and unions try to re-define their relations with a future government - widely expected to be dominated by the ANC.

They also raise some interesting questions.

How serious are these pro-ANC unions about going their separate ways once a constituent assembly or an interim government has been established?

Allied to this, if this notion of disaffiliation is gaining currency within the labour movement, what could its cause be?

It was expected that relations between the labour movement and an ANC-led government would not always be easy. A conflict of interest between government and organised labour is not unusual.

Potential conflict

The potential for conflict between organised labour and a new administration (even if it is ANC-led) has always been considered high given that such an incoming government would most likely face serious problems as a result of empty state coffers,

There are growing indications that the labour movement will seek to be independent - even if it is ANC-led. It has proposed that its mother body Cosatu disaffiliate from the tripartite alliance once an interim government has been installed.

rising unemployment and a need for economic reconstruction.

However, the speed at which the unions and what many call the "waiting" has taken observers by surprise.

Equally surprising is that the unions seem to be initiating the split. It has been a former liberation war government which has precipitated the split. A former ally in the trade union movement.

A classic example is Kenneth Kaunda - whose party was on the back of the labour force. In Zambia, Kaunda fell out of leadership and even jailed himself.

It is argued a similar scenario could play itself out in SA.

Perhaps aware of such a possibility,



SPLIT ANC?

CIPnews 25/7/93

There are growing indications that organised labour will seek to be independent from a new SA government - even if it is ANC-led. Earlier this month Numsa proposed that its mother body Cosatu disaffiliate from the tripartite alliance once an interim government has been installed.

rising unemployment and a pressing need for social and economic reconstruction

However, the speed at which differences between the unions and what many consider "the government in waiting" has taken observers by surprise. (132)

Equally surprising is that the labour movement seems to be initiating the split. Traditionally in Africa it has been a former liberation movement-turned-government which has precipitated the split with its former ally in the trade union movement. (132)

A classic example is Kenneth Kaunda - a close ally of the ANC - whose party came to power riding on the back of the labour federation. But once in State House, Kaunda fell out with the workers' leadership and even jailed some of them.

It is argued a similar scenario could well repeat itself in SA.

Perhaps aware of such a possibility, organised

labour has already begun to re-define its relations with the ANC. They are taking precautions lest they go the same route as their counterparts in some African countries.

In order to protect their gains from any future government interference, workers are pressing for the inclusion of trade union rights in the mooted fundamental bill of rights.

Among the rights demanded by Sactwu in the bill of rights are the following: the right to belong to trade unions, to organise, to bargain collectively and to strike without fear of dismissal.

Fears by unionists that enshrining these in a bill of rights is not a guarantee that these rights will be respected, probably explains why Numsa is talking about the establishment of a workers' party.

But the idea of a workers' party also raises questions: Why would the workers want to establish their own party when they could join the SACP which is closer to their ideals?

Adding more confusion is that the idea of a new party seems to have the support of Numsa secretary-general Moses Mayekiso, who is also an executive member of the SACP.

Mayekiso is also reported to have stated that the

SACP could even help with the establishment of such a party. It is inconceivable that the SACP would help in creating a potential rival.

It is also unclear whether Numsa is serious about the issue, or whether this is pure rhetoric. A scare tactic.

Whatever the emerging tensions between organised labour and the ANC, it would be wrong to say this will have any adverse effect on the ANC's election campaign.

Cosatu has publicly stated it will help the ANC win forthcoming elections and will release its resources and personnel to achieve this. Some of its members will also be running for the ANC.

Despite talk by Numsa, the South African Chemical and Textile Workers' Union (Sactwu) or even Cosatu of going it alone after elections, the symbiotic relationship of the tripartite alliance precludes the possibility of an early or complete split.

The ANC/Cosatu marriage has been blissful for some time now. But rocky signs lie ahead.

The irony is that the dawn of Uhuru - which both have fought so hard for - could well bring about the end of their affair.



MARCHING TO A DIFFERENT DRUM?

... Will union workers carry out their threat to leave the ANC in the political wilderness. And will the SACP take up the slack and give workers the political voice they demand? Only time will give those answers.

■ Pic: EVANS MBOWENI

Union has 'saints and sinners' awards for bosses

SHARON SOROUR
Labour Reporter

IN a labour relations first, the Southern African Clothing and Textile Workers' Union has, through a series of awards, recognised the behaviour — and misbehaviour — of the industry's employers.

At an "award evening" recently, Sactwu said employer Saphi Lambert — voted 'Employer of the Year' — "surprised" the union with its constructive attitude.

In a statement, the union said workers who were staging a sleep-in protest at a Saphi Lambert factory, were surprised when their employer, a Mr Kraamwinkel, arranged heaters and food for the workers.

This was not a one-off incident, Sactwu noted.

On another occasion, Mr Kraamwinkel arranged a tent and other facilities for workers' children who accompanied their parents to work on childcare day. He also provided refreshments for workers when union meetings were being held.

"This is very unusual and highly commendable," said the union.

However, other employers, 14 in all, were nominated for the "Obstructive Employer of the Year" award.

"Two companies were head and shoulders above the rest. They were an East London-based factory, National Convertor Industries, and a Newcastle company, Apollo Industries.

"In the end, it was decided to make them joint winners, or was it losers?" said Sactwu.

Both employers would receive their awards, a book on trade unionism, soon.

Apollo allegedly mistreated workers, held back wages, penalised them for talking while working and bringing union pamphlets on to the premises, while NCI allegedly repeatedly dismissed shop stewards, fired workers for taking part in stayaways and refused to pay industrial council rates.

The "Branch of the Year" award went to the Atlantis branch, while Liz Chetty, the union's national administrator, received the award for the most dedicated staff member.

Cutting the bull

WM 10-16/9/93 (132)

Ferial Haffajee

EMPLOYER awards with a difference made their way on to the labour scene in August when the Southern African Clothing and Textile Workers' Union (Sactwu) handed out its "Bull of the year" and "Employer of the year" awards

The "Bull of the year" — bull for bullshit — prize went to the owner of the Kingsgate Clothing company in Durban who retrenched workers saying the company did not have any orders on its order books. Soon afterwards, however, Sactwu discovered Kingsgate had just secured an export order for R30-million. When asked about his prize, the company's owner, Sadek Vahed said the order had been filled from existing stock

Saphi Lamberet in Pretoria walked off with the "Employer of the year" award for providing heaters and food for workers on a sleep-in at the factory. The owner of the company had previously put up a tent and provided other facilities when their parents brought their children to work on "Child-care day" in June and also provides refreshments when workers hold meetings at the factory.

The union called the company's actions "very unusual and highly commendable".

Union members sent in 14 nominations for the trade union's "Obstructive employer of the year" award, which was won jointly by National Convertor Industries in East London and Apollo Industries in Newcastle

National Convertor Industries won the dubious honour for consistently dismissing shop-stewards and union members and for not paying industrial council wage rates, even after a court case

The union claims the owners of Apollo Industries had on different occasions "assaulted an organiser, tortured workers with electrical shocks, physically stopped workers from bringing union pamphlets into the factory, deducted wages from workers for talking while working and also denied access to Department of Manpower inspectors".

Other innovative awards — which were presented at the union's congress — were also given to workers at the Da Gama textile factory for "the most significant struggle" after they went on a 47-day strike earlier this year.

Clothing negotiators in the union won kudos for the "Most significant agreement", while Solly Sachs, who used to be the general secretary of the old Garment Workers' Union, received a posthumous award

Workers in on the plan

Weekly Mail Reporter WM 10-16/9/93

CLOTHING retailer Sales House has asked its employees to help it come up with a business plan

In a statement, managing director Arthur da Costa said "I believe Sales House is certainly one of the first companies in South Africa to ask its employees for input in a document of this nature"

Marketing director Penny Lloyd said the idea had emerged while the company was trying to find ways to empower its workers "Da Costa believes in employee participation," said Lloyd, "He consults his management team and staff and involves them in quite a lot"

Rather than saddle workers with the complexities of developing a strategic business plan, management drew up a questionnaire which dealt with aspects of the business plan Workers are being asked their opinions on employee benefits, the location of stores, winning market share, funding and so forth.

All Sales House staff have been divided into 10 groups and a deadline has been set by which the staff contributions have to be ready

Once the workers' responses have been received, management will discuss the answers with employees before incorporating them into the business plan

"There is an enormous amount of excitement about the plan People have a feeling that they are going to be heard," said Lloyd

"We have to be careful of raised expectations, you can't put this to staff and then not let them hear something"

Avoid government control, unions told

THE glee with which some employers are rubbing their hands in anticipation of the weakening of the trade union movement is ill-conceived, according to Andrew Levy's Pat Stone

Trade unions should, however, be wary of losing their independence to the government of the day

"It is recognised worldwide that trade unions who align themselves too closely to particular political parties or governments, quickly lose the confidence of their members," noted Mr Stone in an address at Black Allied Workers Union's (Bawu) 21st anniversary celebration in Durban

Giving examples showing that trade unions would continue to play a role, Mr Stone referred to pay statistics

"While workers have undoubtedly made major advances in SA, I would suggest that there is still a long way to go"

In 1990 black workers earned on average R995 monthly against a white's equivalent income level of R3 011

This meant an average black worker earned only 33 percent of a white person's pay.

"Put another way, 43 percent of blacks who earn an income, earn less than R3 000 per month. Job security and the potential for job creation remain a major structural problem in this country and until they are overcome, the work of the trade union movement can never be seen as complete"

The ability of the union to deliver would be determined by its level of influence

"We all know that influence is only derived from power. In a fragile economy and where unemployment is so high, the strike is becoming an increasingly ineffective weapon

"However, power also comes from perceived legitimacy in society. I would suggest that it is on the grounds of legitimacy, that the trade union movement in this country will be judged in years to come

"No trade union is going to have legitimacy and power unless it represents workers who have an increasing skill base in the SA economy"

Natal leads in labour unity

LUM 24-30/91

Farouk Chothia

3132

THE labour movement in Natal has set the pace for the rest of the country by working as a cohesive unit in the fight to protect its economic interests in the region.

The move, however, has led to tensions between the Congress of South African Trade Unions and the African National Congress.

The federation has found itself closer to its union partners — the National Congress of Trade Unions (Nactu) and the independent unions — than its election ally on issues related to economic development in the region.

The new-found unity in the fragmented labour movement follows a successful Natal worker summit held in Durban recently, the first of its kind in the country.

Cosatu's co-ordinator for economic development, Rohan Persad, believes that a new level of trust has developed among the unions. Nactu and the independent unions' suspicions over Cosatu's alliance with the ANC have disappeared.

"They previously held the view that if the ANC cracks the whip, Cosatu jumps. Through the Regional Economic Forum we have proved our credibility. We are an independent partner in the alliance (with the ANC)," he said.

After the meeting on 11 September 1991

Landmark judgments should send signal to employers

SHARON SOROUR
Labour Reporter

#132
ARCT 21/10/93

RECENT precedent-setting labour court judgments should send a clear signal to employers, no matter how influential, that their disregard for fair labour practices will not be tolerated.

In a ground-breaking appeal last week, regional grant Capab was ordered by the Labour Appeal Court to reinstate an orchestra musician dismissed unfairly in 1991.

Mr Justice J King ordered the performing arts council to reinstate Pierre Schuster as principal trumpeter from March 1, 1992, with full back-pay.

Mr Schuster had successfully applied to the Industrial Court to have the termination of his employment declared an unfair labour practice, asking for his reinstatement as principal trumpeter.

Capab appealed, and not only lost the appeal but was ordered to compensate Mr Schuster for "remunera-

tion foregone since March 1, 1992". Judge King also dismissed the appeal with costs.

"Capab used its disproportionate bargaining power to impose an extremely onerous set of contractual terms on a skilled professional. He was effectively kept in the precarious position of a probationary employee for two years."

In the circumstances, it is clear that Capab committed an unfair labour practice in terminating in the way it did Mr Schuster's probationary contract as principal trumpeter. According to Capab, it terminated the contract because Mr Schuster's abilities did not measure up to required standards.

However, Mr Schuster told The Arctus he had not received any complaints about his playing.

When he joined Capab, he was offered a six-month probationary contract from January 15, 1990. Towards the end of the six months, on June 18, he was told he had made sufficient progress to merit a second six-month

probationary contract, until December 31, 1990. He accepted the offer.

The second trial period was sufficiently successful for him to be offered employment as a member of the orchestra as principal trumpeter for a year, from January 1991.

On October 8 he was informed in writing of Capab's decision not to offer him a permanent contract beyond December 31, 1991, although he was invited to audition for the position of sub-principal trumpeter.

Mr Deon Irish, legal counsel for Capab, contended that the second six-month employment offer was silent on the question of permanency, and merely informed Mr Schuster that Capab was extending his initial period for a further six months and that he would be offered a year's contract if he performed successfully.

However, Judge King said the proper interpretation of the contractual relations between the parties yielded different conclusions.

"There is no evidence to suggest that the offer of June 18, 1990 did not

incorporate the expectation of a permanent contract in due course.

"Mr Schuster clearly contracted on the basis that his one-year probationary contract would lead, all things going well, to a permanent employment," Judge King said.

Capab did not follow any of its stipulated procedures, like a warning to improve or a notice to audition before a panel, in coming to the decision to terminate Mr Schuster's service.

Judge King said "Did Capab's failure to abide by its contractual obligations constitute an unfair labour practice? We cannot say what the outcome would have been if Schuster's performance had been properly evaluated..."

"However, we do know that in the absence of that procedure Schuster lost his job and has been unable to find a comparable post. He has suffered substantial prejudice."

So, after a two-year absence, Pierre Schuster will take up his post as Capab's principal trumpeter.

IS/RUII NERS/

ARTIST'S REPRESENTATIVE

Future envoys go to school

Own Correspondent

LONDON — Twenty-five South Africans, blacks and whites, are training at the University of Birmingham to take part in what they hope will be a new chapter in SA's diplomatic history.

The group includes members of the ANC and the Inkatha Freedom Party. But their spokesman, former Transkei civil servant Veli Ntsubane, is adamant that political affiliations mean nothing.

"We came here as South Africans," he said this week. "We came to prepare a new, democratic, nonracial nation."

The trainees have just started a 10-week crash course in international relations, trade and finance, law and diplomatic practice and consular work.

ANC leader Nelson Mandela, who is on a world tour, met the group during a visit to Birmingham on Monday.

Later he told an enthusiastic audience who packed a civic reception in his honour: "We need the collective wisdom of all our people to chart the way forward."
— Daily Telegraph.

DP launches attack against communists

B/DAY 13/10/93

PATRICK BULGER

DEMOCRATS within the ANC had every right to believe that their communist allies were different from other communists, just as they had the right to believe in fairies at the bottom of the garden, DP leader Zach de Beer said last night.

De Beer was speaking at a report-back meeting in Rosebank.

He attacked the ANC's communist allies as "ruthless power-seekers and arch-manipulators", who were remorseless in their attack on human rights.

"When Jeremy Cronin attacked Boris Yeltsin for what he is doing to the communists in Russia, it didn't seem to me that he was all that far from the communists abroad... we know communists as the greatest enemy of individual freedom, and we think it is our duty to fight against it," De Beer said.

He asked who South Africans wanted to sit in Parliament and to write a new constitution.

De Beer said the more DP MPs there were in Parliament, the greater the possibility that human rights

would be protected.

He said that only the ANC had a chance of gaining a two-thirds majority in Parliament.

But, between them, the non-ANC parties had to ensure they gained at least one-third of the vote as this would prevent the ANC from writing a constitution that suited it alone.

SA's post-election constitution, like the constitution being written at Kempton Park — in terms of which the April 27 election would be held — had to represent agreement between the various parties.

He described 1993 as a year "of acute conflict, of many murders, of continuing poverty, joblessness, hunger — in many ways a miserable year".

However progress had been made at negotiations and sanctions had now been lifted so that the ANC, "which for so many years campaigned to impoverish SA, has now reversed itself and is appealing for foreign investment".

Consensus to scrap party funding clause

NATIONAL Manpower Commission members have reached consensus on the scrapping of a clause preventing trade unions from funding political parties or candidates.

Their recommendation will be debated in Parliament during its next session, probably in November.

Government sources said, however, legislative changes would not necessarily be approved by Parliament as the whole question of party funding was due to be debated in the next session.

Sources said it was an extremely delicate issue and tied to funding covered in the Electoral Act.

As a result, Manpower Department

ERICA JANKOWITZ

delegates had been told not to enter the debate as the issue had to be determined by government and not on a piecemeal basis.

However, Cosatu representative Mike Madlala said the controversial clause — Section 15A of the Labour Relations Act — was likely to be scrapped as Parliament was likely to ratify the recommendation.

Employer members were more cautious, especially in light of the recent national economic forum recommendation on the petrol price increase not succeeding in swaying government opinion.

Madlala said unions were awaiting

the outcome of the Parliamentary debate and thereafter the qualifications of the scrapping would be debated. These pertained to the status of workers covered by closed shop agreements.

Once the clause was scrapped unions would be able to fund political parties or candidates from their coffers, he said.

Employer sources said the more conservative unions had not agreed to the recommendation and government representatives had withdrawn from the debate citing its political nature. As a result, government members had not adopted a position on the issue.

'Maximum transparency' for NEF

SHARON SOROUR
Labour Reporter

THE big challenge facing the National Economic Forum was ensuring "maximum transparency" so the public and members of represented organisations participated as key actors in getting mandates to their negotiators, said Ebrahim Patel, NEF short-term working group labour co-ordinator.

In an interview in People Dynamics, the Institute of Personnel Management's official publication, Mr Patel — assistant secretary-general of the Southern African Clothing and Textile Workers' Union (Sactwu) — said agreements, even excellent ones, would not be "durable" if they were reached by only a few skilled negotiators.

"Those agreements would not have achieved the objective of refocusing the energies of large numbers of entrepreneurs and workers towards the purpose of economic reconstruction," he said.

The NEF, made up of business, labour and government, had an important role to play in a future democracy, he said.

Mr Patel said the NEF's positive

achievements to date were the actual agreements, the process by which they were reached and the promise the NEF held for the future.

"Arising out of the agreements, we have a comprehensive new framework that starts to address some of the weaknesses of ordinary collective bargaining. Until now collective bargaining has tended to focus exclusively on redistributive issues and has not adequately addressed the economic challenges facing South Africa."

The issues of job security, job creation and economic growth were central to the NEF agreement.

"As an example, R249 million has been set aside for NEF-sponsored job-creation projects."

This was the first time government had agreed to a body, other than a government department, dispensing such funds.

"Significantly, the parties have constructed a set of fairly rigorous criteria against which any applications for grants will be judged."

On centralised bargaining, the NEF agreement repudiated the basic assumptions of the government's Normative Economic Model on the labour market.

"The model posits the view that the key reform to introduce efficiency and create conditions for international competitiveness is the deregulation of the labour market."

"As organised labour, we put forward a coherent set of ideas arguing that for political and economic reasons, the attempt to dismantle centralised bargaining would not only result in increased conflict, but would remove the one opportunity to get co-operation towards the creation of world-class manufacturing in South Africa."

The NEF agreement acknowledged the value of centralised bargaining and set in motion a voluntary process, intended to concentrate the minds of industrialists on the debate about appropriate levels of bargaining.

It was agreed not to dismantle any of the existing centralised bargaining institutions and not to create obstacles preventing the development of new institutions.

Mr Patel said the union movement's biggest challenge would be for it to remain the voice of workers.

Workers get new party

By NORMAN WEST: Political Reporter

THE "creeping revolt" within trade unions against Kempton Park negotiations has speeded up plans for the formation of a new worker-based Mass Workers' Party (MWP) next Sunday. *S. Times 3/11/93*

The party could decide to contest elections for a new South Africa, said its prime mover, Cape Town academic Neville Alexander.

The decision to participate would be taken by an interim national steering committee, which will be chosen by delegates at Daveyton, on the East Rand, on Sunday.

Dr Alexander said "a kind of creeping rebellion from below" existed within trade unions which believed that negotiators at Kempton Park would "compromise the interest of the workers irrevocably". *(134)*

He claimed the idea of the new party was taking root especially among trade unions, including Cosatu, Nactu and socialist groups like Wosa.

World labour group for SA

CT 10/11/93 (132)
Own Correspondent

JOHANNESBURG — The International Labour Organisation (ILO) suspended its declaration of action against apartheid — after nearly 30 years — yesterday and voted in favour of immediately implementing a programme of action in South Africa, former Cosatu general secretary Mr Jay Naidoo said.

Speaking from Geneva where the ILO is based, he said it was the first international agency to commit itself to the reconstruction of South Africa.

With the ILO again operating legally and constitutionally in the country, its wealth of information and knowledge of labour relations and socio-economic development "would become available for the future development of South Africa".

The decisions were expected to be ratified by the organisation's next conference in June next year.

Mr Naidoo addressed the governing body yesterday, urging the ILO to reverse its policy of excluding South Africa and to implement its plan of action urgently under a multi-disciplinary ILO team.

He said the ILO decision had important implications for "addressing the legacy of apartheid".

The ILO would work with the UN and Commonwealth Secretariat to organise an international donors' conference in a post-apartheid South Africa early next year, Mr Naidoo said.

SA to rejoin world labour body

The Argus Correspondent

JOHANNESBURG. — After three decades of exclusion, South Africa will be formally readmitted to the International Labour Organisation next June.

Plans are already in the pipeline for an extensive, multimillion dollar programme of assistance to the South African labour movement, said former Cosatu general secretary Jay Naidoo, who returned from Geneva yesterday.

Mr Naidoo said the ILO's committee on legal issues and international labour standards had resolved to recommend that the organisation suspend its declaration on action against apartheid

This recommendation, to be considered by the ILO at its meeting next June, will formally pave the way for South Africa's readmission.

Cosatu also believes the planned programme of ILO assistance will dovetail with its own proposals for economic reconstruction and the restructuring of the South African labour market.

Following meetings with labour, employers, the National Economic Forum and the National Manpower Commission, the ILO has developed a series of proposals that will provide a framework for action to help South Africa in its "transition to full democracy, and in overcoming the effects of apartheid".

(132)

(132) ARGUS 11/12

New union body has no teeth, say critics

Star 11/11/93

Durban — A new trade union federation has been formed which will oppose the Congress of SA Trade Unions and reject strikes and work stoppages.

The "politically non-aligned" United Independent and Economic Trade Unions of South Africa (Uninetusa) was launched in Durban two weeks ago and claims the support of 10 independent unions totalling 22 000 members.

Durban Chamber of Commerce industrial re-

lations consultant Basil Smith said he was cautious about the federation, and questioned how it hoped to sustain its membership if it abdicated its ultimate power against employers — the right to withhold labour.

Cosatu regional secretary Thami Mhlomi contested the federation's claim to represent worker interests, saying "no union can be founded on the basis of not being able to strike — it's the only weapon workers have". — Sapa. (132)

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No-strike union group formed

DURBAN — A new "politically non-aligned" trade union federation has been formed to oppose Cosatu and reject strikes and work stoppages. *B/Dew*

The United Independent and Economic Trade Unions of SA was launched in Durban two weeks ago and claims the support of 10 independent unions totalling 22 000 members. *11/11/93*

Business and Cosatu greeted news of the new federation warily yesterday.

The leader of the new federation, Sydney Gcabashe, said it aimed to "combine the strategies and policies of independents".

Durban Chamber of Commerce consultant Basil Smith said he was cautious about the federation, questioning how it hoped to sustain its membership if it abdicated its ultimate power against employers in bargaining — the right to withhold labour.

Cosatu regional secretary Thami Mohlomi said he contested the federation's claim to represent worker interests, saying: "There is no union which can be founded on the basis of not being able to strike. It's the only weapon workers have." — Sapa *(132)*

Strike: Ball is in the negotiators' court

132 Wm 12-18 11/93

If the World Trade Centre negotiators scrap a draft Bill of Rights clause on lockout rights, Cosatu will call off Monday's planned general strike, report **Paul Stober and Jacque Golding**

In its demand for the scrapping of the lockout clause. But although clearly annoyed by Cosatu's obduracy, the alliance resigned itself to backing the strike if Cosatu was unable to secure a face-saving deal which would allow it to retreat from the threatened action.



Cyril Ramaphosa

THE question of whether the economy comes to a standstill on Monday lies in the hands of the negotiating council at the World Trade Centre. The Congress of South African Trade Unions has already decided that Monday's planned strike will go ahead if the forum does not scrap a clause in the interim Bill of Rights which allows employers to lock out workers during labour disputes.

A joint government-African National Congress proposal to be tabled at the council today guarantees workers the right to strike for purposes of collective bargaining. Another clause will prevent any future labour legislation which bars employers from using lockouts during labour disputes. The legislature will have to consult the National Manpower Commission (NMC), which has representatives from labour, business and government, before passing any labour legislation.

On Thursday the Cosatu leadership was consulting its affiliates about the proposal which was due to be tabled at the World Trade Centre today.

An alliance statement, issued early yesterday said. "The alliance leadership unanimously endorsed an amendment to the interim Bill of Rights proposed by Cosatu. The amendment unambiguously upholds workers' right to strike for collective bargaining as a fundamental right. Employers' recourse to the lockout is not considered to be a basic human right but a measure which is subject to labour relations legislation."

"As an alliance we stand fully behind Cosatu's call for a general strike. However we remain confident that the multiparty negotiations process will endorse our proposal in the next 48 hours, thus averting the need for a recourse to action."

On Wednesday night ANC secretary general Cyril Ramaphosa and Manpower Minister Leon Wessels were confident Cosatu would accept the compromise proposal. Ramaphosa said "Cosatu has said once it's resolved there's no need for a strike."

The ANC has been hell-bent on averting the strike, as the organisation's leadership wants to wrap up negotiations and start directing its energies toward the April 27 election. There has been surprisingly little sympathy for Cosatu's demands in ANC ranks and the organisation seemed to be more concerned with extricating the alliance from the strike.

Senior sources in the alliance were of the opinion that Cosatu had placed it in an "awkward position" by insisting on going ahead with the strike if the negotiating forum did not give

should have the right to lockout to balance workers' constitutional right to strike.

If the multiparty forum decides to keep the clause in the interim Bill in its present form, Cosatu will proceed with Monday's stay-away.

"We are going ahead with the national strike on Monday," said general secretary Sam Shilowa after a central executive meeting called to debate the issue.

"The only thing that can avert the strike is for the negotiators to accede to our demand that the employers' right to lockout is not constitutionally entrenched," he added.

Shilowa is reportedly being pushed into taking a hard line by critics to his left in Cosatu. They see him as being too much of a South African Communist Party man and are using

the strike issue to test his commitment to trade union independence.

At the beginning of the week, Cosatu accepted a deal, struck between the ANC and the government, on a clause in the constitution which guaranteed civil servants their jobs under the new dispensation. Cosatu had also used its objection to this clause to bolster its strike call.

Under the agreement, the jobs and pension rights of civil servants will be entrenched, but this is qualified with a clause calling for a future civil service "broadly representative of the people of South Africa".

The agreement provides for the Public Service Commission to "reverse the conditions of employment" of any public servant whose appointment was found to be "not proper" after review.

Public servants will not be able to take labour issues to the constitutional court.

See PAGE 22



Cosatu's being strange, but not stupid

WM 12-18/11/93 (132)



Is there something to Cosatu's call for a stayaway or is it just Sam Shilowa playing with his new toy-toys? Union law expert **Martin Brassey** looks at the union's right to strike and the employer's right to lockout

THE Congress of South African Trade Unions' call for a stayaway over jobs in the public service and the constitutional right to lockout appeared so suddenly and appears so strange that it has left commentators flummoxed

The confusion is understandable. It is easy to see why, despite being committed to the protection of workers, a union movement might find itself calling for their dismissal, such calls are quite often made to create employment opportunities for union members or to protect the integrity of an existing closed shop

Equally comprehensible is the notion of a non-racial organisation nevertheless making race the basis of the call, for otherwise there seems no quick way of redressing the imbalances that currently exist in the public service

But it is hard to see why a union movement should embark on action that undermines those very job security structures that protect its own members and that it has spent the last two years helping to create

To stay away over this issue seems like shooting oneself in the foot

Likewise, it is easy to see why Cosatu might fight against the inclusion of a right to lockout in the Bill of Rights. But it becomes much harder once one realises that Cosatu actually agreed to the inclusion, that in exchange it obtained the altogether more powerful right to strike, and that it has, in effect, a veto over the implementation of the provision (see box)

To stay away over this issue seems like shooting the economy in the head

In the weeks since the stayaway

Relevant clauses

SECTION 27 (1) Workers shall have the right to form and join trade unions, and employers shall have the right to form and join employers' organisations

(2) Workers and employers shall have the right to organise and bargain collectively

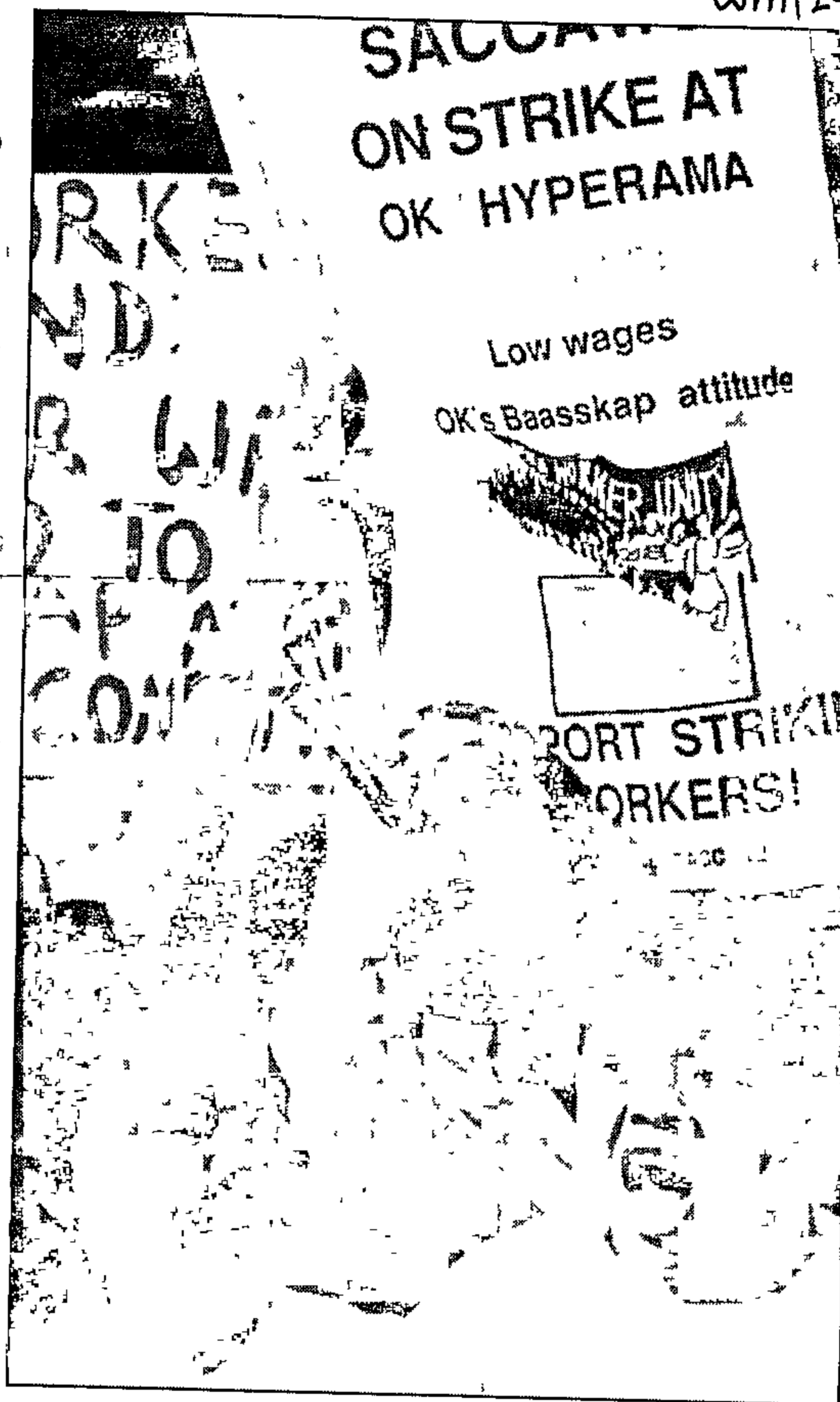
(3) Workers shall have the right to take collective action, including the right to strike, and employers shall have the right to lock out workers.

Section 34 (5) Notwithstanding the provisions of this Chapter (ie Bill of Rights), any legislation in force at the commencement of this Chapter promoting fair employment practices, orderly and equitable collective bargaining and the regulation of industrial peace shall remain in force until repealed or amended by a competent legislature.

was announced, fevered attempts have been made to prevent the shooting from taking place. In a widely publicised speech Joe Slovo apologised to workers at the World Trade Centre for failing to represent them properly, he became, he penitently declared, unsuitable to press their suit once he donned his

More importantly, agreement has been reached over ways in which the public service can, by vigorous use of affirmative action, be made more representative

But, despite intensive talks at the National Manpower Commission, the lockout provision remains a stumbling block at the time of writing, employers remain adamant that strikes and lockouts must be treated



Popular protest ... The strike is the only means, short of resignation, by which workers can change their lot

PHOTOGRAPH AVIGAIL UZI

in the same way by the law

In their favour is the fact that our law has always treated them thus. Under the Labour Relations Act both are hedged around with restrictions that — at the formal level, anyway —

operate in exactly the same way

Abroad the same tendency is discernible in Germany, the United States, Canada and Sweden. But of the countries in which the question is regulated constitutionally, only

Spain and Mexico treat the lockout as a fundamental right

In France, Greece, Italy, and Spain, workers have a constitutional right to strike that goes unmatched by any equivalent right to lockout, and in Portugal the constitution, though conferring a right to strike, expressly prohibits the lockout

That the two should be treated differently is not purely a matter of historical accident or political expediency. Formally they may seem symmetrical, but in practice they play very different roles

When employers want to change terms of employment, they do not reach for the lockout, they simply implement the changes unilaterally. If the workers refuse to accept the changes, the law treats them as unsuitable for the job and gives their employer the right to retrench or dismiss them

If they refuse to leave the premises, the law provides a range of sanctions that range from judicial interdicts to the police baton

The strike, in contrast, is the only means, short of resignation, by which workers can change their lot

It is the way they fend off exploitation and give teeth to the demands they make at the bargaining table. For them it is a vital necessity, for their employers just an optional extra

By giving collective rights only to workers the law seems to favour them at the expense of their employers

Those who believe in the free interplay of market forces would be quick to condemn this as wrong

What they forget, however, is how much employers are already favoured by the legal and social institutions of our society

For example, by protecting private property and providing an infrastructure for commerce (albeit rather badly at the moment), the state subsidises employers by relieving them of the burden of providing this for themselves

Other forms of subsidy include direct financing, preferential loans, tax rebates, regional allowances and the protection against competition that licensing laws and excise duties in effect produce

Made stronger by these subsidies, employers will win at the bargaining table unless workers have a countervailing strength. The law can give them this by protecting and giving special preference to the strike weapon

In the draft Bill of Rights both the right to strike and the right to lockout are put on hold by clause 34(5). In effect it keeps the existing statutory regime in force until it is altered or repealed by the legislature.

During the lifetime of this Bill, which is expected to be about three years, no such alteration will be possible without the concurrence of the labour movement.

So why, you ask, is Cosatu making such a fuss now? The answer is simple. When a new Bill of Rights is drafted, the present one will be the used as the point of departure.

Rights already won will not be relinquished without a battle. For Cosatu, the battle is one worth waging, and understandably, it would rather wage it now, when it is strong, than then, when it may be weak. Its standpoint on this issue may seem strange, but in truth it is not.

■ Martin Brassey is Professor of Law at Wits, editor of *Employment Law*, and co-author of *The New Labour Law*

WM 12-18/11/93

(132)

Cosatu hails worker victory

JOHANNESBURG

Cosatu has officially called off Monday's national strike after a deal was struck by multi-party negotiators in consultation with the union movement and employer federations yesterday

Cosatu general secretary Mr Sam Shilowa said. "This is an important victory for workers"

• Cosatu would mobilise more than 30 000 shop stewards and organisers to bolster the ANC's election drive, its former general secretary, Mr Jay Naidoo, said yesterday — Sapa

13 OCT 1993

LABOUR NEWS IN BRIEF

Compiled by SHARON SOROUR

LAST minute attempts were made at the weekend to avert a Cosatu general strike on Monday over the Bill of Rights

The Cosatu executive committee had unanimously agreed to go ahead with a one-day national action but the strike appeared to be averted on Thursday when the ANC/SACP/Cosatu Alliance endorsed a compromise between the government and the ANC on the labour clause

The deal entrenches the right of workers to strike but does not preclude lock-out "for purposes of collective bargaining"

Cosatu originally wanted the right to strike, but not the right of employers to lock-out striking workers, to be included as a fundamental right during the political transition period

The alliance endorsement was reached at a two-hour meeting at Kempton Park, unambiguously upholding workers' right to strike for collective bargaining as a fundamental right

"Employers' recourse to the lock-out is not considered to be a basic human right but a measure which is subject to labour relations legislation," the alliance said

A copy of the endorsement was dispatched to employer organisations for approval.

■ ABOUT 900 King Edward Hospital employees in Durban are back at work after a strike over conditions

Meanwhile, staff at the Newlands Park Rehabilitation Centre at Newlands West struck over a dispute with management

The entire staff of about 40 people occupied the superintendent's office on Tuesday

■ THE closure of the Langeberg pineapple cannery next month could cost thousands of jobs.

13/11/93
A total of 1 000 cannery workers and 3 500 farm labourers, packers and harbour workers are expected to be affected — prompting farmers to seek ministerial intervention

Langeberg is the single largest exporter operating through the East London harbour, creating many stevedoring jobs

■ THE National Manpower Commission has welcomed the International Labour Organisation's decision to suspend its Declaration Against Apartheid

NMC chairman Frans Barker said the move was a major step towards normalising relations between South Africa and the ILO

■ A NEW "politically neutral" trade union federation has been formed to oppose Cosatu and reject strikes and work stoppages

The United Independent and Economic Trade Unions of South Africa (Uninetusa), launched in Durban, claims to have the support of 10 independent unions with a total of 22 000 members

Uninetusa leader Sydney Gcabashe said the federation aimed to "combine the same strategies and policies of independents"

He said strikes and stayaways damaged the economy and issues should be resolved through negotiations

The United Workers of South Africa (Uwusa) spearheaded the "independent" formation

■ THE International Textile, Garment and Leather Workers Federation held an executive meeting in Cape Town this week, marking an end to a protracted international labour secretariat boycott against the country

It comes two days after the International Labour Organisation suspended its declaration against apartheid, setting the scene for normal relations with South Africa after a 30-year chill

Unionists call for 'social clause'

SHARON SOROUR (132)
Labour Reporter

INTERNATIONAL unionists are to campaign for a "social clause" to be included in all world trade agreements in a bid to force participating countries to adhere to accepted labour standards

This was one of the resolutions stemming from the week-long executive meeting of the 6,3-million International Textile, Garment and Leather Workers' Federation

Hosted by the Southern African Clothing and Textile Workers' Union (Sactwu), 85 delegates from 30 countries attended the historic meeting in Cape Town this week

"This is the first time in the 120-year history of the

ITGLWF that any of its constitutional meetings has been held in Southern Africa

"It marks, too, the first international trade meeting in South Africa," said Sactwu deputy general secretary Ebrahim Patel

Issues debated included women's participation in unions and the future of clothing, textile and leather workers worldwide

Federation general secretary Neil Kearney said that although the 165 affiliates would embark on a month of "action", this would not include strikes

"Ensuring that negotiators in Geneva pick up our ideas is not handled best by going on strike. They are academically minded

"If we are to influence opinion-formers and decision-makers, this has to be done through discussion"

Explaining the "social clause" concept, he said it was an attempt to bring a social dimension to trade agreements

"The idea is that if countries do not adhere to accepted labour standards they will not be allowed to participate in world agreements"

The social aspect included the right of workers to bargain collectively and the right not to be discriminated against on the basis of race or gender

"The majority of employees in our industries are women, certainly 95 percent in the garment sector, but this is not reflected in management or trade union leadership," Mr Kearney said

He recognised that many countries had problems with a "social clause" because it could be used in a "protectionist" manner

There would be no sanctions against countries which did not uphold the clause, rather rewards for those which did

Delegates visited more than 20 local factories, attended union general meetings and shop steward meetings, and visited townships and Robben Island

Federation president Dave Lambert said delegates had never been exposed to "wealth and beauty on the one hand and poverty and deprivation on the other"

"This is a cause for great concern it has been quite a shocking experience," he said.

Few SA firms equipped to deal with sexual harassment of workers

SHARON SOROUR ~~322~~ (132)
Labour Reporter

FEW organisations in South Africa are equipped to deal with cases of sexual harassment in the workplace

This is one of the findings of a survey conducted by human resource consultants FSA-Contact, involving 114 organisations including many of the largest and best-known companies in the country.

The survey found that although 12 percent acknowledged they had experienced incidents of sexual harassment, only 11 percent of the companies had a formal policy on sexual harassment, said spokesman Olof van Schalkwijk

In terms of the Labour Relations Act of 1956, sexual harassment is considered an unfair labour practice.

Employers who fail to act on complaints of sexual harassment and don't take steps to prevent its recurrence are guilty of an unfair labour practice.

Companies which fail to take adequate action against offenders risk expensive lawsuits from victims

The incidents experienced by companies surveyed had been dealt with as isolated cases and had not led to the implementation of a formal company policy.

Approximately half of the 114 companies stated they had not yet discovered a need for a formal policy but that

any possible complaints would be handled via the company's grievance procedure

While one participating organisation stated employees were not encouraged to report incidents of sexual harassment, the survey found most companies handled incidents promptly to discourage further occurrences

Mr Van Schalkwijk believed normal grievance procedures were inadequate to deal with the "sensitivities" involved and companies could find themselves "floundering when faced with a complaint" **ARG 18/11/93**

He said companies facing a sexual harassment lawsuit could not plead ignorance because an employee who had suffered harassment could bring an action against the employer "who knows, or ought to know, and fails to take action, or takes inadequate action to prevent the harassment".

In addition, where inadequate complaint channels existed the industrial court could also find the employer liable since the employer's lack of knowledge was his or her own fault, and not that of the employee.

"A victim may institute criminal and civil action against both the perpetrator and the company."

The survey found that of the 12 companies with formal policies on harassment, only five were South African.

Dividends are not wages

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WM 19-25/11/93

The relationship between dividends and employment must be seen in the context of the broader social contract, argues **Sinclair Davidson**

THAT South African firms are decreasing their dividend payouts is seen by some to be evidence of the social irresponsibility of business (WM&G October 15-21)

Fortunately, the dividend decision is more complex than the simplistic Marxian analysis of the Labour Research Service (LRS) allows for. We must consider three factors before we can draw this conclusion

- The role dividends play within firms
- Not all investment necessarily leads to job creation
- There is no contract between business and unemployed workers

Dividends form part of the reward investors receive in return for bearing risk. Contrary to popular belief in the union movement, dividends are not a "wage" paid to shareholders. When the firm can do so, it should not pay a dividend at all but profitably reinvest all the funds it can.

When the firm does not have any profitable investment opportunities it should return investors' funds to them via a dividend. The increasing dividend payouts are evidence that firms do not perceive profitable opportunities and are cutting investment to the bone. The reason is that there are few if any profitable investments within the economy at present.

For this reason the Secondary Tax on Companies (STC) is doomed to eventual failure. This tax encourages firms to retain and reinvest earnings. The belief behind the tax is that retained earnings are free and any investment is better than none. Unfortunately, both of these assumptions are false.

It is profitable investment that will create permanent job creation. We do not need more Moss gas projects. In the face of few profitable investment opportunities the STC will lead the economy to numerous mini-Moss gas projects with all the inefficiencies this implies.

The third factor to consider is the relationship between business and unemployed workers. The modern corporation is an inter-related set of contracts amongst various stakeholders. These stakeholders include shareholders, lenders, employees, managers, suppliers, customers and the government. For example, shareholders are entitled to dividends, lenders to interest payments, workers to wages, and so on.

Business discharges its obligation to society by obeying the law and by paying taxes. All stakeholders have an interest in the continuing financial viability of the organisation.

The relationships between these stakeholders form an interrelated set of implicit and explicit contracts. The firm enters into these contracts and honours its obligations as best it can. An explicit contract can include implicit elements. The shareholders who are the owners of the organisation are only entitled to some return if and when the firm makes a profit. Even then the firm can decide to bypass the dividend payment



Problems ... If business enters a contract with the unemployed, unions will suffer

The LRS seems to believe business operates in a profitless vacuum. Secondly, as business is not a conscious monolith, which part of the business sector is to bear the burden of job creation? If there is to be a contract between the two parties, business and the unemployed, then this needs to be part of the broader social contract that governs society as a whole.

The costs of job creation to the business sector would have to be reduced. The parties to the contract will have to be the business sector and the government. The reason is that labour too is not a conscious monolith. For consensus to be reached the government would have to mediate (often unilaterally) between business and labour.

There are distinct policies that government can follow to achieve this goal. The most obvious approach would be to create sound investment conditions. This would entail the government giving tax cuts and incentives to business, enforcing explicit contracts and establishing law and order.

This would only be a first step. The government would also have to lower the costs of employing labour, or else there would be a bias towards capital investment. Reducing the costs of labour would include the gov-

ernment allowing business to follow low-wage policies. The government should then follow a strict anti-union policy that would inter alia outlaw strikes and organised industrial activity.

Also, the conditions of employment would have to be downwardly revised. All these conditions would create an environment that would allow firms to follow sound investment decision-making and create jobs.

Obviously these conditions are absent in the economy and are untenable for the forthcoming new government. It is unlikely the LRS would want to advocate such Draconian oppression of the labour movement. Yet it is only through such measures that the LRS could have business providing more and more jobs and simultaneously remaining profitable.

The central proposition of economics is that there are unlimited desirable outcomes and limited means to achieve those outcomes. The LRS must choose their story, either they want a solid economy or they want short-term job creation and long-term economic failure.

■ Sinclair Davidson is a finance lecturer at the University of the Witwatersrand

On the other hand, the firm must pay its workers irrespective of whether it makes a profit or not. This is part of an implicit contract between the firm and workers. The firm undertakes to pay workers a fixed wage in return for labour, similarly workers are implicitly aware that if they work hard and are loyal to the organisation they can have lifetime employment.

The firm can always retrench its workers (renege on the implicit contract), but may not retrench its owners. Thus the firm may or may not honour all of its implicit contracts and often reneges on its explicit contracts (for example in bankruptcy).

Contrary to the views of the LRS, business has no contract with the unemployed workers of the economy. It only has a contract with those workers who already work within the business.

The problems with entering into a contract between these two parties is firstly what is the exchange? Business is to create jobs. What incentive is there for it to do so?

LABOUR NEWS IN BRIEF

(132)

Compiled by Labour Reporter SHARON SOROUR

SITE tax repayments could exceed R700-million, according to an independent audit conducted by Cosatu

An average of R350 in refunds was owed to each worker in the manufacturing, heavy industrial, textiles and catering sectors.

One in four workers had paid too much SITE tax according to the audit

Research showed workers with children and female breadwinners had made the most over-payments

A spokesman for the Commissioner of Inland Revenue said the department could not quantify figures until applications had been received. They would be processed as swiftly as possible

■ A NATIONAL strike planned for last week by the National Union of Leather Workers was called off after the union and the Footwear Manufacturers' Federation reached agreement on wage issues

According to union spokesman Kessie Moodley, manufacturers would pay a 8,5 percent increase from July 1, or a 10 percent increase from December 1

■ THE African National Congress has called on the House of Representatives to recognise Cosatu-affiliate Nehawu (National Education, Health and Allied Workers Union).

ANC Western Cape chairman Allan Boesak this week accused the "National Party-dominat-

ed" HoR administration of shifting the goalposts on the criteria for the union's recognition

Nehawu had been told it had to represent 25 percent of the national staff to be recognised, which it accomplished quickly

The union was then informed it would have to prove this percentage at each of the regional offices

■ FOOD and Allied Workers' Union members were arrested at the Irvin & Johnson factory premises at Delmas for trespassing after staging a sit-in

The workers had been retrenched by Springbok Chips in Heidelberg, a subsidiary of Irvin and Johnson, when the factory closed on November 5

Negotiations between Fawu and management over retrenchment packages had deadlocked

■ AT least 3 300 Consolidated Diamond Mines workers at three Namibian mines downed tools last Sunday after wages talks collapsed

Members of the Mineworkers' Union of Namibia are demanding a 15 percent wage hike, while the company has offered an 8,5 percent increase

CDM general manager Keith Whitelock estimated the strike would cost the company about N\$3 million a day

CDM's Oranjemund, Elizabeth Bay and Auchas mines have been affected

The company, owned by the De Beers Centenary AG group, obtained an urgent interdict in Namibia's Labour Court to stop strikers from intimidating employees wishing to work

ARG 20/11/93

Industrial relations body formed

(132)

ARG 20/11/93

Weekend Argus Reporter

PEOPLE working in the field of industrial relations now have their own professional organisation.

Designed to enable people in the profession to maintain contact and to keep abreast of developments in the profession, the newly formed Industrial Relations Association of South Africa (Irasa) emerged after wide-ranging discussions which identified the need for an umbrella organisation.

Membership is open to anyone in the field, regardless of the nature of their organisation or their qualifications.

Irasa secretary Felicity Boyer says its broad membership base will enable it to act as a forum for debate and education and to deal with themes such as the relationship between labour and the economy.

Board members include some of the country's leading experts: Loet Douwes-Dekker of Wits Business School, Frans Barker, chairman of the National Manpower Commission, Nic Wiehahn, and Adolph Landman, president of the Industrial Court.

Silence stifles success, says personnel expert

Labour Reporter

FEAR in the workplace "eats at the heart of organisational success" and prevents people doing their best, a researcher has found

Research and development specialist Moira Katz says most employees who hesitate to talk openly in the workplace about work-related issues are afraid to

Fear in the workplace was defined as "feeling threatened by possible repercussions as a result of speaking up about work-related concerns"

"Typical repercussions were retaliation, reprisals, retribution, negative consequences and so on," she said in an article in *People Dynamics*, the official journal of the Institute of Personnel Management

Workplace fear arose out of "the patriarchal contract" that required employees to submit to authority, deny self-expression, make sacrifices for unnamed rewards and believe requirements were just

The major issues or problems employees hesitated to talk about with those essential to its resolution were called "undiscussables"

"Because these undiscussables are not brought into the open they become potential barriers to excellence in performance, or in building effective

relationships

ARL 24/11/93 (32)

Significant "undiscussables" were management style, which included areas of decision-making, favouritism, the manager's role in promotions, assignments, information flow, too heavy a workload, ethics and assumptions about management motives and corporate politics

Although employees did not talk openly, they shared "undiscussables" privately, and gossip and hearsay abounded

Ms Katz said environments had to be established that were conducive to trust and openness through the "free sharing of information, whether it is positive or negative"

New approaches were necessary and change had to be initiated with managers because it was easier to influence manager-subordinate relationships than vice-versa

Areas for managers to concentrate on were building relationships without fear, acknowledging the presence of fear, paying attention to interpersonal conduct, valuing criticism, inviting discussion on "undiscussables" without destructive repercussions and encouraging collaboration on decisions

Success would depend on the methods used, but fear had to be driven from the workplace

This was a year that saw labour make important inroads while advancing towards its own crossroads. Paul Bell looks back

Star 27/12/93

(132)

Question mark over labour relations

“I pledge to you that we will not allow ourselves to be manipulated by any government.” So promised outgoing Cosatu general secretary Jay Naidoo as he said farewell to the trade union federation three months ago, minutes after his nomination for Parliament had put him on the road to high government office.

His promise, given in good faith but counterpointed by his new destination, summed up the contradictions that labour — Cosatu especially — has grappled with this year.

In Cosatu's case, its inroads into policy-making, made on a wide front, have at the same time brought it closer to a crossroads — the point at which it must make choices about its future relationship with its allies, the ANC and the SACP.

Using new tripartite mechanisms such as the National Manpower Commission and the National Economic Forum, Cosatu, as well as its Black Consciousness counterpart, the far smaller National Council of Trade Unions, and the Federation of SA Labour, made some progress this year in altering the balance of power and priorities between labour and employers in the determination of industrial policy.

Through such institutions, and a stabilising society, they have also managed to exert increasing leverage on industrial strategy and economic strategy and decision-making.

In so doing, black labour gained in self-confidence during 1993. This stimulated the movement's tendency towards greater independence from political organisations. This year, in anticipation of



LOOKING BACK

LABOUR

the new government, metal, clothing and chemical workers in particular articulated strongly the need to assert labour's independence from its political allies.

But, by year's end, this self-confidence had led Cosatu into a tactical error when it was persuaded by a tendency within the federation — best described by Labour Bulletin editor Karl von Holdt as independent workers' — and against the advice of Cosatu's “national democrats” — to take on the constitutional negotiators, primarily the ANC, over the issue of the employers' right to take lock-out action.

The issue brought close to the skin tensions between Cosatu and the ANC that were better left until after April 27.

If, by its stand, the federation further endeared itself to its members — and that is open to question, the issue seemed too esoteric to attract their especial enthusiasm — then it did so at some cost to its relationships with its allies.

leadership in the federation and its affiliates — caused by the removal of at least 20 union leaders to the ANC's parliamentary list — had the effect of calling into question the political acumen of labour's new bosses.

If Cosatu and observers had had fears that this sudden change might be disruptive and weakening, the lock-out debacle will have confirmed that for them.

The debacle did end in vindication for the national democrats, however. The same goes for the big-union pragmatists who, in the past two to three years, have become increasingly aware of the demands on labour in an employer's market driven by the need for leaner staffing, the reorganisation of work, greater skills and international competitiveness.

This has put the pragmatists on a negotiation track with management that has differed markedly from those of their partners in the smaller unions. The latter have been fighting to halt retrenchments — often at higher cost to greater numbers of members than might have been the case had they adopted an approach more consonant with the realities of the economy.

If the hands of both elements — the pragmatists and the national democrats — have been strengthened in Cosatu, the question for beyond April is where the fracture between labour and the new political bosses might widen. At this stage, the public sector looks most fractious.

Already, the teachers, who contributed a quarter of the estimated 3.6 million man-hours lost to strike action in 1993, are indi-



A time to choose Cosatu leaders Zwell Vavi, John Gormomo and Sam Shilowa address the media. They will soon have to decide on Cosatu's attitude to the ANC-SACP alliance

PICTURE: STEPHEN DAVIMES

calling that if they have to they will go to the mat with the new government in 1994 in pursuit of higher wages.

And in May next year, the new public sector super union will be constituted, drawing together up

to half a million Cosatu members into a diverse but potentially very powerful base that could pose a serious challenge to the ANC-in-government.

As for white labour, Fedal, straddling the middle ground of

political opinion, managed little more than to strike a note of caution as the field of engagement between black labour and employers widened, but is seeking ways to develop for itself a brokering role in both industrial

and inter-union relations.

On the far side, right-wing labour adopted a generally militant political tone, throwing its weight behind the Volksfront.

The year saw a spate of legislative ways to develop in the provision of a

series of Labour Relations Act specific to teachers, other public sector workers, agricultural and domestic workers. The goal of a single LRA for all workers remains some way in the future.

Strike action this year — 3.6 million man hours lost — appears to have dropped off quite sharply over last year's 4.2 million, a reduction of 14.3 percent, reports Andrew Levy and Associates.

The major strikes were those of the municipal workers in August, who put in a strong showing but may have secured more in political strength than in actual wage gains, and of the SA Catering, Commercial and Allied Workers' Union, which took on Shoprite/Checkers in a five-week strike over a recognition dispute.

Retrenchments as a cause of disputes shot up from 0.2 percent to 12.9 percent, a trend, say Levy and Associates, which suggests that while companies were still retrenching in 1993 they were doing so on a smaller scale, but facing resistance.

Wage settlements for the year are estimated to have topped out at about 10 percent on average, says Levy.

The agreements produced in the main sectors reflect a tacit understanding by labour bosses that conference rhetoric is no substitute for cutting a deal when jobs and the investment climate are at stake.

Moreover, heavy industrial and manufacturing labour has had ample warning from international investors this year: the days of special pleading are over. In future, stability on the shop floor will be decisive in determining investment and withdrawal.

LABOUR NEWS IN BRIEF

Compiled by SHARON SOROUR

(132)

THE crippling two-week strike by 3 500 Consolidated Diamond Mines' workers ended on Monday as management and the Mine Workers Union of Namibia agreed to a 10 percent wage hike

Salary scales were increased by 8 percent, which raised CDM's minimum starting wage to R1 044 a month

The shutdown was estimated to have cost the Namibian government R900 000 each working day in lost taxes. Workers lost two weeks in wages

■ THE South African Nursing Council has warned that action will be taken against nurses who leave patients unattended to take part in protests

This follows protests for higher salaries by nurses in various centres

Nursing Council president Wilma Kotze said nursing was a vital service in any community and "when nurses reach the point where they cease to care for patients, they are no longer entitled to the trust, support and respect of the community and their nursing colleagues"

■ STRIKING public servants chanted and

toy-toyed around government buildings in Gazankulu's capital Giyani this week, demanding an adjustment of the promotions system and the dismissal of Gazankulu Director General Johannes van der Westhuizen

The Northern Transvaal homeland's brass band, formerly staunch government supporters, led the rendition of freedom songs

The strikers were also demanding the registration of casual labourers

■ ABOUT 200 National Union of Metalworkers (Numsa) members gathered in Doornfontein this week to call for peace and to condemn violence

Numsa said the call followed the "murder" of two Numsa members after a Cosatu march on the World Trade Centre in Kempton Park earlier this year

Protests against violence in Jeppe and other Johannesburg industrial areas were also heard at the rally

■ IN Durban about 5 000 security guards vowed to continue their week-long wild-cat wage strike until demands for higher wages were met

The Inkatha Freedom Party con-

demned the action, claiming the ANC had supported it to gain control of the strategic security industry

The union said it refused the offer because a return-to-work condition was attached to it

Workers at 38 companies are demanding an increase from R600 to R1 500

■ THE Midrand Town Council dismissed 300 striking members of the SA Municipal Workers' Union this week

The workers had been warned three times by the council to return to work

They went on strike to protest against the arrest of four union members who allegedly assaulted another worker for not joining the union

Five workers were wounded when police used teargas, rubber bullets and stun grenades to break up an illegal gathering

■ ST AUGUSTINE'S Hospital has dismissed 140 employees on an illegal strike

General staffers went on strike on Monday after two workers, allegedly involved in a fight, were fired

The workers were dismissed after failing to comply with a court interdict ordering them to return to work

INDUSTRIAL RELATIONS - GENERAL

1994

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Unions focusing on skills

TRADE unions had tended recently to table demands aimed at developing workers' skills and earning potential, Andrew Levy and Associates partner Larry Palk said. *3/1 Day*

At the annual Andrew Levy and Associates wage bargaining strategies seminar last week, Palk said when unions realised they could not force up wage levels because of the economic squeeze, they sought other means of improving working conditions. *3/11/94*

Wage bargaining was being linked to industrial restructuring where wages, skills development and grading was planned and negotiated. Negotiations were being linked to a job grade reduction process designed to lay the basis for developing world-class manufacturing capacity in areas such as metal, auto-assembly and the main areas of manufacture. *(S)*

Palk predicted some demands would continue to be union priorities. These included:

- Training and education, including literacy and numeracy;
- Educational assistance for workers and their families;
- Uniform wage policies and a reduction of disparities between skilled and unskilled

ERICA JANKOWITZ

categories,

- Removal of discriminatory pay practices;
- Implementation of affirmative action programmes;
- Job grading and career path planning;
- Participation in industry training boards.

Palk lamented the fact that management tended not to be proactive in tabling counter-demands, but often used this tactic as a negotiating ploy. "While employers have finally accepted the need for two-way negotiation as a means of achieving their cost and production objectives, very few have developed proper counter-demands which have been carefully thought through, firmly adhered to and not dropped at the first sign of resistance."

Employers tended to concentrate on the development of multiple skills, job flexibility and linked annual bonuses. He suggested looking at getting agreement on the employer's right to grant merit increases. Other possible counter-demands were agreement on reasonable changes to production standards, support for participative schemes and flexible working and overtime hours.

Political parties spell out policies on workers' rights

JACQUIE GOLDING

POLITICAL parties have outlined their official positions on workers' rights in the first survey of its kind in the latest issue of the Shopsteward.

On the right to strike, the ANC said it saw this as an integral part of any system of labour law and collective bargaining, while the NP limited it to the purposes of collective bargaining. The Inkatha Freedom Party agreed on the right to strike but said it should be balanced against others' rights and welfare.

On the employment of temporary labour during strikes, the ANC said this led to violence and was unacceptable. Inkatha supported using such labour, adding that it was the right of employers to ensure the continued viability of a business. The NP also supported the employment of temporary labour but cautioned against increased conflict. (132)

The right to lockouts was rejected by all parties except the NP and DP. The NP believed it was fundamental in preserving the balance of power between management and labour.

Parties differed on the rights of those working in essential services.

The ANC said all employees restricted from striking because of service classification should have avenues of compulsory arbitration.

The NP said workers in essential services should enjoy full trade union rights,

except the right to strike, but this should be accompanied by compulsory arbitration.

There was consensus among the various parties that access of unions to private property for organising members was an essential prerequisite to ensuring the balance of power between employers and workers.

Closed-shop policies were accepted by the NP and ANC.

The ANC viewed closed shops as capable of stabilising collective bargaining and "offering effective protection to exploited groups".

The NP favoured the implementation of closed shops where more than 50% of workers belonged to a specific union but believed the arrangement should be negotiated by employers and unions and not be embodied in legislation.

The PAC and Inkatha rejected closed shops, calling them undemocratic.

The NP said trade unions should play a role in public policy-making and should be represented on statutory bodies such as the National Manpower Commission.

Inkatha did not see a role for trade unions in lobbying government.

The ANC, however, saw such lobbying as an important step towards tackling SA's economic problems.

Report by J. Golding, TML, 11 Diagonal St, Jhb

Walvis medics win Round 1

(132) ARG 5/13/94

Compiled by
SHARON SOROUR

FIVE Walvis Bay doctors who took the Cape Provincial Administration to the Industrial Court for an alleged unfair labour practice have been granted an urgent application to have their dismissals temporarily suspended.

The doctors, who hold session and district surgeon appointments at the Walvis Bay hospital, brought the application on Monday.

According to the CPA, their services were terminated in terms of their contracts and they were given three months' notice.

The court gave the CPA until April 12 to submit reasons as to why it should not set aside the CPA decision to terminate the doctors' services.

DEMOCRATIC Party MP Hennie Bester this week said evidence was mounting that

monthly union subscriptions were not only being used to finance unions, but as a "ready source of election funding for the ANC/Cosatu/SACP alliance."

Mr Bester said the accusations were made by union members and suspicions were mounting because unions were refusing to disclose their books of account to members.

Demanding that the books should be open to workers on demand and to certain members of the Independent Electoral Commission, Mr Bester said union members, whose political sympathies lay elsewhere, should be given the option to withhold fees until after the election.

AFRICAN National Congress Western Cape chairman Allan Boesak this week said that while the organisation did not believe

in quotas, it felt legislation for affirmative action would be necessary.

"We are not saying people must be put in a privileged position simply because they have a black skin, but a qualified black person must be given opportunities," he said during a debate organised by the Young Adult Division of the Israel United Appeal-United Communal Fund.

"All the historically disadvantaged must be looked at carefully," he said.

MEDIATORS yesterday stepped in to resolve a wage dispute between the 54 000-strong SA Society of Bank Officials (Sasbo) and Santam Insurance.

Short-term insurance employees are threatening to take strike action if their demand for a 10 percent monthly increase on

the salary package is not met. Santam is offering eight percent.

The union said excellent after-tax profits and increased productivity of Santam had fuelled the unhappiness of Sasbo members.

Confirming the dispute and the company wage offer, Santam Insurance spokesman Arno Bester said the company believed eight percent was a "fair and realistic increase".

SEVERELY disrupted train services in the PWV region returned to normal on Wednesday following a breakthrough agreement between Spoornet and several unions over a pay dispute

LABOUR NEWS

A strike by black Spoornet conductors who operated commuter trains on the Witwatersrand last week paralysed train services, with only 650 of the 1 210 trains running normally.

Only limited unscheduled trains ran between Johannesburg and Randfontein, Springs, Naledi, Daveyton, Katlehong, Vereeniging, Residensia, Meyer-ton, Faraday and Westgate.

Train services between Johannesburg and Pretoria, Nigel, Oberholzer, Alberton and Booyens also were disrupted.

Conductors belonging to the Black Trade Union (Blatu) and the South African Railway and Harbours Union are striking for

pay parity with their white counterparts.

After reaching agreement, the parties committed themselves to an equal opportunities policy.

THE white Mineworkers Union has warned members not to accept mining houses' "voluntary severance" packages which it dubbed "suicide packages".

MWU general-secretary Piet Ungerer said the packages, being offered as a golden handshake to white members, should be regarded as a last resort.

He added that, in a number of instances, blacks had been appointed to posts that had been held by whites who had accepted voluntary severance.

MORE than 4 000 post and telecommunications workers in the Pretoria region embarked on a one-day strike on Wednesday,

said the Post and Telecommunications Workers' Association.

Workers were demanding the sale of properties such as the Post Office head office in Pretoria be stopped until a new government was in place.

Other demands were that workers' pension funds not be used as guarantees in property deals and for a moratorium on

MINIMUM wage rates for contract security industry workers will rise by 12,5 percent on March 7, employer and worker representatives said this week.

The SA National Security Employers Association and the Transport and General Workers Union said four months of negotiation had culminated in Sansasa applying to the Minister of Man-

power for a wage order.

LABOUR unrest in Bophuthatswana is set to intensify with workers' representatives announcing a number of strike-related activities for a week-long

stayaway.

Many workers have been on strike for the past two weeks with demands varying from provision and payment of higher pay.

Workers in the Odi region, north-west of Pretoria, decided on Sunday to embark on a week-long stayaway and to intensify their action if their demands were not met yesterday.

Workers demands included the immediate suspension of deductions by Setelana Employee Benefit Organisation (Sebo), the participation of the homeland in the Transitional Executive Council, free political activity and permanent employment.

Employees take employers to court more frequently

ARC 24/1/94

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□ Bully-boy tactics may land business in labour case

SHARON SOROUR
Labour Reporter

EMPLOYERS who make their staff members' working lives intolerable to force them to resign are having to defend their actions in court more and more often

More "constructive dismissal" cases were being brought before the labour courts, according to Lesley Grossett, industrial relations expert at human resource consultants FSA-Contact

Ms Grossett said labour courts recognised constructive dismissal as an unfair labour practice. The concept included key elements of coercion and

the clear intention of the employer not to perform obligations due under the employment contract

Elements which had to be present for constructive dismissal to be proved were force, fear, pressure or undue influence, as well as affording the employee insufficient time to consider his or her future

Ms Grossett said "The allegation of constructive dismissal has to be proven, and this is not always easy. For example the labour court found recently that an undertaking by an employer to promote an employee could not be proven"

But in another case the court ordered the reinstatement of

an employee who was presented with a choice of accepting unlawful deductions from his salary or resigning

"Where employers unilaterally change conditions of employment with the intention of driving employees to leave, the court would also find in the employees' favour," she said

Other factors recognised by the labour court as contributing towards constructive dismissal were

- Unlawful or intolerable conduct by the employer including unsubstantiated allegations

- Harassment

- Assault which directly led to the resignation or dismissal

of an employee

"In such circumstances, resignation is, in effect, the acceptance by the employee of the repudiation of the employment contract by the employer"

There were a number of remedies open to the employee who believed he or she had been constructively dismissed

"They could pursue the matter on the basis of an unfair dismissal which is clearly spelled out in the Labour Relations Act and declare a dispute

"Alternatively, under common law, the employee could cancel the contract on the grounds of it having been repudiated, and claim appropriate relief in this context," she said

Most blacks happy in workplace

■ BY THABO LESHILO

Most blacks are happy to work for their companies and display a strong sense of loyalty, says the National Productivity Institute. (132) (476)

The survey of attitudes to affirmative action shows that it has been successful in achieving a sense of belonging in the workplace among black employees and trainees in middle management

Industrial psychologist Johan Venter says 83 percent of blacks in such positions take pride in their firms.

Another 87 percent actively recruit friends to join and 75 percent are not planning to leave their jobs for greener pastures

The poll was conducted at SAB beer division, Emsa, Pick 'n Pay, Carlton Paper, Sales House and two other companies between last July and November

These companies have had affirmative action programmes in place for nine years on average, compared with the national average of three years

Venter says 82 percent of those polled are willing to make an effort without receiving any direct benefit in return.

Another 79 percent are satisfied with their own performances, while 75 percent are happy with the performances of their peers

But a third feel affirmative action programmes at their companies cry out for improvement

Owing mostly to racial tension, 29 percent feel that negative attitudes and behaviour of staff members, especially white, are hampering their efforts to develop

Training enjoys the most support as an effective development strategy (42 percent), support from seniors (21 percent) and supervisory training (21 percent).

NPI chief executive, Dr Jan Visser says SA still lags far behind in its commitment to human resources development.

Labour's love lost

Industrial relations (132) should be completely deregulated, advocates former labour and political lawyer Frans Rautenbach. He spoke to **Reg Runney**

IT IS rare act of apostasy After eight years at the bar, labour lawyer Frans Rautenbach came to the conclusion his work did more harm than good.

South African labour legislation, he argues in a just-published book, has not brought labour peace or prosperity and should simply be junked.

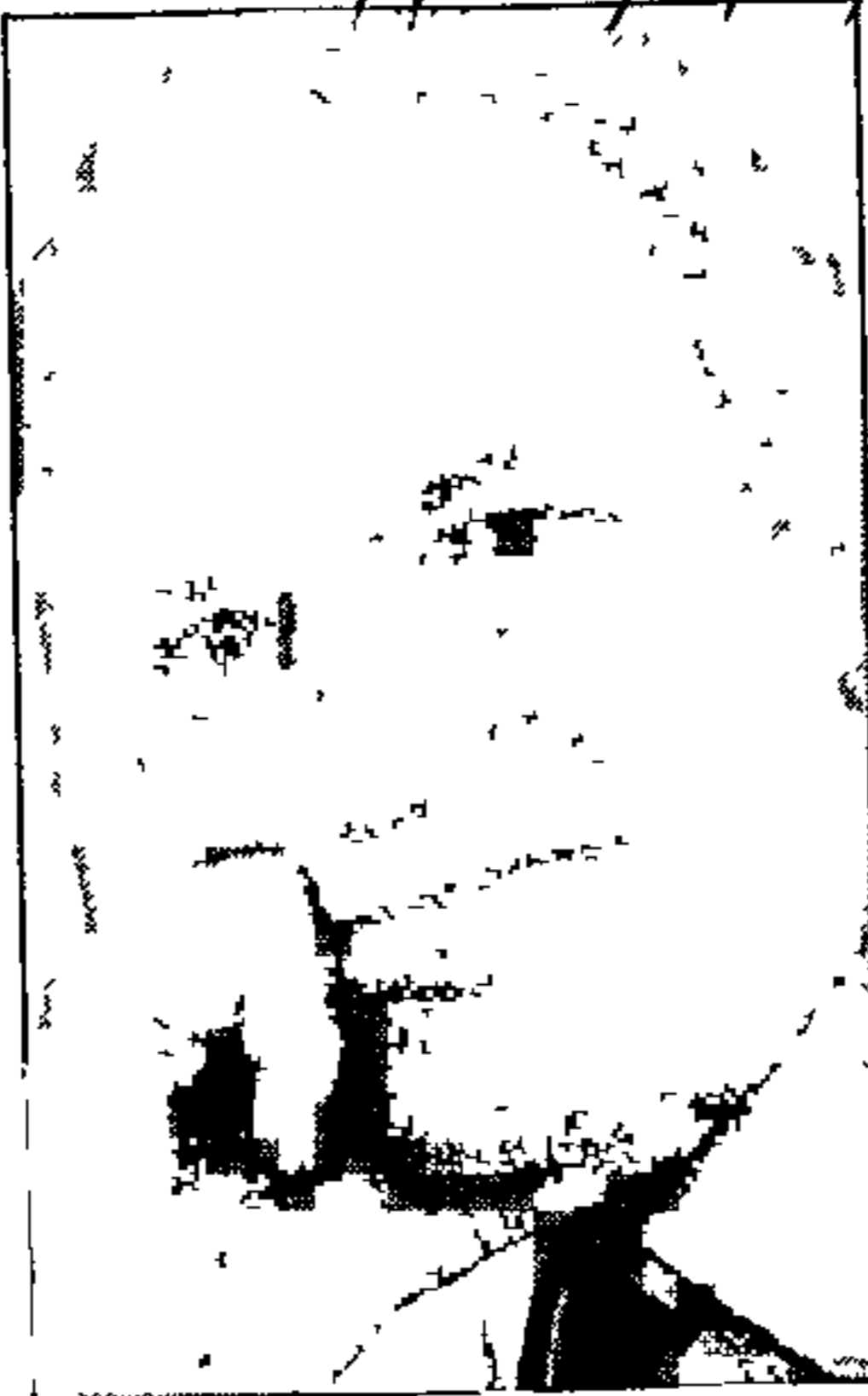
South Africans should by now be used to mainly white, middle-class males lecturing them about the virtues of the free market with all the zeal of converts

Where Rautenbach differs from professional and amateur market missionaries is how he has arrived at his conclusions. He has not only researched the economic effects but, he points out, has been able to view the effect of unionism on labour relations first hand

Rautenbach says his practice has been 50-50 union and management, so he has seen the issue from both sides and concluded the system itself is wrong He would ask himself when coming out of the court after a judgment. "What have I contributed to labour relations?" And the answer would be less than nothing: a relationship had been destroyed

Out of his profound frustrations with applying labour law in practice came *Set the Workers Free*.

To quote from the introduction: "After all, how can a labour system be said to be successful in a country where unit manufacturing costs have increased by 600 percent over the past 18 years, where we lose 2-3 million man-days to strikes



Frans Rautenbach... Deregulate

annually, and where the Reserve Bank says that our unemployment stands at 46 percent of the economically active population."

The book is posited on the belief that supply and demand does ultimately work to the benefit of all Rautenbach argues complete deregulation would lead to economic growth Prosperity in turn would mean so much competition among employers to attract and retain workers that they would be better off than under the present system of legal protection

It is clear, he says, that the system is not "investor-friendly" citing the recent ABI strike Investors will see that even high wages do not ensure labour peace, and on the contrary seem to make a high-wage company even more of a target

The present system poses a threat to the ANC's desire to attract investment and create jobs Since at least 50 percent of the ANC's support comes from the unemployed, it will be forced into confronting the power of the unions.

Rautenbach notes we have entered an era of negotiation and legitimacy and the future economic programme is being discussed,

but he says small business and the unemployed are not represented in the various forums

"People who should know better curry favour with the unions who protect the privileged"

He is unequivocal in his censure of the union movement, condemning its members as an elite whose benefits have merely increased the pool of unemployed, and whose officials, albeit sincere, are in the end motivated by desire for political advancement

The book's strength lies in the detailed criticism of the way labour law works in practice

That criticism is informed and relentless, and goes beyond theoretical economics

As a lawyer Rautenbach is well-placed to talk of the cost to companies at micro level of legal action in industrial disputes

Noting that union members comprise at best 10 percent of the population, he sees a place for a "union of the unemployed"

Deregulation is always opposed by vested interests Rautenbach believes those vested interests extend to big business itself, which he thinks is comfortable with high wages which form another barrier to competition from small businesses

The arguments are persuasive, but on a personal level are mildly chilling even to white-collar workers who believe labour law at least gives them some recourse against unscrupulous bosses.

Rautenbach admits convincing ordinary people deregulation is in their interest will be no easy task, but has published his book to this end, hoping that the longer and broader view will prevail over a short-term and short-sighted one. "It has to be established that there is a better way."

■ *Set the Workers Free — Why deregulation will solve South Africa's labour problems*, by Frans Rautenbach, published by Labour Dynamics

WORKERS GET THEIR SAVINGS BACK FROM BANKRUPT COMPANY

Southeaster [Supply to Southern]
New laws on the cards to stop the bosses from making a run with your money

BY WAGHIED MISBACH

WORKERS who nearly lost years' worth of savings when their company went bankrupt had their money returned to them recently.

The textile industry has pledged to protect workers' savings in the event of more companies being liquidated.

Workers at Higham's SA Ltd, a Maitland-based company participated in a factory savings scheme, with weekly contributions over one year which totalled R49 581.

But when the company folded, their savings, which were kept in the company's bank account, was regarded as part of the company's assets and was subsequently paid out to their major creditors, the Frame Textile Corporation and Merchant Trade Finance Ltd, which were owed a total of R13 million.

The president of the Textile Federation, Mr Mervyn King stepped in to prevent the 147 retrenched workers from losing their savings.

King, who is chairperson of the Frame Group supported the claim by the Southern African

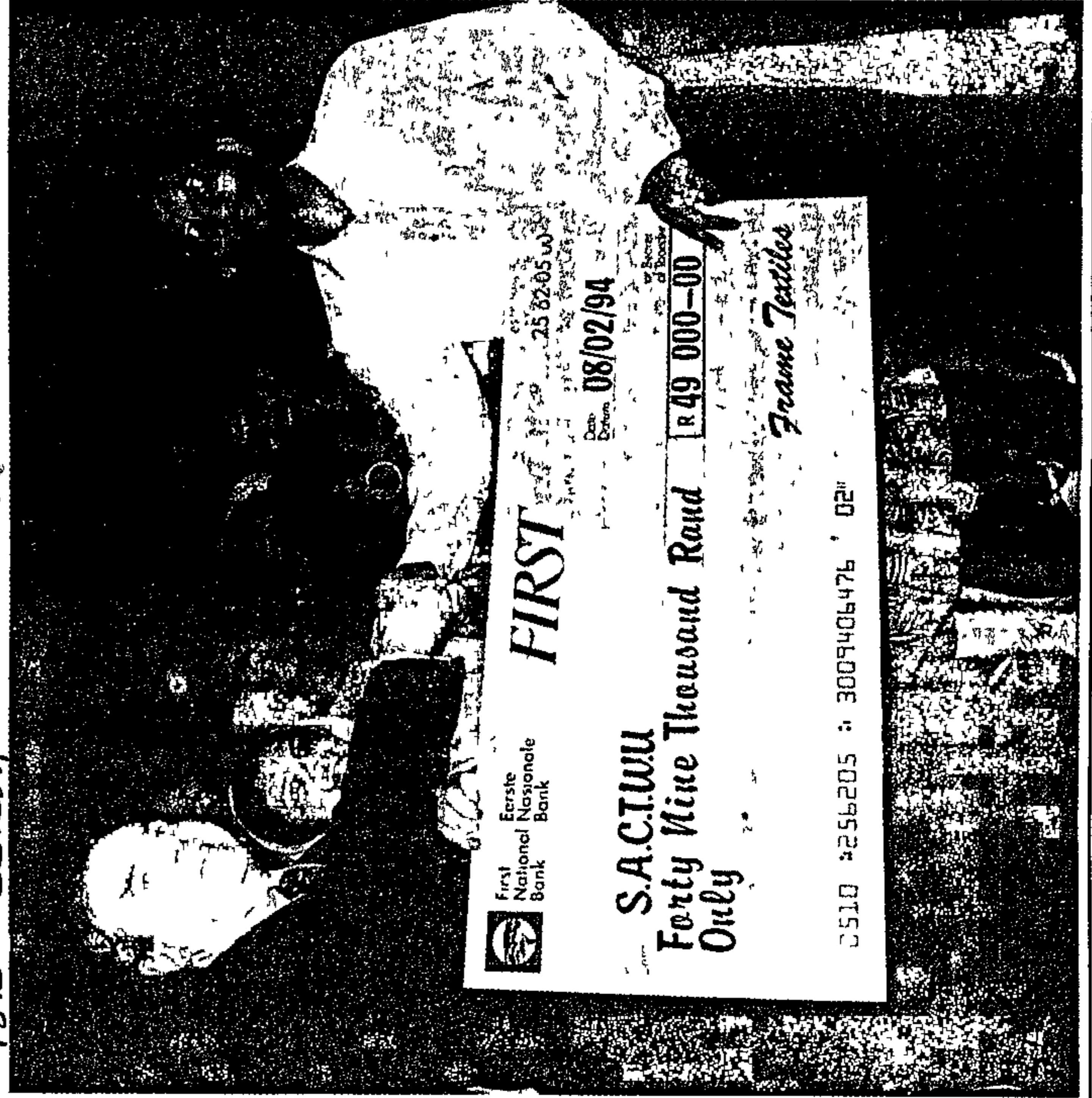
Textile Workers Union (Sactwu) that the workers should have their money returned to them.

King said at a joint press conference with Sactwu last week, he would request textile companies in the Western Cape to place workers' money in separate bank accounts to prevent the money being lost if a company goes under. (32)

Mr Ebrahim Patel, Sactwu's Deputy General Secretary' said the union would be launching a campaign with Cosatu to have the law changed by the first parliamentary sitting after elections.

At the moment, workers' wages and savings are on the lowest rungs of preference, with major creditors and the government being paid out first when a business goes bust.

SAVINGS: Workers' savings were returned to them last week after their company went into liquidation and their money was paid out to creditors. Here one of the major creditors, Mr Mervyn King of the Frame Group hands over a cheque of R49 000 to Sactwu's Mr Ebrahim Patel



ANC promises to empower workers

BIDAY 28/3/94

GRETA STEYN

LABOUR has been given more clout in decision-making at a national and industry level in terms of the latest update of the ANC's reconstruction and development programme.

The seventh draft of the programme, believed to be the final version before the election, also adopts a harsher tone in dealing with breaking up the "pyramid" ownership structure of corporate SA. But it places more emphasis on the need to consult widely with all stakeholders in the economy before implementation.

In addition, a note of caution is sounded on excessive expectations in the first years. The adverse effects of triggering macroeconomic instability are spelled out more clearly than in the sixth draft.

The latest draft introduces "workplace empowerment" through legislation. It says legislation should oblige employers to negotiate substantial changes to "production matters or workplace organisation" within a nationally negotiated framework.

The law should also provide for facilities for organisation and communication with workers on these issues, and the right of shop stewards to attend union meetings and training without loss of pay.

Unions had to be fully involved in designing and overseeing changes at workplace and industry levels.

The section on "democratising" the mining sector has been amended to spell out the requirement that employers negotiate the organisation of work with their employees and their unions.

In addition, programmes had to be established to allow financial participation by workers in mining companies "in a meaningful way" (132) (49)

The constitution had to safeguard the right to organise and join unions, the right to strike and picket "on all economic and social matters" and the right to information from companies and government. The right to lock out "should not be in the Constitution".

The section on building the economy places greater emphasis on wage policy under apartheid. "Economic growth depended on the centrality of the cheap labour system. The majority of workers earn low wages, and there are enormous wage differentials."

To Page 2

Worker power

BIDAY 28/3/94 Front Page 1

In the section on civil society, a paragraph has been inserted to say trade unions and other mass organisations should be involved in public policymaking, ranging from the composition of the Constitutional Court to international trade and loan agreements. (132)

Two controversial aspects of the RDP — the proposals for reforming the financial and mining sectors — are kept largely intact. But both sections are characterised by emphasis on the need for consultation.

The section on mining calls for the strengthening of the existing tripartite structures. While it still calls for the return of private mineral rights to government, it adds "this must be done in full consultation with all stakeholders".

The section on the financial sector also notes the need for consultation.

EDWARD WEST reports that ANC economics head Trevor Manuel on Saturday told a Cape Town conference on the Western Cape reconstruction and development programme that an ANC government would tackle water supply and sanitation problems as well as the inoculation of children in townships within the first 100

days of winning the election.

A greater emphasis on housing construction would also become evident towards the end of the first 100 days in the Cape, as would the first changes in the reform of the education system.

The Western Cape's reconstruction and development programme focused mainly on socioeconomic issues.

A public works programme was planned for the Western Cape to create 225 000 new jobs by 1997. The programme included the building of houses, clinics, schools, dams and roads.

The provincial government had to develop a programme to build 50 000 new low cost houses a year by its third year in office. A unitary health structure would be set up with community health centres providing primary health care.

A land reform programme would also be legislated in the region.

An increased private vehicle tax would be considered as part of a regional transport policy to reduce urban sprawl, restrict private motor vehicle use and increase the use of public transport.

Report by G Steyn TML, 11 Diagonal St, Jhb and E West, TML, 122 St George's St, Cape Town

Union membership falls after decade of growth

ERICA JANKOWITZ

TRADE union membership fell marginally from 2,905-million in 1992 to 2,89-million at the end of last year, according to the National Manpower Commission.

In its annual report, the commission said the decline in membership of registered trade unions of 0,5% could partly be attributed to "unfavourable economic conditions" and the effect of retrenchments.

This followed a decade of growth in union membership, which had risen at an annual rate of 8,4% from 1 288 748 in 1983 to 2 890 174 in 1993.

At the end of last year about 20,7% of the economically active population belonged to a registered trade union, down from the 22,9% recorded in 1992.

In contrast, membership of unregistered trade unions increased by about 161 000 to 528 000, with about 50 new unions being established in 1993.

The commission found that membership of the five largest trade unions — all Cosatu affiliates — de-

creased 3,4% in the same period.

Numsa, Cosatu's second largest affiliate, had a steady growth rate of 8,1% over the past two years, in spite of being in an industry which had suffered a general decline in employment opportunities, the report noted.

Cosatu was the slowest growing of the five largest federations, whereas the mainly white-collar Federation of SA Labour Unions recorded a growth rate of more than 20%.

Private sector strike activity fell 5% last year, with 790 strikes recorded for the 12 months ended October, but with an increased number of workers taking part. The average duration of strikes fell from 12,5 days in 1992 to 7,1 days in 1993.

"This resulted in an estimated loss of 1 110 517 man-days and R46 475 331 in lost wages." The man-days lost decreased 41,1% in 1993 from 1992.

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DTHA

NEWS New mass workers' party planned • ANC welcomes Apla integrat

Defence Force opens door to Apla members

By Tyrone August

THE ANC has agreed in principle that Azanian People's Liberation Army members will be integrated into the new South African National Defence Force

This agreement was reached at a meeting on Sunday night between President Nelson Mandela and a PAC delegation led by its president Mr Clarence Makwetu.

"The PAC was not part of the TEC, and therefore Apla did not become part of the process leading up to the SANDF," said Mandela's spokesman, Mr Joel Netshitenzhe, yesterday

As a result Apla was not included in the legislation passed which allowed the integration of Umkhonto we Sizwe members into the SANDF

"If this requires amending the legislation, we will look at it," said Netshitenzhe. "But, in principle, we welcome the intention of Apla to become part of the SANDF."

He did not know how many Apla members were likely to become part of the SANDF and could also not indicate when the necessary legislation would be passed

PAC insiders have said at least 2 000 former Apla freedom fighters would be included in the new army

Apla combatants only suspended the armed struggle in February, while the process of integration was already under way. Attempts to obtain further details from the PAC yesterday were unsuccessful

Plans to launch 132 workers' party

By Ike Motsapi

THE WORKERS' LIST PARTY hopes to launch a Mass Workers' Party later this year

Mr Neville Alexander, deputy chairman of the party, said the call for the formation of the MWP was now being discussed in all major South African worker organisations

He said "I also want to stress that the WLP is now firmly established in seven of the nine regions of South Africa and has very good prospects of establishing itself in the other two."

"We are satisfied that this is no longer a question of whether but of when the MWP will be formed."

Continue to work

"The WLP will continue to work for the coming together of all initiatives for the formation of the MWP in the next few months

"We commit ourselves to pursuing every opportunity that presents itself for dialogue with workers and other progressive organisations to this end

"The WLP will formally approach all independent trade unions and union federations, as well as major civic and other worker formations in the next few weeks in order to

WORKERS' RIGHTS

Cosatu called to convene a conference on socialism:

explore the possibilities of convergence towards the goal of establishing the MWP," Alexander said

The envisaged formation of the MWP comes after the resounding defeat the WLP in the recent elections

The party received zero percent. When the WLP was formed, its organisers hoped that it would attract the support of workers because the party's policies were based on workers' rights

Alexander also said the WLP would call upon the Congress of South African Trade Unions' leadership to carry out the mandate it was given to convene a conference on socialism as soon as possible

Alexander said Cosatu's national executive committee should help make the planning committee of this conference inclusive of the National Council of Trade Unions, South African National Civic Organisations, WLP and the Azanian People's Organisation

Employers and unions give Mboweni the nod

BIDAY 9/5/94
ERICA JANKOWITZ

EMPLOYERS and trade unions have welcomed the appointment of Tito Mboweni as labour minister, saying he has credibility in both quarters and a non-partisan approach.

They also believe his economics background will stand him in good stead to make the necessary changes to the labour portfolio on a rational and even-handed basis.

Business SA (BSA) chairman Dave Brink said at the weekend the appointment had come as something of a surprise to the business community and it "would be a new experience working with him". However, he said Mboweni had "the advantage of not coming to the position with labour baggage"

He said Mboweni had had some exposure to business through playing an important role in the last National Economic Forum plenary session as well as in his capacity as a member of the Transitional Executive Council. In both he had shown his exposure to and knowledge of socio-political matters and, although he had little knowledge of labour issues,

he would be brought "up to speed quickly".

Industrial relations consultant Gavin Brown said most employers would welcome Mboweni's appointment as his "middle-of-the-road approach" and even-handedness would stand him in good stead with both labour and management.

"He commands respect from both sides and has a good insight into labour from the macro-economic perspective. His lack of history of the cut and thrust of labour is a good thing," Brown said.

Cosatu spokesman Neil Coleman concurred with the view that both labour and management respected Mboweni.

"Over time, we believe he will be well respected by all and he's a vast improvement on any labour minister we've had before"

Coleman also commented on other Cabinet appointments, saying former Cosatu general secretary Jay Naidoo would be charged with overseeing the implementation of the Reconstruction and De-

velopment Programme (RDP) from his position in the President's office

"We've taken note of President Mandela's commitment to the RDP and welcome Jay's appointment as having responsibility for the programme"

Federation of SA Labour Unions general secretary Dannhauser van der Merwe also welcomed the appointment and pledged support to the new minister (132)

"We are willing to work with the minister and will support him as we have done in the past"

Brink called on employers to note the declaration of Tuesday May 10 as a public holiday. Although he felt the inauguration should not give rise to labour disputes, he believed a negotiations process should be used to resolve potential disagreements

"Employers should note the call of the ANC and Cosatu for the day to be a paid holiday. Where this is problematic, employers should engage the unions with which they deal in negotiations to resolve these problems"

NEWS

Unions in row over small business jobs

ISS#

AR 28/5/94

132

EMPLOYER and worker representatives have bumped heads in Cape Town on labour standards in small businesses

Themba Pasiwe, chairman of the Western Cape branch of the National African Federated Chambers of Commerce (NAFCOC), called for the exemption of small business from wage agreements

But Cosatu representative Tony Rutters warned that small businesses could not rely on labour repression for growth

Addressing the annual conference of the Southern African branch of the International Council for Small Business, Mr Rutters said Cosatu was hostile to the lowering of labour standards in small and medium enterprises (SMEs)

But exemptions from industrial council agreements or other wage instruments were possible for limited periods
"We can't have two parallel bargaining structures Indus-

ALLUDE DASNOIS
Business Staff

trial councils have problems but they must be used to apply for exemptions

"Cosatu has been flexible about this in the past"

Mr Rutters said the country needed an SME sector which could survive, nationally and internationally, without relying on poor working conditions and low wages for a competitive edge

Innovation, the training of the workforce and networking between SMEs was a better route

S.M.Es could benefit from economies and achieve greater efficiency through sharing technology, machinery and equipment networks

Small business development could also be encouraged by a tougher competition policy and anti-trust legislation

Central and local government public works contracts should increasingly be directed to SMEs

Mr Pasiwe said worker productivity in SMEs tended to be lower than in bigger companies

This was because the capital-labour ratio was lower in smaller businesses, which tended to use more labour-intensive production methods

"There are more jobs for a given level of output

"And in an economy without full employment, it's better to encourage SMEs even if the jobs they offer are less productive and less well paid"

Mr Pasiwe said the unemployed should not be "prevented from selling their labour at the best price they can get"

S.M.Es should not be held to industrial council agreements

Working conditions and wages should be negotiated between employers and workers

A better and more transparent exemption system and compulsory representation for small business in the bargaining process were needed, Mr Pasiwe said

Time 'to reconsider small man'

Business Staff

THE Small Business Development Corporation, the IDC, the Development Bank and other institutions dealing with small business development needed to be restructured, ANC MP Salie Manie told the conference

He said restructuring should go further than just "a change in the colour scheme"

The work of these institutions should be brought into line with the objectives of the reconstruction and development programme

The municipalities should also play a more important role in the development of small business

He said matters such as labour standards should be negotiated between workers and employers. The government's role should be limited to that of support

A percentage of government contracts could be reserved for small businesses

As the biggest buyer of goods and services, central, provincial and local government should re-examine specifications in tenders to make sure smaller businesses were not excluded

N

Industrial councils face a showdown

STimes (Buss)

5/6/94

133

By KEVIN DAVIE

THE International Labour Organisation (ILO) has been asked to intervene to curtail the power of South Africa's industrial councils which stand accused of destroying jobs through heavy-handed bureaucracy and over-regulation.

The Confederation of Employers of SA (Cofesa), whose 120 000 members employ 2,4-million people, says it could create a million jobs in five years if freed from the restrictive grip of the Labour Relations Act

The Act, says Cofesa's Hein van der Walt, was devised to protect white artisans against black competition.

"It now protects an elitist 850 000 workers within the industrial council system against the competition of 6-million unemployed."

Employment in sectors controlled by 89 industrial councils has fallen from 1,1-million in 1980 to 850 000.

Mr van der Walt says the National Party did not create one job in the formal sector in the past 20 years.

He says Labour Minister Tito Mboweni will face a crucial test shortly when asked to sign his first regulation to extend an industrial council agreement to non-parties.

The Competition Board's Pierre Brooks says the Labour Relations Act is exempt from the Promotion and Maintenance of Competition Act.

Industrial councils prosecute hundreds of employers annually for technicalities, says Mr van der Walt. Prosecutions by the industrial council for the building industry are running at 30 a week, he says

A council official in the prosecutions department declines to confirm this figure

Dianna Teplitsky employs 20 people at her ballet-shoe company in Cape



HEIN VAN DER WALT

Town. Her 13-year-old firm faces closure because it is difficult to meet the leather industrial council's demands.

They include furnishing a guarantee of R35 000 every February to cover holiday pay for the full year.

She says "I treat my workers well, but I've had it with this council."

The council may demand that she shut at certain times, such as during the Christmas holidays, even though she may have a full order book

An industrial council official declines to discuss her case

Also controversial are secrecy clauses in the Labour Relations Act "There is no transparency," says the Small Business Development Corporation's Johan Naudé

"Industrial councils are inherently biased against competition. They are autonomous, almost a law unto themselves. Judicial processes are not applied."

Outsiders say even basic information, such as the councils' assets and the number of officials they employ, is unavailable.

The law, promulgated in 1956, allows an industrial council to stamp out competition it deems to be unfair

Critics say the system protects big business and organised labour to the detriment of small business.

Also controversial is the question of exemptions. Department of Labour officials say 80% to 90% of exemptions are granted. Critics say exemption procedures are complicated, representation is not allowed and reasons for refusal are not given

Cofesa says it is registered with the Department of Labour and that its members follow strict labour codes. Not a single member has been taken to the industrial court for five years

Mr van der Walt says "Professor Adolf Landman, president of the Industrial Court, says the Bill of Rights will be taken into account when interpreting labour law

"This is a clear message to anyone who might have the nerve to try to use the Industrial Court to enforce the outdated industrial council regime."

The 1948 convention of the ILO protects freedom of association of employers and employees. Cofesa has asked the ILO to apply this convention in SA.

Mr Mboweni's department says "industrial councils are voluntary bodies". It blames job losses on sanctions, the slowing of the economy and redundancies. Secrecy is limited to the financial affairs of companies under discussion at council meetings. Small employers are represented in industrial councils. Few complaints are received and most are satisfactorily dealt with

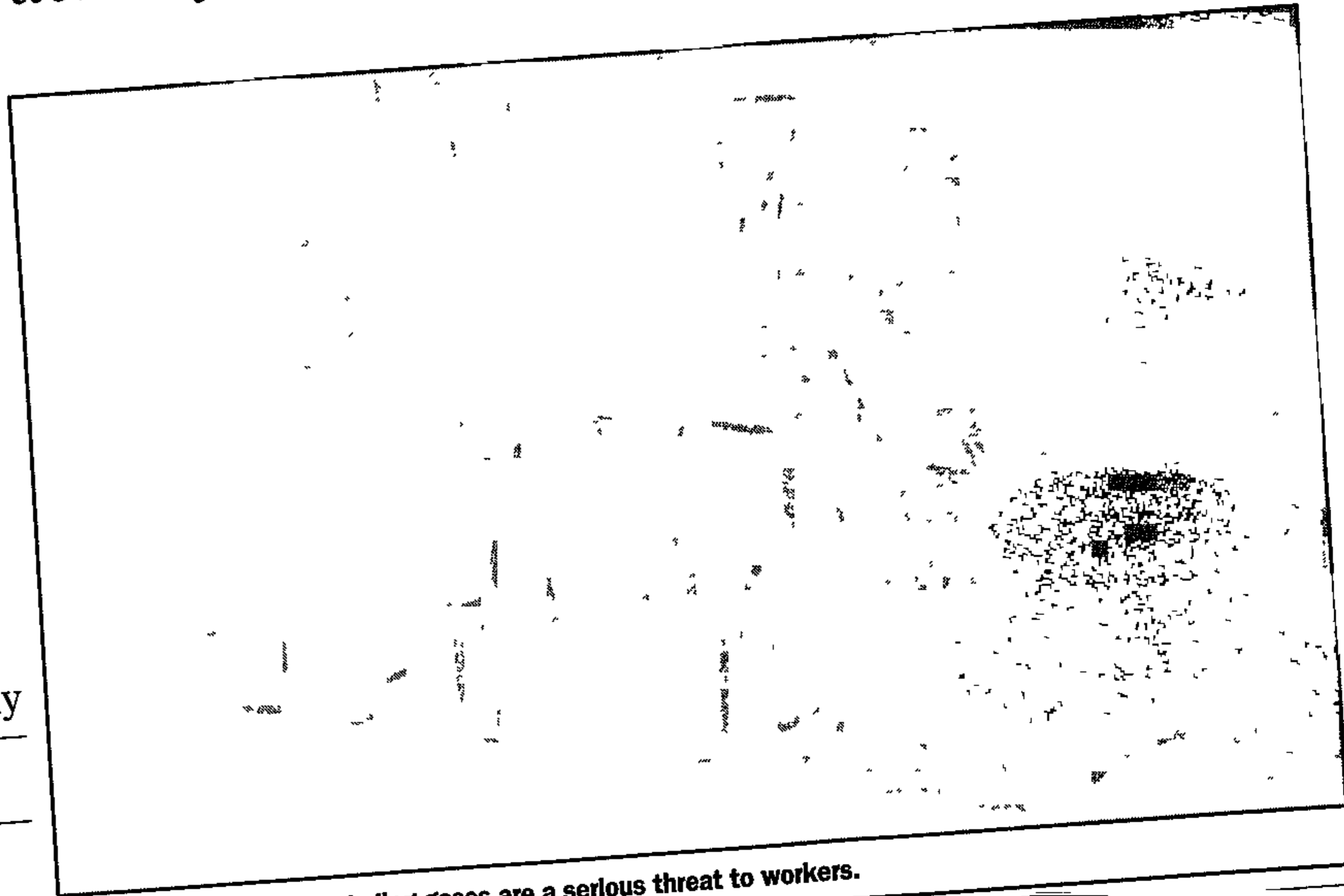
"The fall in employment has been across the board and has not only affected employment where there are industrial councils," it says

"As the economy picks up as a result of the new constitutional dispensation it is expected that employment will rise noticeably. It is expected that employment under industrial councils will show a concomitant improvement."

NEWS FEATURE *Silent suffering of workers from poisonous substances never hits headlines*

Toxic toll on humans staggering

HEALTH THREAT Workers in many industries are harmed by environments:



Poisonous gases and exploding gases are a serious threat to workers.

By Ike Motsapi

CHEMICAL SUBSTANCES represent a substantial threat to the health and lives of millions of workers, according to the 1994 World Labour Report of the International Labour Organisation. The report notes that plantation workers in Costa Rica were allegedly made sterile after exposure to pesticides.

Textile workers contracted fatal illnesses after using airbrushes while women suffered miscarriages as a result of exposure to solvents.

"The toll on human life, property and environment has now reached staggering proportions," the report noted.

In the public mind, the report said, chemical disaster is symbolised by the tragedy at Bophal where hundreds of workers were killed during a chemical explosion in India.

Less visible

But the damage which chemicals can cause is usually much less visible or dramatic.

The report cites examples of a cleaner who inhales toxic vapour while emptying a vat.

The plant worker burned by an unexpected chemical reaction. The farmer breathing in a pesticide while spraying crops.

These are usually silent victims whose diseases and deaths escape the headlines, yet according to trade unions their suffering is equivalent to one "Bophal" every day of the year.

The production of chemicals has

Chemicals have brought enormous benefits by boosting food production, fighting disease and offering novel and often safer materials. But these can be dangerous to workers who have to handle them

increased in recent decades from 65 million tons worldwide in 1970 to 400 million tons in 1993 (131)

This involves about 100 000 different substances, of which 1 000 are produced in quantity.

The report notes: "These chemicals have brought enormous benefits by boosting food production, fighting disease and offering novel and often safer materials. But these can also be dangerous, particularly to workers who have to produce and handle them."

In South Africa, Mr Thabo Morale, legal officer of the Construction and Allied Workers Union said: "Chemicals used in the construction industry are very much the same as those used in the chemical industry."

"We have acids that are used in the civil construction industry which are extremely dangerous

Workers are required to handle them without any protective gear offered to them.

"Again, it should be emphasised that on the whole precautionary measures are not taken to identify dangerous chemicals, resulting in working conditions being very risky in the industry.

"Workers employed in the manufacture of ceramic tiles are required to handle dangerous acids which might spill over.

"This also affects workers employed in the asbestos industry," said Morale.

The World Labour Report says people can absorb toxic chemicals by breathing gases, vapour or airborne particles.

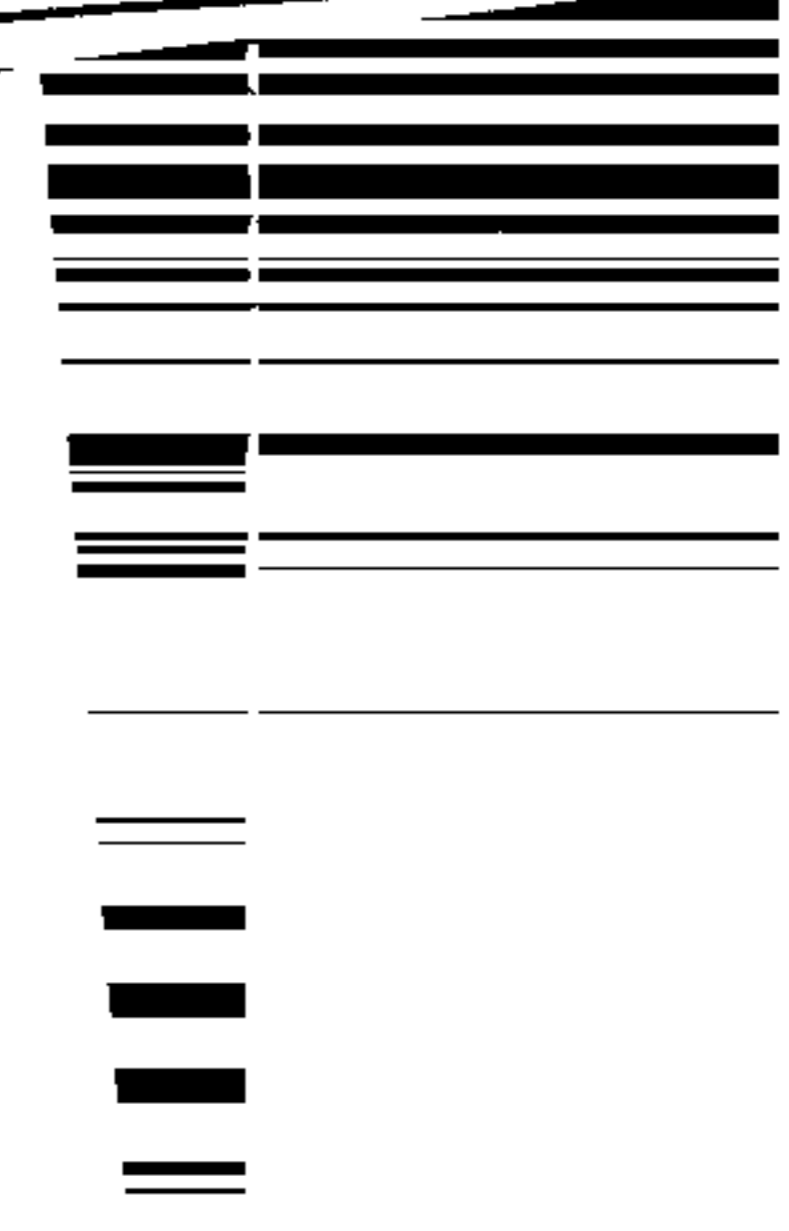
They can also absorb liquids through the skin or even eat or drink chemicals if they have been stored together with food.

But, as the report points out, reliable statistics on poisoning are rare. The correlation between exposure and health damage may be difficult to establish and symptoms may only show up after a number of years by which time the workers may have moved elsewhere.

"With any toxic chemical there will always be a finite risk at each stage of its life cycle," the report notes.

According to the World Health Organisation, up to five million people are poisoned each year by pesticides, about 40 000 of them fatally.

Most of the damage is in the Third World.



Tito: Integrated labour dispensation a 'priority'

JOHANNESBURG — Establishing a single integrated labour dispensation for this country and its former homelands was a priority and would be developed within the framework of the reconstruction and development programme, Labour Minister Mr Tito Mboweni said yesterday (132)CT17/6/94

He said there were 11 separate labour dispensations which needed to be reviewed urgently

His department's aim was to create and implement an "inclusive, transparent dispensation in which disruption of services is minimalised"

Minister calls *Sowetan* for an alliance

■ **GENDER SENSITIVE** Task team

will investigate public holidays: 3/6/94

By Tyrone August
Political Reporter

THE NEW MINISTRY of Labour has called for a partnership between the Government, business and the trade union movement to make reconstruction work

At a Press conference in Pretoria yesterday, Minister of Labour Affairs Tito Mboweni said the Ministry wanted "a social partnership" of the trade union movement, business and Government

"We want to ensure that the challenges which confront South Africa are dealt with as a collaborative effort among the three key social partners," he said (132)

"Developing a system of social partnership is very important to carry forward a process of thorough economic reconstruction"

The joint South African delegation to the conference of the International Labour Organisation in Switzerland next week is in

line with this envisaged partnership

The "tripartite delegation" will include Mboweni, Congress of SA Trade Unions general-secretary Mr Sam Shilowa and employer delegate Mr Johan Liebenberg

"It is significant that we are back in the ILO," said Mboweni "We are reintegrating ourselves as a normal citizen of the world"

He said the ILO would be able to assist South Africa to strengthen its tripartite institutions because it had a lot of experience in this area

Mboweni said his department would also undergo changes it would become more "gender sensitive" and would introduce a process of affirmative action.

Amendments to the Labour Relations Act would be tabled in Parliament but he did not want to give any indication of their content at this stage

He also said a "task team" would be set up to investigate the number of public holidays

Centralised industrial bargaining is re-emerging as the most important campaign of the labour movement in a post-apartheid South Africa, said Cosatu. **ARC 18/6/94**

In a report its research arm, the National Labour and Economic Development Institute (Naledi), mooted a centralised, but flexible bargaining system to protect, among other things, minimum wages and labour standards. **(132)**

The Labour Ministry said the decision had to be taken by employers

Minister of Labour Mr Tito Mboweni said employers and trade unions in some sectors and companies had negotiated June 16 as a paid holiday and that the agreements had been negotiated at industrial council and company level

In sectors where no such agreements existed Mr Mboweni appealed to employers and workers to negotiate mutually acceptable arrangements "so as to avoid any penalties or loss of production which should be recouped later"

□ □ □
Confusion and anger abounded on June 16 as the government failed to declare Soweto Day a paid public holiday for all workers.

Mercedes-Benz of SA employees at the plant after they had forced their way in and occupied the production section

The group, who have been charged with trespassing, demanded to be re-employed

MBSA decision laid a formal charge after urgent consultations with its parent company in Germany

□ □ □
Police arrested 70 former

(12/18) ARL 18/6/94

NEWS Makwaeba family lose both daughters ●

Labour depts to be integrated

Sowetan 17/1/94

By Josias Charle

PLANS to integrate and restructure South Africa's labour departments are at an advanced stage.

Announcing this at a Press briefing in Pretoria yesterday, Minister of Labour Mr Tito Mboweni said consultations were being held on a continuous basis with concerned parties

These included unions and employer organisations

The minister yesterday met officials from the former TBVC states who were responsible for the administration of labour

"Basically we want to find out how we can restructure the departments into a single one and how we can integrate labour market policies and merge them with the reconstruction and development programme," Mboweni said.

He added that the mechanisms to harmonise labour law in the country had to be in place as soon as possible "so that all citizens, including those from the former independent states, can be under one law"

The process of consultation was expected to be completed by August 24. This would enable him to table legislation in Parliament during the August-December sitting

Mboweni also said he wanted to be in a position to have basic guidelines to plan for the next five years. This would have to be carefully done so that when new labour dispensation is introduced, "it should be in a sophisticated and organised manner"

He said similar bilateral negotiations would continue to be held so that when the new law comes into effect it should enjoy the support of all people in South Africa

Workers key to world markets — union boss

(132) APR 18/6/94

ALIDE DASNOIS

Business Staff

COST — especially wage cost — is not the main factor in a company's ability to compete on world markets, trade unionist Ebrahim Patel argues.

"If competitiveness was about wages, firms in India and in most of Africa would be competitive and firms in Germany and in Japan would not," he said.

Mr Patel, assistant general secretary of the SA Clothing and Textile Workers' Union (Sactwu), was addressing the Footwear Manufacturers' Federation symposium in Somerset West.

He said competitiveness should not be a goal in itself but an instrument in achieving growth.

Between 1950 and 1970 competitive edge in the world economy had been defined mostly by price. Long production runs, economies of scale and reduced factor costs had been critical.

But since the early 1970s this had changed. In today's world the

ability of a company, an industry or a country to compete depended on the quality of the people employed, reliable delivery of goods or services and product innovation. This meant that South African industry, in spite of its short production runs, could compete on world and domestic markets. Short runs allowed companies to react faster to changing consumer requirements.

However, successful competition depended on the skill of the work force.

The high growth economies had all invested heavily in education.

At the same time trade unions would increasingly have to focus on the changing nature of work.

"We must no longer resist change but seek opportunities in it," Mr Patel said.

The agenda of discussions between shop stewards and management should be expanded to cover the nature of the business and the introduction of new products, as well as the workers'

grievances.

"Shop stewards should not be seen as the opposition, but as part of the company's success. This means expanding the rights of the union, with better disclosure of financial information. It also means creating new mechanisms for discussion at factory level."

Mr Patel said the result of the GATT negotiations for the clothing industry was an example of successful co-operation between unions and management. In spite of resistance from SA's main trading partners, the unions had helped the industry secure a unique dispensation from the GATT with longer periods for the phasing out of import tariffs.

The clothing industry had 12 years and the footwear industry eight years to phase out protective tariffs. But, Mr Patel warned, this was not a reason for complacency.

"We must start preparing today. We are racing against a moving train."

HEALTH *Business, industry forced to be responsible*

Looking after the health of workers

Sowetan 23/6/94

(131)

By Ike Motsapi

■ IMPROVING CONDITIONS *Employers*

will have to ensure workers' safety or pay up:

ON JANUARY 1 1994 the Occupational Health and Safety Act replaced the Machinery Occupational Safety Act, bringing into effect a number of important policy changes

The most notable were to the administration and regulation of health and safety in the workplace

Mr Clive Hertog, associate partner at Webber Wentzel Attorneys said the new legislation had wider application than its predecessors, extending health and safety laws to protect members of the public against hazards to their health

He said: "The law makes it necessary for employers to address not only the safety of employees, but also the occupational health of people

"Business concerns are now at greater risk of being criminally prosecuted and sued if they allow a dangerous situation to exist or to originate from their premises," said Hertog

Two quotations from the Act essentially summarise its objectives

● Sub-section 8 (1) Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his employees and,

● Sub-section 9 (1) "Every employer shall conduct his undertaking in such a manner as to ensure, as far as is reasonably practicable, that persons other than those in his employ who may be directly affected by his activities are not exposed to health or safety hazards"

Regulation of the Machinery Occupational Safety Act required frequent inspections from the Department of Manpower

Hertog said "Primarily, as a result of work pressure on the limited number of inspectors, inspections were far too infrequent and the implicit role of the inspectorate to prevent accidents by prohibiting dangerous work or situations was largely neglected"

The new Act, to some extent, addresses this by requiring employers to inform employees "as far as reasonably practicable" of the potential hazards to the employees' health and safety related to any work with which he may be

Talking health

“The new legislation extends health and safety laws to protect members of the public against health hazards”

“Increased scope of the Act and its extension to cover the health of people generally will result in increased civil litigation”

involved

The new Act also, to some extent, caters for small businesses, as it is only necessary to have a health and safety representative if there are more than 20 employees in any workplace

Hertog said "Consultations which are necessary between employees or their representatives and the employer must be in respect of arrangements and procedures for the nomination or election, period of offices and subsequent designation of health and safety representatives"

The Act entitles health and safety representatives to

- Review the effectiveness of safety measures,
- Identify hazards in the workplace,
- Investigate complaints by other employees,
- Participate in consultations with inspectors at the workplace,
- Participate in internal health and safety audits,
- Investigate incidents, and
- Attend formal inquiries

"These entitlements are matters of right and the employer's consent is unnecessary," said Hertog "In terms of the Act an employer must provide facilities for assisting and training employee representatives"

The Act does not say who should be party to this agreement but since the employer is only

obliged to consult with employees or their representatives in regard to procedures for the nomination or election, period and office the agreement referred to must be between the employer and the safety representative

The Act provides that employers are obliged to establish one or more health and safety committees in respect of each workplace to which two or more health and safety representatives have been designated

The new Act provides that every employee must take reasonable care of his own health and safety and that of other people who may be affected by any act of his omission

Hertog concluded "The criminal sanctions which can be imposed under the Occupational Health and Safety Act have increased dramatically

"Generally speaking, technical contraventions of the Act can attract a maximum fine of R50 000 or imprisonment of a year or both

"In situations where the employer has been negligent, possibly resulting in the injury or death of a person, the employers could face a maximum fine of R100 000 or two years' imprisonment or both

"The increased scope of the Act and its extension to cover the health of people generally will result in increased civil litigation," Hertog added

Stargazer to government man

(134) Wm 24-30/6/94

Vuyo Mvoko

ONE of South Africa's longest-serving and best-known trade unionists, Numsa's Bernie Fanaroff, has left the labour movement to take a government post.

Fanaroff now leads the team under Jay Naidoo, minister without portfolio charged with implementing the reconstruction and development programme, and he will develop and coordinate the RDP at provincial and local government levels.

One of the founders of South Africa's modern trade union movement, Fanaroff cut short a promising academic career in the early 1970s after obtaining a doctorate in astronomy at Cambridge University. "All I had was an interest in the working class," he said in an interview from the President's Office this week.

His union career spans the growth of the labour movement from the tiny splinter organisations that emerged from the 1973 Durban strike wave, through the formation of the Federation of South African Trade Unions to Cosatu, now a major political and economic actor with two million members.

He is one of the few white unionists to have stayed the course, and is renowned in union and employer circles for his understanding of the labour field, creative thinking and strategic subtlety.

A member of Cosatu's inner circle, he led the federation's anti-VAT campaign, was one of three union delegates on the Electricity Council and spearheaded the formation of the Telecommunications Forum.

Fanaroff reminisced over the intransigence of employers towards black unionism when he started organising for the Metal and Allied Workers' Union in the 1970s. He recalled how workers were dismissed before taking leave, only to be rehired when it was over.

Considered crypto-communists and subjected to the closest scrutiny by the security police, the unionists of those years were constantly harassed, had no offices, no recognition agreements and little protective legislation.

Fanaroff expressed no regrets at leaving the unions, even though he said they were facing one of the most crucial periods in their history.

"Unions now have a sympathetic government, so they need to find ways of relating to that government, to ensure they get maximum benefits," he said. At the same time, they had to "keep their power base by looking after workers' interests without compromise".

"There will naturally be a process of re-evaluating the alliance, but for now the advantages of the two sticking together outweigh the disadvantages."

He claimed that management was becoming more hostile as the country entered a new era, and could roll back years of gains by the labour movement in the workplace. Contrary to the prevailing business view that South Africa could only compete internationally by "crushing unions and reducing wages", he believed a skilled workforce, higher pay and efficient management were the key.

Courts, especially the industrial court, were "still very anti-union" and needed to be changed, he said. Labour should begin the fight for a constitutional right to strike as soon as possible.

Fanaroff said the unions had to "go back to basics", strengthening themselves on the ground, servicing members and honing the skills of organisers and worker leaders.

In five years, he said, unions would "use their power to take a serious role in directing the strategies and policies of industry. Trade unions understand the need for efficiency. They can ensure that workers and society benefit — not only shareholders."

Mboweni's 5-year plan for labour changes

Own Correspondent

JOHANNESBURG — Labour Minister Mr Tito Mboweni has proposed a five-year plan that will radically change labour relations in SA.

Substantial changes were needed to most aspects of labour relations to ensure that the Labour Ministry played a role in the ANC's

ET 3/6/94

(132)

Reconstruction and Development Programme, Mr Mboweni said yesterday. He proposed a five-year plan of action, including thorough changes to labour legislation. A high priority was ensuring that an amended Labour Relations Act was presented to Parliament before the end of the year. Speaking at a Pretoria news con-

ference, Mr Mboweni said new labour legislation would be more accessible and would ensure that all workers, including those in the former independent states, were granted basic collective bargaining rights. Although most of the proposed amendments had been agreed within the National Manpower Commission, there were still "a

number of issues to be discussed", he said. He did not foresee a proliferation of labour legislation, including laws controlling affirmative action and an incomes policy, as this would not fit in with his planned move away from the legal approach to labour relations. Rationalising the public holidays calendar would receive ur-

gent attention and a task group had been established with this in mind. He said the post of manpower director-general, vacant since the resignation of Mr Joel Fourie, would be advertised. Labour lawyer Mr Halton Cheadle would join the ministry as adviser, with Mr Leslie Maasdorp filling the position of economic adviser.

Seifsa offers 4.5% increase to workers

133 ERICA JANKOWITZ

SEIFSA yesterday offered a 4.5% annual wage increase to steel and engineering workers in response to union demands ranging between 14% and 51.5%. *6/10/73 14/5/73*

The offer was made at a meeting between a Seifsa work group and the 11 recognised trade unions.

Lesser offers were made for some regions — the Cape, Natal and Border — and in the Free State a wage freeze was proposed because of the industry's absolute reliance on the mining industry, which was undergoing difficult times.

Seifsa industrial relations director Dave Carson said after caucusing, the unions had indicated they could not accept the wage offer and appealed to Seifsa to reconsider its position.

On the regional wage issues, the unions said they had not been mandated to respond to this proposal and suggested a further meeting be held under the ambit of the collective bargaining group.

The parties agreed to do their best to reach finality at their next meeting scheduled for June 4 as the present agreement expired at the end of June.

Carson said a number of peripheral items had been removed from the agenda and employers had agreed to re-examine other issues such as occasional leave and employees injured on duty.

Labour body

officially ⁽¹³²⁾
ARLT 2/7/94
established

ESANN DE KOCK

Weekend Argus Reporter

THE National Labour Relations Forum for local government has been officially established

At its inaugural meeting in Bellville yesterday the forum, consisting of employer organisations and trade unions in local government, agreed on its objects and functions, including:

- Considering options with regard to re-organisation and development of appropriate bargaining structures for the municipal sector, including the feasibility of a national industrial council.

- Settling disputes between parties as a result of the implementation of the Local Government Transition Act which could not otherwise be resolved in existing structures

- Maintaining and enhancing industrial peace during the transitional period.

- Considering, advising and make representation on any legislation or proposed legislation affecting labour relationship between the parties, and local government.

The forum represents more than 150 000 local government workers. Included are the South African Municipal Workers' Union, the Amalgamated Municipal Employees' Association, the Johannesburg Municipal Employees' Organisation, the South African Association of Municipal Employees and the National Union of Employees of Local Authorities.

State 'wait and see' about labour unrest

ARG 13/7/94

(132)

(132)

Organised labour flexes muscles

SHARON SOROUR
Labour Reporter

EMPLOYERS are watching for any indication of how the new government will respond to "economically significant" labour unrest, a recent survey on the latest round of national wage negotiations says.

They were displaying a cautious "wait and see" attitude, and were unwilling to risk major industrial action in the early stages of economy's recovery, the report by industrial relations experts Gavin Brown and Associates said.

"The inevitable inflationary effect of meeting labour expectations could still be exceeded by the pace of economic

growth during the rest of the year.

"But if this does not happen, widespread wage settlements based on a 'transition premium' well above the inflation rate will impede growth and help other economic influences in stopping the four-year decline in inflation levels."

The report said the average increase for the first six months of the year in all sectors had been 10.23 percent, with the retail sector and the textile, clothing and footwear sectors in the top two wage increase brackets.

Few employers had adopted an intransigent attitude to in-

dustrial action over payment for the 11th-hour public holidays during the elections and the effect of ongoing public sector unrest in the former homelands.

Employers had worked to "calm passions in the face of unprecedented militant union stances."

Almost all employers said rhetoric was being used at the bargaining table, which indicated a perception by the rank and file of a post-election swing in the power balance in favour of organised labour.

However, other than the "ill-considered but brief" intervention by Cyril Ramaphosa in Ar-

gus Newspapers' wage dispute last month, the government had done little to justify those perceptions.

"Employers are nevertheless carefully watching for an indication of how the new government will react to any economically significant labour unrest."

A feature of the latest wage talks was that they were being driven by the rank and file within the unions because of a lack of cohesive union leadership. Although it was expected that the elections would "disfract" union leaders during the campaign, the now permanent absence of leaders was "frustrating and dissipating any clear strategic thinking" in wage negotiations.

Union links with international labour threaten SA employers

~~132~~ (132) ARG 14/7/94

BRUCE CAMERON
Business Editor

SOUTH African businesses, already taking it on the nose in industrial relations, could find even tougher times ahead as links between local unions and international labour strengthen.

And the problem could be even worse if the local company has a strong foreign holding

French-controlled construction company Basil Read has already come up against the situation with its current industrial dispute with the Construction and Allied Workers' Union (Cawu)

According to the latest edition of *South African Labour News*, the major International Federa-

tion of Building and Wood Workers has reacted "swiftly and aggressively to a call for assistance from huge Cawu

The publication reports "In a strongly worded letter to Basil Read, the IFBWW has condemned the company's notice of dismissal to more than 200 Cawu members, the lock-out since June 24 over a wage dispute, as well as the use of teargas and police dogs to disperse picketing employees by the South African Police Services"

The IFBWW told Basil Read that it supported Cawu's demands and said it would be taking up the issue with parent company Bougues in France

Deputy editor of the publication Winifred Everett says the move by the French Union could be the thin edge of the wedge

"The IFBWW is a massive organisation and very powerful in Europe, which will impress the local unions

"Lock-outs are anathema to international unionism and it is quite possible that they would wish to make this a policy issue and pull out other workers in sympathy

"Should the matter end up in industrial courts one can be certain the IFBWW will see that its huge resources are made available to bring in the biggest labour law guns to present the Cawu case."

Labour to be central govt issue

CT 18/7/94 (132)

Own Correspondent

JOHANNESBURG. — A tripartite core team will oversee implementation of a new policy to regulate labour and employment relations, Labour Minister Mr Tito Mboweni announced yesterday.

He said the team would consist of representatives from labour, business and government

He also called for a White Paper as a basis for devising an active labour market policy.

This was after Cosatu representatives met key Labour Ministry and department officials at the weekend to consult on a broad range of issues affecting labour and the formulation of a new labour market policy

It was agreed this policy would be a national, not provincial, government preserve, Cosatu general-secretary Mr Sam Shilowa said

Matters discussed included.

- An equal opportunities bill regulating employment practices
- Labour legislation to incorporate the former homelands
- A new Labour Relations Act to bring labour law into line with the interim constitution, provide a collective bargaining framework and extend the operation of laws to all sectors.
- Policies and laws that inhibit the right to strike
- Giving effect to international standards

Mr Mboweni said the Labour Ministry would assist trade unions with capacity building in such areas as financial assistance for education and training facilities

The parties agreed to establish a single Labour Appeal Court by the end of the year This would include establishing an effective mediation and conciliation service.

CT 18/7/94

Democracy 'not enough'

DURBAN — The wave of industrial action by organised labour was a sign that democracy alone could not deliver, Minister without Portfolio Mr Jay Naidoo, said

Workers expectations were very high and the sooner the collective bargaining system was improved, the better for the economic growth of the country. (132)

Speaking here, Mr Naidoo said labour laws, which gave workers the right to strike and rights of collective bargaining, must be drafted by the new parliament.

He said workers were not satisfied

Mr Naidoo said government officials not prepared to implement the RDP had no place in the government. — Sapa

Split feared in ANCO alliance

Workers' party on the cards by 1999, says expert

DAVID BREIER

Weekend Argus Political Staff

STRIKES gripping post-election South Africa are the first rumblings of a looming split in the tripartite ANC alliance, experts have warned.

A workers' party is likely to break away from the African National Congress/Cosatu/SA Communist Party alliance within a few years if the government fails to satisfy worker demands, labour and political analysts say.

Wille Breytenbach, University of Stellenbosch political scientist, confidently predicts a workers' party will break away from the ANC alliance within two or three years to challenge the ANC in the next parliamentary elections, due in 1999.

"We are witnessing the precursor of the establishment of a South African workers' party," he said.

Professor Breytenbach said the breakaway was inevitable if the government's reconstruction and development programme (RDP) failed to live up to expectations and workers

Escalating strikes are widely regarded as the first signs of an upheaval in the ANC alliance that could lead to a workers' party breaking away within a few years.

began viewing the ANC elite in the government gray train as "bourgeois".

He said SACP was likely to side with the ANC in the coming split although individual communists would defect to a new workers' party.

The leadership of a break-away party could come from former union leaders now in government. These could include ANC general secretary Cyril Ramaphosa or cabinet ministers Sydney Mufamadi and Jay Naidoo.

Professor Breytenbach said the ANC was beginning to follow the same pattern that occurred among liberation movements in many other African countries where trade unions split from the governing party after independence.

He said the pattern in Africa was for trade unions to be in alliance with liberation movements until decolonisation, but to break away afterwards

when these "cosy relationships" tended to sour.

Once liberation movements achieved power after "shuruf" they had to serve a much wider range of interests including employers who were in direct competition with the trade unions. This inevitably led to tensions between politicians and unionists who were previously bedfellows.

"Suddenly, the politicians discover their constituency is much bigger than the narrower interests of the working community," Professor Breytenbach said. When this happened, a clash between the conflicting interests of the politicians and workers was inevitable.

The growing militancy in the trade union movement was widely predicted before the elections when the Cosatu labour federation threw in its lot with the ANC alliance to ensure a resounding ANC election victory.

But within months of the election, this marriage of convenience has already degenerated into a power struggle over the country's economic direction as the unions demand a post-liberation dividend for union members while the ANC seeks to serve broader interests by creating new jobs, fighting inflation and attracting investment to build the economy.

Trade unions now expect the ANC-dominated government to be on their side in labour disputes as a reward for supporting the ANC in the elections. But president Nelson Mandela has refused to heed their call for him to come down off the fence.

His balanced reaction after his meeting with Cosatu general secretary Sam Shilowa this week, has disillusioned militant unionists who had expected Mr Mandela to back them unambiguously in their test of strength against Pick 'n Pay.

Econometric economist Tony Twine said workers and their unions believed they had brought the ANC to power and it was now "pay-back time".

Row over labour law group's end

Own Correspondent

JOHANNESBURG — The chairman of the National Manpower Commission's employment law working group, Mr Adolph Landman, resigned yesterday in the wake of weekend reports that the working group would be replaced by a commission charged with re-writing labour legislation. Mr Landman said in his letter

of resignation that he felt the group deserved better treatment than learning of its demise in a weekend newspaper

Sources said Labour Ministry adviser and labour lawyer Mr Halton Cheadle, who was widely considered to be behind the proposed demise of the working group, was trying to put together a commission to rewrite legisla-

tion. He would be its chairman and would recruit local and international experts to ensure the quick drafting of a new Labour Relations Act

Labour Minister Mr Tito Mboweni's office confirmed there was a proposal to appoint a legal team to draft the new statute incorporating the government's Reconstruction and Development

Programme — which contains a chapter on worker rights — and international standards. He reaffirmed his commitment to the government working with employee and employer bodies.

Sources said the working group had already made considerable progress in drafting a new act, after spending months last year drafting changes to the existing act which were never passed

26/7/94

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'Bosses not the enemy' — Rupert

By ARI JACOBSON

SOUTH AFRICA'S trade unions will have to be more supportive of industry, said Rembrandt group (Remgro) chairman Johann Rupert at its AGM in Stellenbosch yesterday

Rupert responding to a question said "they will soon realise that capital flows downhill," implying that investment flows will come from a country's ability to produce at competitive international levels

"We (industry and labour) are all in the same boat — if they (the trade unions) drill holes in the boat everyone will sink"

Rupert pointed out that "labour skills" are measureable on an international basis and that he said meant competing with among others the Far East in producing goods

In this regard he pointed out that the "going wage" in Indonesia was \$5 (R18,50) for a six day week

Switching to other matters Rupert confirmed that about R900m was collected from the Rembrandt group for excise duties for the year to March 1994, adding that did not include other companies linked to the group

After the AGM he mentioned that higher excise duties encouraged the smuggling of cigarettes into the country.

Rupert intimated that this contributed to the "lighter" then expected treatment of tobacco products in the government budget of 1994/95

He added that input costs were already burdensome on the locally produced cigarette, with SA tobacco prices higher than elsewhere, the raw materials like card board (for the boxes) costlier and the labour intensive nature of the business less productive than capital-based production

"However Rembrandt opted to stay with labour intensive production to avoid creating further unemployment."

In addition Rupert said that the group was encouraging the smaller trader and spaza shop owner to "be better positioned" to distribute its products

As an aside at the AGM Rupert said that he supported the inclusion of intangible assets such as "intellectual property" in lifting the asset value of a group

He said that "trademarks are the bread and butter" of the group yet the majority of this so-called "goodwill" was written-off

Rupert said that there was a need to move away from the book value measure of assets to include "intellectual property"

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CT 27/7/94

World Bank warns against high cost

PETER FABRICIUS

Weekend Argus Foreign Service

WASHINGTON. — The World Bank has warned that South Africa's conflict-ridden industrial relations could harm the very types of exports which would enable the country to penetrate the international market.

And expanding exports are essential in creating growth and jobs, the bank says in a report, "Reducing Poverty in South Africa."

It says that because of its

relatively high labour costs, South African products are "entirely uncompetitive internationally" in "low-end" products such as clothing for poor consumers.

But a sustainable expansion of labour-intensive, light-manufacturing of quality products is possible within the present wage structure.

South Africa's best chance for export success lies with high-quality niche products, such as textiles, garments, shoes, furniture and high-value fabricated metal and plas-

tic products.

The essential ingredients for success in these markets include high product-quality, reliability in meeting delivery schedules and quick turnaround. "But, if conflict-ridden industrial relations emerge, South African firms will be vulnerable to work stoppages and a consequent inability to meet commitments on time — undercutting their ability to penetrate export markets."

"Moving towards 'win-win' industrial relations is a neces-

sary condition for moving to an efficient and labour-demanding growth-path."

The report was written before the present rash of strikes.

At another point in the report the World Bank says there is reason to hope that South Africa's political transformation will reduce the intensity of conflict between labour and capital.

"Without better industrial relations, an employment-oriented industrial strategy is certain to be a non-starter."

down the rate of overall growth and helped to skew growth in a capital-intensive direction. The bank is also critical of government policy continuing to favour capital-intensive industry.

It says that until the late 80s, South Africa's financial markets and tax code were geared to reduce the cost of capital to firms.

Real interest rates were kept negative and tax breaks made the effective tax rate substantially lower for capital and investment-intensive ac-

tivities. This system worked against job creation, providing incentives for firms to replace workers with machines.

Many of the biases in favour of capital-intensive activities have been removed and real interest rates have been positive since 1984.

But, the tendency to give special benefits to big investments which did little to create jobs — has persisted into the 90s.

New investments in an aluminium smelter and a stainless steel plant were given

special tax breaks, injections of equity finance by parastatal organisations and preferentially-priced inputs."

Subsidies for these investments were at the direct expense of resources which could otherwise have been used to move the economy onto a more equitable growth path.

A bank study found that light, labour-intensive industries such as metal products or garments, created three to five times more jobs than heavy, capital-intensive industries.

BUSINESS DAY, Monday, August 1 1994

Call for labour democratisation

ERICA JANKOWITZ

WORKPLACE democratisation had become a key demand in current labour disputes and unless progress on this front was made a severe crisis could be approaching, IR Network researcher Wendy Dobson said at the weekend. *BID ay*

She said SA had witnessed more strikes so far this year than in any corresponding period except 1987 when the three-week miners' strike led to an all-time high of working days lost to strike action. *11/8/94*

Dobson said workplace democratisation included eliminating wage differentials, abolishing discriminatory practices and embarking on human resource development.

"It implies a greater degree of worker participation in decision-making, to the extent that Cosatu thinks the whole idea of management prerogative should be discarded"

Dobson predicted that wage differentials would come under the spotlight, with management being increasingly pressured to close the gap between management and production worker remuneration. Redistribution was also a major contributing factor to current industrial unrest.

She agreed with other commentators' suggestion that the economic upswing together with heightened expectations had contributed to the surge of industrial action, yet discounted the theory that Cosatu was confronting the ANC. *(132)*

Falling wage settlement levels over the past few years was also a factor. Dobson noted that average wage settlement levels had dropped from 19,65% in the third quarter of 1991 to 7,8% in the corresponding period of 1993. So far this quarter, wage increases had averaged 9,96%

Work relations needs set down

BID ay

11/8/94

ERICA JANKOWITZ

SA NEEDS an enabling regulatory environment, especially in labour relations, to ensure wealth creation and economic growth, says Chamber of Mines chief negotiator Adrian du Plessis.

Addressing an AIC Conferences seminar last week on the future of mining, Du Plessis set out five key perspectives of a new labour relations Act. These were:

The Act should establish a floor of basic worker and management rights by fleshing out the limitations and duties attendant on the rights contained in current law;

A framework and not a model of labour relations should be established as models tended to be prescriptive and relied on compulsion to enforce their terms,

The Act should take established traditions of site- and industry-level collective bargaining arrangements into account as these processes were "pertinent to the overall balance of the labour relations system",

Flexibility should be allowed within the framework to take account of the enormous diversity of business processes and systems should be developed "which are sensitive to the needs of all parties"; and

An expeditious and efficient dispute resolution structure should be put in place with mechanisms which ensured devolution of the process to the lowest possible level, preferably the source of the dispute

Du Plessis said the rate of increase of gold production in the developed

world was declining relative to the developing world. SA and other developing countries therefore stood to gain an increasing slice of world mine production "provided we can define and build upon our strategic competitive advantage".

To achieve this, an enabling legislative and regulatory environment would need to be in place to help define that competitive advantage, Du Plessis argued.

He warned there were several examples of legislated restrictions which strangled enterprise, and suggested the drafting of a new Act offered a real opportunity to ensure this was not the case in SA.

"Our Labour Relations Act has succeeded in securing a jurisprudence of labour equity and has also been in the forefront of the process of social change in SA. The Act now needs to address the kind of economic objectives that we will need to secure if we are to position SA for real growth and development," he said

Du Plessis stressed the need to involve government's social partners — labour and business — in the process of devising the new statute to ensure that the proper balance was struck between social and economic objectives.

"SA is fortunate that, unlike many countries, it has real opportunities for a meaningful dialogue between the social partners on the kind of regulatory environment it wants and needs," he said.

Ramaphosa hits out at exploiters of labour

VUYO BAVUMA
Political Staff

ARG 2/8/94 (132)

INVESTORS who want a strike-free environment so they can exploit South African workers are not welcome here, says ANC secretary general Cyril Ramaphosa.

Speaking in the national assembly during the budget debate, he said such investors would exploit workers.

The country needed investors who would respond to President Nelson Mandela's call for further investment based on the sound economic policies pursued by government.

These were investors who knew they were coming to a country which would finally have modern labour laws — "labour laws that do not lead to the exploitation of workers".

Mr Ramaphosa discounted fears the current strikes would harm the economy.

He said the budget was good, but still reflected some remnants of the apartheid era. The R25 billion or 18 percent for security establishments such as the National Intelligence Service, police and prisons was unacceptable. Instead the allowance for social services should be increased.

Social change vital for labour peace

ROGER FRIEDMAN
Labour Reporter

UNLESS the government delivered "fundamental" aspects of its Reconstruction and Development Programme to create a social infrastructure there would be continuing labour instability.

Sb said law professor, economic consultant, tax expert and talk-show host Dennis Davis, adding that the challenge facing the government was to convince the trade union movement that social investment was a viable alternative to "incessant wage hikes".

Although he doubted whether the RDP could be delivered "in its totality", Professor Davis told members of the Institute

□ Wage spiral not answer to end unrest

of Personnel Management at a breakfast in Cape Town that certain "fundamentals" had to be implemented to give "some sense of change" to low-income earners "and create the conditions for democracy and stability."

Fundamentals included the re-allocation of education expenditure, expansion of primary health care, provision of water and electricity, limited land reform, construction of housing and the creation of safe neighbourhoods through more effective policing.

"Why these measures are so important is that they target the lowest 40 percent of wage

earners. What they would create is a social infrastructure absolutely vital to getting out of the wage increase spiral presently bedeviling South Africa."

The share of total income earned by the lowest 40 percent of wage earners declined from 5,2 percent in 1975 to 3,9 percent in 1991.

"If we cannot get social investment going we will get continuing instability on the industrial relations front which create all the consequences we have been seeing recently."

He warned that South Africa would not be able to copy countries such as Taiwan where an

industrial powerhouse was created on a platform of low wages and high productivity.

The industrial explosion there was preceded by major land reform which meant wages could be kept at "acceptably low levels."

Turning to reasons for the present labour instability, Professor Davis said although the country was in its "usual annual wage round", "life has been a little tougher this year."

This was largely because of the rank and file workforce feeling let down by a government they thought was on their side, aggravated by the fact that the "majority of Cosatu

readership able to argue the case for social investment as a substitute for wage hikes" were now in parliament.

"So at the very time of high expectation and tardy delivery we have a trade union movement unable to sell particular propositions to the rank and file."

"This places Cosatu in a vulnerable position."

But all not bleak, Professor Davis said.

Restructuring and affirmative action within the public sector could deflect tension, while "vitaly important institutions" such as the National Manpower Commission and the National Economic Forum could "get Cosatu back into the kind of negotiating stance to allow for selling the RDP".

ARL 8/8/94

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Mboweni:

I won't

(132)

bash unions

Political Correspondent

LABOUR Minister Tito Mboweni says he will not indulge in union-bashing

He made the remark during an interpellation debate in the senate about his handling of the labour crisis

Replying to questions by James Selfe (DP), he said 272 000 man-days had been lost in June and July because of strikes

Strikes totalled 41 in June and 23 in July.

He said it was the responsibility of labour and management to settle their disputes

He had appointed a mediator in the Pick 'n Pay and Saccawu dispute because it had become clear the two faced enormous difficulties.

Neels Ackermann (NP) said the Pick 'n Pay-Saccawu dispute was not the only strike

The dedication of all MPs, especially ANC MPs, was needed to persuade their supporters and Cosatu "not to put the cart before the horse"

The only path to higher ways was by economic development.

Ministry 'won't bash unions'

THE SENATE — Neither Labour Minister Mr Tito Mboweni nor his ministry would engage in union bashing, Mr Mboweni said yesterday

Speaking in an interpellation in the Senate, he said his intervention into the recent Pick 'n Pay strike had been in terms of Section 44 of the Labour Relations Act, which enabled the minister to organise mediation when there was a major problem in

solving the dispute

"I am pleased to report that the matter is now over"

There had been 41 strikes in June this year, in which 72 000 man days had been lost, and about 80 strikes in July in which about 200 000 man days had been lost

Compared with labour disputes in previous years this figure was not particularly high

In June 1990 there had been 69

strikes which had led to a loss of 486 000 man days, and in July that year 680 000 man days had been lost in 80 strikes

Senator Mr Cornelius Ackermann (NP) said the recent labour unrest would lead to a massive loss of potential international investment

The ANC should tell its followers and those of its Cosatu allies that the time had come to work, he said — Sapa

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CT 10/8/94

Labour law team named

ET 10/8/94

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Own Correspondent

JOHANNESBURG — Labour Minister Mr Tito Mboweni yesterday appointed a legal team headed by his adviser, lawyer Mr Halton Cheadle, to draft a new Labour Relations Bill

The team was appointed after Mr Mboweni had consulted the National Manpower Commission and the cabinet

Its submissions will be presented to the cabinet and, if approved, new labour legislation could be tabled in Parliament by next year's round of wage negotiations

The team is Mr Cheadle, lawyer Mr Ray Zondo, who served on two Goldstone Commission committees, Ms Amanda Armstrong, a partner in law firm Cheadle

Mboweni appoints Cheadle

Thompson Haysom, Rand Afrikaans University associate professor of labour law Prof Willem le Roux, and Anglo American legal adviser Mr André van Niekerk

Ministry spokesman Ms Sharleen Singh said "The process is meant to expedite the formulation of a new Labour Relations Act"

The team's terms of reference included giving effect to the Reconstruction and Development Programme, recognising organi-

sational rights of trade unions and promoting collective bargaining in the workplace

The bill will replace the Labour Relations Act and the Public Service, Education and Agricultural Labour Acts

The draft is also intended to make provision for a system of labour courts, the ministry said

The bill would also provide simple procedures for dispute resolution through statutory conciliation, mediation, arbitration and the licensing of alternative dispute resolution services

The constitutional right to strike had to be entrenched, and lock-outs had to be regulated

● The existing 11 Manpower or Labour Departments, including those of the former homelands, would be rationalised into a single labour dispensation Mr Joggie Kastner was appointed acting director-general

From PAGE B1

the normal Christmas bonus and to annual wage increases," he says. In fact, workers who do not strike could receive three wage cheques in December.

This type of scheme is being considered by a number of firms. While it seems attractive not to have striking workers, some company directors do not believe that profit margins could sustain such bonuses.

Matteucci disagrees: "Last year we had a lock-out at one of our steel plants, which lasted four weeks and we lost millions of rands." He adds that "of course we are concerned about labour unrest, particularly when you are in the international market" He indicates that under any circumstance a four-week strike would mean that any company would be unlikely to make deadlines and "you end up losing credibility and reliability with your clients".

Mathison & Hollidge industrial analyst Bruce Krugel says "This incentive scheme would be a 14th cheque and effectively add up to a 7,7 percent increase in the workers' annual salary" He believes that this type of bonus would, including a wage increase, amount to about a 20 percent wage rise and "certainly be an incentive not to strike"

The third trend became highlighted during the recent takeover of Method by a consortium of black businessmen, which included the National Council of Trade Unions (Nactu) — South Africa's second largest union federation with a membership in excess of 350 000 workers. The union is to take up a 13,7 percent stake in the insurance company, which has assets in excess of R7-billion

Cosatu, South Africa's largest union federation with nearly a million members, has publicly stated that it is also conducting negotiations with Method to take up a stake in the new venture

Cosatu spokesman Neil Coleman says "No decision has been taken to invest in particular companies" While this refer-

ence relates to last week's WM&G's claims that Cosatu is negotiating with Sunbop to acquire a major stake in the company, he does not deny that Cosatu could be, or is, interested in the idea of becoming a shareholder in a variety of companies.

"Cosatu already has large provident funds invested in the market," he says, adding that "there is an existing mechanism (Community Growth Fund) in place in South Africa to determine which companies to invest in" While Cosatu claims that it has not made a final decision on

For what was clear to our forefathers — from feudal knights to 19th century

sons of their kings and warriors... although nobody has ever liked paying taxes, the tribute to the monarch was understood to be an unavoidable obligation. The first year's profits from the land were paid to the Crown, roughly equivalent to a 15 percent flat-rate tax, right up to the middle of the 17th century.

Business is trying to subvert union power by making unions shareholders and offering workers 'no-strike' bonuses, writes Jacques Magliolo

THE bargaining power of unions is under threat. Recent trends in the market show that management is refusing to compromise during wage demands, but is, at the same time, introducing bonuses for those who do not strike and offering unions company shares

An investigation into these market movements shows that, instead of waging a wage war with unions, business' aim seems to be changing to reducing union power and influence over workers, confusing employees and causing dissension among union leaders to the point where trade organisations could virtually become outcasts

How does business intend to achieve this and can it actually succeed? Experts agree that there is no question some companies would dearly love to break up, or at least confuse, unions' collective bargaining voice

This, say the experts, can be successfully carried out if companies "play hardball during negotiations", can turn unions into capitalists and, finally, if workers can be enticed not to strike. Even if all three trends are coincidental, they could seriously affect unions' ability to call members to strike

"When management is unwilling to compromise during wage talks, unions usually turn to workers and ask for strike action. If the union is also an owner, it would be more inclined to strike only as a last resort and, if workers get a non-strike bonus, unions will find it difficult to persuade workers to down tools," says a consumer analyst

Firstly, management is no longer willing to compromise to the extent it has in the past and is definitely adopting a much harder line. The we-will-not-budge attitude during wage negotiations has not been seen in South Africa since prior to the rise of union power. This was aptly demonstrated by Pick 'n Pay's stance in only offering R5 more before the strike was called off.

And, the planned union call for a countrywide mass stayaway plan caused many directors to assume that the Pick 'n Pay strike could move to their industry and found themselves huddled behind closed doors to work out a new approach to rid themselves of the negative effects of labour unrest.

Secondly, the answer some companies came up with is to introduce a new attractive incentive scheme for workers not to strike. Highveld Steel and Vanadium is one company to say that it will adopt such a strategy in the future

Financial director Luigi Matteucci says: "This is not a bribe, but an incentive for workers to act in a responsible and businesslike manner." He indicates that, given the number of working days lost in the past five years, such bonuses would be well worth the cost to the group. "The bonus would be in addition to

ECONOMY

2 Despite political change, the rand exchange rate remains low as investors shun the currency

COLUMN

3 Jacques Magliolo visits a city gambling den — the JSE

INTERNATIONAL

4 Death duties in Britain have become voluntary. Will Hutton on the ways the wealthy escape their obligations

Labour unrest: Bosses attempt to buy acquiescence from workers and unions

Business co-opts unions

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Employers 'not tackling apartheid' (132)

CT 12/8/94

Own Correspondent

JOHANNESBURG. — The Congress of SA Trade Unions claimed in a statement yesterday that employers had "dismally failed to address the legacy of apartheid".

Cosatu further claimed that the "unions have from their side put forward sophisticated and coherent proposals in this regard".

The hard-hitting statement urged the National and Democratic parties to call on "their business friends" to commit themselves to the Reconstruction and Development Programme by adopting a more progressive approach to industrial relations.

Cosatu accused employers of adopting a short-sighted approach to unions' innovative suggestions for tackling anomalies in wage structures. Employers were obviously not aware of workers' bitterness as companies did nothing to end entrenched inequalities in industry.

Cosatu accused conglomerates and large corporations of setting "a ceiling to wage offers employers are allowed to make in various sectors".

In response, Business SA secretary Ms Friede Dowie said forums such as the National Manpower Commission and the National Economic Forum existed for Cosatu to raise its concerns. She urged Cosatu to pursue constructive debate in existing forums.

Powerful new advisory body

ET 18/8/94

(132)

Political Staff

THE cabinet yesterday approved the integration of the National Manpower Commission and the National Economic Forum into a new statutory body, effectively establishing a powerful advisory forum on economic, labour and social matters.

It also approved a bill that will amend the constitution for the fourth time to enable the president to appoint a person from outside Parliament as a government minister. The amendment is necessary for the appointment of Mr Chris Liebenberg as Minister of Finance.

In a statement by the cabinet on the eve of the new government's 100 days in office, the cabinet approved a number of

Triad of business, labour, govt

projects for funding under the Reconstruction and Development Programme and approved procedures for programme and project management and control of RDP funds.

President Nelson Mandela will make some announcements on these projects today.

It is understood Mr Mandela will call for more direct public participation in the RDP to shift the programme up a gear.

His call was discussed by the cabinet yesterday, which noted

and re-emphasised the unanimous support for the programme within the government.

The statement said the new, merged advisory body, to be called the National Economic, Development and Labour Council, would "facilitate the co-ordination and integration of economic, labour and social policies".

The new entity will be a statutory body and consummate the government's desire for the "golden triad" of business, labour and government to develop joint strategies.

Meanwhile, the cabinet formally endorsed the formation of the Intergovernmental Forum of members which consists of members of regional and provincial government.

Substantial progress had been made in preparing proclamations to assign powers to the provinces, the statement said.

ERICA JANKOWITZ

THE Labour Department expected to appoint provincial directorates by October 1 to handle the executive functions of implementing government's new five-year labour policy plan, acting director-general Joggie Kastner said yesterday.

Kastner told the Federation of SA Labour Unions' annual conference labour policy would be settled at national level as laid down in the interim constitution

Directorates will carry out govt labour policy

Provincial directorates would be charged with the administration of labour policy as government wanted to maximise the devolution of power to the provinces. Head office would monitor and evaluate progress, he said.

At the same time, government would establish its

new labour department and restructure the old Manpower Department to fit its new needs. Kastner said he expected "litigation to flow" from this exercise as unifying the old bodies from the previous self-governing and national states would not be easy.

Kastner reiterated Labour Minister Tito Mboweni's strong support of tripartism — or input from all social partners including organised labour, business and government — in devising a new labour market policy.

He commended Fedal's constructive role in tripartite bodies in the past and said he was sure the federation would continue to be

an active participant in the new labour council.

Kastner said a new labour policy document would be available for discussion shortly. Such issues as health and safety, vocational guidance and new institutions to implement the policy would be covered as well as legislation.

On the issue of trade union capacity building, Kastner said government was investigating various options, including subsidising worker colleges. He stressed strong leadership was needed in devising future policy and ensuring its implementation.

Kastner challenged delegates to devise some strategy to alleviate the plight of the unemployed as current funds were rapidly being depleted and government would be hard-pressed to improve social security benefits.

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Sideny 11/9/74

Cosatu urges business to cross the Rubicon

JOHANNESBURG — Business must cross the Rubicon and promote democracy in the workplace, Cosatu president Mr John Gomomo said at the organisation's national conference here yesterday.

For example, investment decisions should be taken in consultation with workers and the government should be lobbied to force

business to invest in SA rather than create jobs overseas, he said.

Mr Gomomo said many of the federation's proposed resolutions reflected employer intransigence. High salaries paid to management "and other unproductive workers" had created a well-paid elite.

He criticised the blocking by employers of workers' legitimate demands by saying that conceding to

them would damage the RDP.

Mr Gomomo told delegates to become involved in the RDP by repairing townships and improving living standards there. He urged the establishment of RDP councils in workplaces, townships and rural areas to co-ordinate the campaign. If it failed, the NP was likely to win the next election, he warned.

Commenting on the tripartite

alliance with the ANC and the SACP, Mr Gomomo said it was unnecessary for each organisation to prescribe to the other. Each group should rather express its view and reach agreement through open discussion.

He said Cosatu was committed to the alliance but it should re-examine how it was organised. Mr Gomomo acknowledged

unions had been destabilised because their leaders had been appointed to top government positions.

Mr Gomomo accused the media and some political parties of trying to discredit the legitimate demands of workers by pressuring the ANC to side with employers while discrediting unions — Own Correspondent, Sapa

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Fewer Strikes 'show healthy relations'

JOHANNESBURG — The fact that there were fewer strikes this year than in previous years demonstrated that industrial relations in South Africa were in a healthy state, President Nelson Mandela said yesterday.

Addressing Cosatu's national congress here, Mr Mandela said the psychology of crisis, fanned by some enthusiasts in the media, had little to do with reality.

"The collective bargaining system has to be improved, but the notion that strikes are harmful to reconstruction and development has to be challenged.

The system could be improved to resolve disputes before they come to a head.

"It is quite instructive that major sectors such as mining, iron, steel and metallurgical industries concluded their negotiations without strikes.

"Reconstruction and development entails more than just creating jobs or building houses. It means the fundamental restructuring of society, including relations in the workplace.

"The more labour, business and government work out individual and collective contributions to reconstruction and development, the more industrial actions will become unnecessary," he said.

Mr Mandela also told delegates to use the federation's political clout to consolidate democracy in SA while promoting its own interests.

"The presence here of government ministers demonstrates the influence you have. But it would be unproductive if this interface were to end in special gatherings."

He was introduced by Labour Minister Mr Tito Mboweni and shared the platform with Transport Minister Mr Mac Maharaj and ANC veteran Mr Walter Sisulu.

Although the alliance between Cosatu, the ANC and the SACP was not at stake, Mr Mandela urged the federation to jealously guard its independence and use to maximum effect "the elements of political power that we have achieved in the struggle."

The trade union movement had to play a "critical extra-parliamentary force."

"It is more important today that we should strengthen the alliance while redefining its form inasmuch as the ANC needs a strong Cosatu, Cosatu needs a strong ANC." — Own Correspondent, Sapa

(132)

CT 8/9/94

CROSS THE RUBICON

See PAGE 2

'Day of reckoning' arrives for SA

From **MAGGIE ROWLEY**
in **MMABATHO**

EMPLOYERS' day of reckoning had come. Productivity — essential if SA was not to be doomed to poverty — had to be rewarded.

Issuing this warning at the 89th Bifsa congress here, executive director of the National Productivity Institute Jan Visser urged that cognisance of this was as important as workers taking heed of the fact that low productivity could not demand high remuneration.

While productivity in the manufacturing industry had abysmally lagged remuneration this did not appear to be the case in the construction arena. In fact it appeared that increased productivity had

outstripped wage increases

The building industry, he said, had a vital role to play in the realisation of the RDP.

Without increasing productivity in all sectors to enable SA to become more competitive internationally, there was little hope of getting around the balance of payment constraints on economic growth to enable the country to achieve the RDP goals.

He pointed out that while labour productivity in the building industry was higher in 1992 than in 1981, it was then still 10% down on the peak reached in 1984 due to the difficulty of maintaining productivity standards in a phase of economic decline.

Emerging from the recession with employment levels down about 25% and many skilled people

"lost", the industry, would be hard pressed to deliver what was required of it.

"It is important for industry, to adjust to the new and taxing demands it will be subjected to. It will be required to completely rethink worker training and management skills development. Training will have to be competency based and management will have to learn how to empower newly trained workers to fully contribute to the productive functioning of the industry."

This was echoed by other speakers including author and former MD of Cashbuild Albert Koopman, who said management had to move away from a white, Euro-centric and chauvinistic understanding of its labour force and management styles and de-

velop Afro-centrism if they wished to increase productivity.

Employers, he said, were perceived by labour to be "illegitimate" in spite of their owning the means of capital.

"To lay the foundations of legitimacy will require managements to move away from the US/then management power position of old.

"It will require a process of democratisation in the work place of devolving power and accountability throughout the ranks. Management also needs to become accountable to the work force.

"When managers go out and drink at lunchtime it is called socialising. If the work force does so it is another story. The same rules need to apply to all."

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19/9/94
Employers

What Mboweni insisted on keeping secret

Despite his wanting to speak 'off the record' there wasn't much to record from Tito Mboweni's speech in parliament this week, writes **Chris Louw**

LABOUR Minister Tito Mboweni surprised journalists this week when he insisted that his address to the parliamentary labour select committee was "off the record". All parliamentary committees were opened to the media in line with the ANC's policy of transparency.

Mboweni, speaking before the committee on Tuesday, twice warned media representatives not to report on what he said. "Everything is off the record and I have witnesses to confirm it."

The reason for the sudden secrecy is not clear. In his off-the-record address Mboweni said he wanted to develop a labour market policy in line with the reconstruction and development programme.

He hinted that a five-year plan — which he emphasised was not based on "Soviet-style" central planning — would be announced in due course.

A task group would be appointed to investigate labour relations in foreign countries. The International Labour Organisation was initially approached to help draft new labour

legislation. The group would also consider trends in each South African labour market "sector by sector".

Labour legislation, Mboweni said, couldn't be passed until they returned.

However, he said areas where changes were needed were improving the rights of pregnant women in terms of the Basic Conditions of Employment Act.

He also envisaged changes to the Insolvency Act where workers received some compensation when companies were declared insolvent.

Welcoming the imminent demise of the National Economic Forum and the development of a new National Economic Development and Labour Council, he said it would represent four main interests — finance, trade and industry, labour and the reconstruction and development programme.

This council will meet in plenary session twice a year and will be chaired by deputy president Thabo Mbeki. It will have a secretariat as well. (132)

Referring to strikes, Mboweni said they had been unremarkable and followed the normal pattern of strikes during wage-bargaining periods — there were only two major strike actions "except for truckers".

Asked by a journalist after the meeting why he had insisted on not being quoted, Mboweni said the information was "privileged".



Tito Mboweni ... Off the record

wm 9-15/9/94

LABOUR

No, Minister

Fw 16/9/94

Major issues of principle have been avoided, to nobody's advantage

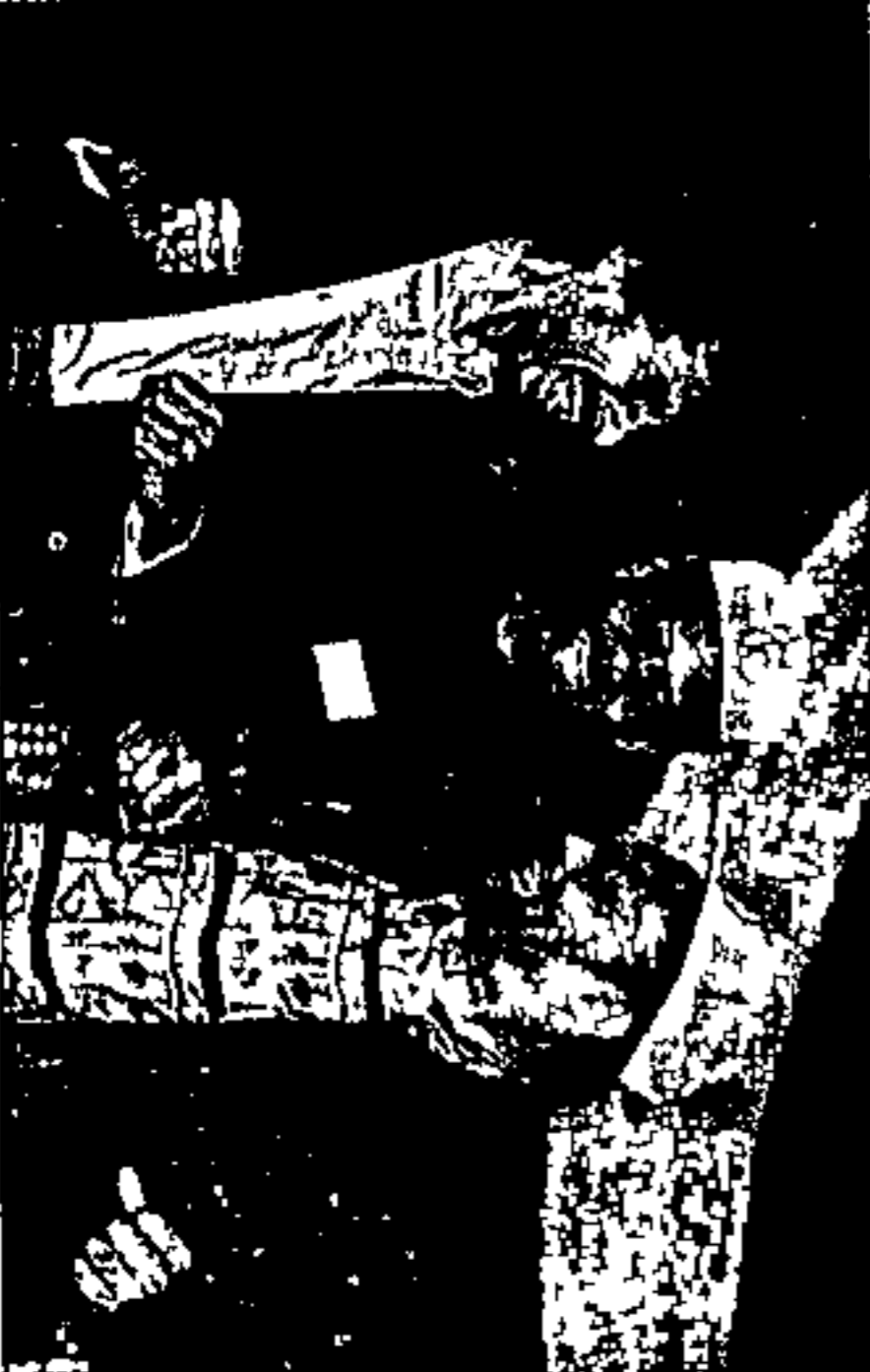


Relating in the unions was never going to be easy for an ANC-led government. Labour Minister Tito Mbovwen, in contrast with some of his Cabinet colleagues, seemed reluctant at the recent Cosatu congress to grasp the nettle. Indeed some of his unrealistic suggestions went further than any unionist could reasonably have wanted — and he may have to deal later with unacceptably raised expectations.

Mbovwen let slip recently that he has had to remind some of his Cabinet colleagues about "where we come from". For example, he continued, "some Ministers were very keen that at Mooi River (during the recent truckers blockade) some strong action was taken". In the event Mbovwen's coaxing intervention eventually defused the truckers' blockade and also helped to settle the Pick 'n Pay strike — but he does recognise that the Minister cannot be putting out fires all the time.

As an economist, Mbovwen once said, he did not see himself being Minister of Labour — but "I couldn't say no to Madiba when he appointed me. This unwillingness to answer in the negative now seems to extend to the unions themselves."

Mbovwen said that he wants to focus on "how labour can play an important role in the re-integration of the SA economy internationally and become centrally involved in issues of competitiveness and globalisation". Broad statements such as this suggest that he is in touch with the economic realities facing the country. But he left it to colleagues Trevor Mameel (Minister of Trade & Industry), Alec Erwin (Deputy Finance Minister), Jay Naidoo (Minister responsible for the RDP) and President Nelson Mandela himself to dole out the nasty medicine to deluged Cosatu's fifth national congress last week. With conviction, these Ministers and Mandela spoke of the need for tightening belts, fiscal discipline, improving the supply side of the economy, greater productivity and proactive steps with regard to tariff reduction and industrial restruc-



Naidoo and unionists fought message behind the charm

to nobody's advantage

I like to consult, but at the end of the day the manager has to make a decision. The reason I like the *kaizen* system is that it gives you what this country is going to need which is high growth and the creation of a lot of jobs.

Anglo's Michael Spicer in the same interview, says there is a big question mark behind the German model of co-determination. He points out that it will have to be earned in the sense that relationships



Mbovwen and Shilowa still friends

nature. "At the moment there are too many elements in dispute. If we ever get there, it will grow out of the improving relationship. You also have to be sure that it will not stifle the growth of new industries."

Centralised bargaining, industrial councils — we are always told that these are going to be flexible. But the track record is of inflexibility and destruction of jobs.

Mbovwen should have risked personal unpopularity by underscoring the hard messages from his colleagues at the Cosatu congress indeed, there was room for him to do so. Despite Mandela's advice to the workers not to pull their punches, when they questioned Mameel, Erwin and Naidoo, the question session did not produce the expected fireworks. Workers' responses to the answers they got were pretty lame, if a little sullen, overall. Cosatu seems to have emerged from its congress somewhat cowed and beset more by internal structural and leadership problems of its own.

Perhaps it was against this backdrop that Mbovwen felt the need to give something positive to old allies — and came up with the suggestion of reducing the working week to 40 hours from 46 hours. Only between the lines did he call for a new approach from organised labour.

Hailing Cosatu's "many achievements" since its formation in 1985, Mbovwen said he hopes to see trade union unity enhanced. This is important for restructuring, he

argued, saying that no tripartite institutions (between labour, business and government), which he strongly favours, can succeed without strong unions. They must also ensure "disciplined action, so that we don't have to spend nights in Mooi River."

To his credit, Mbovwen emphasised the point that "we are operating in a changed political situation" — parliament is dominated by MPs from the former liberation movement and "failure to understand this means business as usual, which it is not." If this was Mbovwen's diplomatic way of telling the unions they are no longer engaged in a liberation struggle and must moderate their approach accordingly, it must be welcomed — if it got across to delegates at all.

Previous parliaments had had a link with business and had ensured there were no progressive laws, Mbovwen went on. This has now changed, he said, urging Cosatu to open an office in Cape Town from which to lobby parliament in the way that business does. Rather mysteriously, he seemed to suggest that he was under siege from hostile questions in parliament, which get relayed by the media and thereby mould public opinion, it was important that Cosatu provide counter-publicity of its own to assist him in his task of bringing in progressive laws. Within parliament, he added, there are "opponents of democratic transformation engaged on a major project to destroy the alliance between the ANC and Cosatu. We must sharpen our skills or else the road ahead will be difficult."



Manuel and Erwin courageous performance

Such language suggests that Mbovwen sees himself as a spokesman for organised labour, as opposed to being a Minister responsible for a portfolio which must concern itself with a variety of interest groups and national concerns. In last week's parliamentary debate on the Labour vote, said Mbovwen, he had found himself "in the strange position of having to defend the trade union movement, collective bargaining and the motor strike."

Despite the Nat onslaught in parliament against the ANC's alliance with Cosatu, Mbovwen said, "there's nothing to apologise for and nothing to hide." The Cosatu congress cheered — and was pleased to hear the Minister's opinion that the unions had for too long been excluded from playing a part in social transformation.

As if to drive home his message of solidarity, Mbovwen then outlined a programme of action designed to bring changes in the labour front. A five-year plan aimed at strengthening the alliance is being finalised and he intends putting in place a system of labour reforms through a new Labour Relations Act (LRA).

Mbovwen says he basically wants the new Act to ensure the sound regulation of the workplace, entrench the right of repre-

sentative unions to organise in the workplace, ensure access to information, enforce allowance by employers for union meetings and protect shopfloor representation and shop steward training.

He also wants "a more rational system of industrial relations" in which he sees improved mechanisms for conciliation and dispute resolution, as well as "room for private agreements." This sounds most encouraging and should be welcomed by

employers if it results in more decentralised collective bargaining, including plant-level agreements on remuneration — as was advocated by employers in the recent motor industry strike. Employers, while not rejecting national and industry level negotiations for setting macro policy, targets or minimum standards, have rightly argued for plant level profit sharing agreements.

Mbovwen should have been more forthcoming about this. Instead he only made light-hearted mention of the fact that he gets complaints "every day" from small businesses over the extension of industrial council agreements to non-parties. He stopped short of saying that he thought the small businesses had a point — and that their success is vital if the economy is to grow. Perhaps the implied as much (drawing knowing laughter from the delegates) when he asked whether the owners of spaza shops comply with the law regarding working hours and basic conditions.

Mbovwen also envisages a simplified and more expeditious Industrial Court, including a small claims division. There will be consultation all round and the law is promised to be ready by next April before the next round-of wage bargaining.

The intended changes to the Basic Conditions of Employment Act went down very well with the Cosatu delegates, though it is not clear when Mbovwen sees them coming into play. He wants to increase the minimum statutory leave period from 14 days to 21 days, put an end to dismissal on account of pregnancy, entitle workers to examine all employer records, and extend to part-time and temporary workers the benefits of annual and sick leave. All this, he wryly notes, should provide for major debate in parliament. Increasing minimum leave won't have a big impact on productivity, according to some observers and

(as with ending the dismissal of pregnant women) the proposal has some merit. But some of his other ideas seem naive — and what about productivity agreements?

The Minister's idea of a phased reduction of the working week to 40 hours from the present 46 hours and an eight-hour working day sounds like kite-flying. For a start, it would mean increasing companies' wage bill by 16%-18%, says consultant Gavin Brown. And it cuts across everything Mandela told the congress about the need for "tightening belts" and working harder in order to improve productivity and industry's international competitiveness. This unpopular message was courageously reiterated by Manuel and Erwin, a former Cosatu stalwart, who told the congress that while it was good to be home, his message would not be popular.

Mbovwen would also like to amend Section 100 of the Insolvency Act, so that workers (and not only banks and other creditors) are also taken into consideration when companies go bust. This seems far enough. And the Minister intends developing a national labour market policy and is to appoint a commission soon to make recommendations.

But among the more unpopular measures that are urgently required but which Mbovwen did not mention (even though his team redrafting the LRA is expected to address it) is a code of conduct for strikers. Most employers, says Gavin Brown, will be quite willing to accept greater protection for strikers (against dismissal, that is), provided this is accompanied by strict rules on strike conduct and violent behaviour.

Clear regulations on what is acceptable and what is not are needed. In line with the constitution's protection of the individual's rights such regulations should prevent intimidation of those who wish to cross picket lines. Workplace occupation and intimidation of "scabs" or the public must not be countenanced, and be punishable by law. The inevitable corollary of the right to strike is the right to work, notes Brown. There is also the right of the citizen to go about his business, unhindered by truck blockades.

And there are certain sectors — such as the security forces — where the right to strike should not only be restricted but withheld completely.

These are issues to which Mbovwen does not appear to have applied his mind. Yet they go to the heart of what is required in labour law and practice if democracy in the society as a whole is to be upheld. Mbovwen's recommendations on matters such as wages and maternity leave may well have merit, but they are essentially procedural and subject to negotiation. Sadly, in his understandable desire to be nice to the workers, he seems to have ducked major issues of principle confronting his portfolio. On the positive side, though, there has been little mention of minimum wages and the closed shop.

INSIDE BACK PAGE

★ ★ ★ ★ ★

UES

Business Times' Salary Survey '94

- a separate supplement today

Employers denounce 40-hour week plan

STimes 18/9/94
Biday (Buss)

BUSINESS is fighting government proposals calling for a reduction in the working week to 40 hours, arguing that it will add considerably to wage bills and lead to more capital intensive production methods.

"A statutory 40-hour week would cause serious harm to our industry," says Adrian du Plessis, industrial relations adviser to the Chamber of Mines

Gold-mine employees work an 11-shift fortnight, equivalent to between 46 hours and 48 hours a week.

Labour Minister, Tito Mboweni announced last week that the working week would be reduced from 46 to 40 hours.

Employer bodies also slammed the suggestion

By DON ROBERTSON

that hours be determined by government decree, rather than through collective bargaining agreements.

Jan Visser, head of the National Productivity Institute, says shorter hours could lead to higher employment, "which is, perhaps, the underlying message Mr Mboweni wants to convey to Cosatu".

However, if the plan is implemented, it will probably result in many companies making more use of automated production methods, he adds.

Brian Angus, executive director of the Steel Engineering Industries Federation (Seifsa), says the con-

sequences of a shorter week would be serious in terms of costs and more overtime would have to be used to maintain production. Seifsa employees work 44 hours at present and employers have resisted attempts to cut down on time.

Sacob economist Keith Lockwood says any move in this direction would be counterproductive, although it could result in an increase in employment.

He does not believe, however, that a shorter week will have far-reaching effects as many industries are currently working close to these hours. (132)

Large employers such as the motor industry and certain sectors of the clothing industry are currently working 40-hour weeks

'Give us a share of work'

THE government should allocate a percentage of its works contracts to black businesses, top entrepreneur Israel Skosana has told a Cape Town Reconstruction and Development conference.

Mr Skosana, executive director of National Sorghum Breweries — the country's largest black-owned-and-run concern — said black business in South Africa was in "a parlous state"

The government had to take decisive steps to enable black-owned businesses to play a role within the mainstream of the economy, he told the Association for the Advancement of Black Accountants' RDP congress yesterday.

Apart from allocating a certain percentage of tenders to black businesses, the government should set companies affirmative action targets.

For a period companies should be required to appoint and provide upward mobility to black managers.

Cosatu chief warns on belt-tightening

Reports by JOHN VILJOEN
Business Staff

TOP trade unionist Ebrahim Patel has warned politicians against lecturing workers and the black community about restraint and the tightening of belts

Mr Patel, a Congress of South African Trade Unions executive committee member, also warned the government yesterday not to turn against striking workers and protesting citizens due to fear of delaying the Reconstruction and Development Programme

The RDP had major potential benefits for organised labour, but there were "dangers and threats" to fulfilling its vision, he told a Cape Town conference

These threats did not arise from the content of the RDP but from the way it was or was not applied

ARLT 20/9/94 (132) (ZAF)

The first threat was from some businessmen who used the RDP as a stick against workers, saying they were damaging the programme by striking for a living wage

The RDP called for a living wage and endorsed the right to strike, Mr Patel told the Association for the Advancement of Black Accountants conference

Society had "every prospect of falling apart" if these initiatives by some businessmen succeeded in turning workers against the RDP

The second threat to the RDP was from the government itself. Elements in the bureaucracy could engage in actions to paralyse the government

If the government failed to address the inequalities of wealth, power, skills and ownership it would be judged harshly

Striking *Angus* cleaners 5/10/94 (132) on march

Staff Reporter

HUNDREDS of striking cleaners belonging to the Transport and General Workers' Union staged an illegal march through Cape Town today to support their leaders in wage negotiations.

Before gathering on the Grand Parade with their colleagues, about 50 workers protested in the foyer of the civic centre over the appointment of a new cleaning company there.

They left after 30 minutes, scattering rubbish

The march from the Parade began at 10.30am after worried leaders, unable to prevent the demonstration, asked traffic officers for assistance.

No police were present during the march, which ended at the Berco office cleaning company in Green Point.

Marshalls were chosen to monitor the dancing and singing crowd of about 500, who work at about eight companies.

The strike began on Monday last week and escalated this week.

Many strikers say they earn R641 a month and claim to have had no rise for up to six years

The union estimates that 10 000 cleaners will soon be on strike in the Western Cape.

Pay clashes worry govt

BLOEMFONTEIN. — The government is concerned about the adversarial approach adopted by labour and management in recent pay talks, Labour Minister Mr Tito Mboweni said yesterday.

The government would try to remedy the situation through the speedy promulgation of new labour relations legislation and the establishment of a statutory National Development and Labour Council, he told the SA Cham-

ber of Business' fifth annual congress. The council, a "golden triangle" alliance between business, labour and the government, was expected to be in place before December.

In his address, Sacob president Mr Cedric Savage said management and labour had to have joint goals.

Industrial relations and the role of business in the Reconstruction and Development Programme are likely to be the focus of debate at the congress.

~~132~~ (132)
CT 18/10/94



Development, labour linked

JOHANNESBURG — A statutory body is to be established to bring together economic interest groups in formulating socio-economic policy, Minister of Labour Tito Mr Mboweni said here yesterday.

He told a Financial Mail investment conference the new National Economic Development

and Labour Council would incorporate functions of the National Manpower Commission and the National Economic Forum.

It would include community development organisations and have four chambers — for the labour market, trade and industry, public finance and monetary

policy, and development (132)

Mr Mboweni also said a draft of the proposed new labour law was expected to be published before the end of the year CT 28/10/94

The government would not allow labour repression and "sweat shops" to boost productivity — Sapa

Labour warns on consultation

Own Correspondent

THE federation of SA Labour Unions (Fed-sal) has urged the government not to be "afraid to govern", warning that placing too much emphasis on consultation could be counter-productive.

In a submission to the parliamentary standing committee on the RDP, Fed-sal also called on the government to give more detail of how it proposed to achieve the

RDP's goals.

Cosatu, in its submission, urged the government not to stick to a rigidly ideological commitment to fiscal discipline and reduced public spending

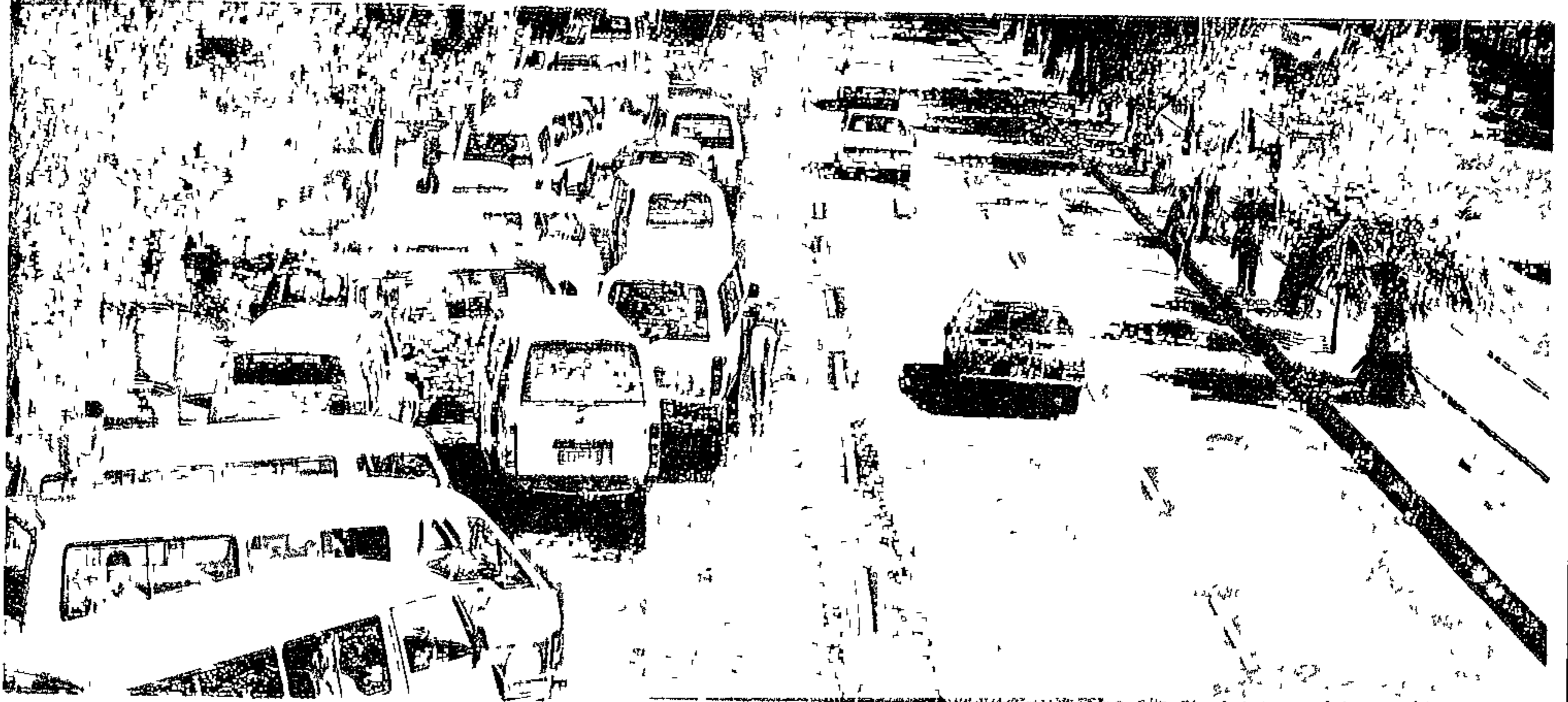
"The RDP involves a massive expansion in welfare and service delivery by government. This may lead to increased public spending and employment in certain areas, while reducing it drastically in others"

Cosatu called on the government to give a

clear commitment to closing the public sector wage gap and replacing it with a sliding-scale formula which would cut "super salaries" while improving lower-paid workers' incomes.

CT 31/10/94

It welcomed the government's recognition of the need for a progressive labour policy — including an adequate social security safety net, the right to strike and the right to a living wage — but felt human resource development was neglected.



FAMILIAR SIGHT . . . Minibus taxis were back in Strand Street yesterday following the shooting of 10 people at the new station deck taxi rank on Saturday morning. Drivers said they were concerned about the safety of their passengers and would not go back to the station deck until Codeta and Cata had "sorted things out". However, traffic officers moved them back to the station deck yesterday afternoon and placed drums along Strand Street to prevent stopping

Picture BENNY GOOL

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 QUALITY

Govt 'hands off' in labour disputes

THE cabinet has endorsed a Labour Ministry working document which calls for government restraint in intervening in industrial disputes.

Released by the the Ministry of Labour yesterday, the memorandum, Contextualising Strike Action in the Current Period, said strikes and lockouts were the ultimate, but rational, weapons in collective bargaining.

The document also deals with legal procedures for addressing labour disputes.

The document, which spells out the criteria for governmental intervention in labour disputes, was drafted in response to alarm in some sectors about the eruption of strikes immediately after the April election.

It states that the government should only intervene by means of mediation, either directly or by appointing a facilitator.

It referred to exaggerated media exposure and "newspaper hysteria" about recent strikes.

"The level of public exposure given to labour relations this year has been higher than in previous years, and has created a public psychology of a crisis."

In an accompanying statement, industrial relations consultant Mr Andrew Levy said the number of man-days lost in the first nine months of this year had been comparable to, or even less than, previous years.

The restructuring of the labour court system, to allow "cheap and expeditious" ac-

cess, was necessary to minimise the need to resort to strike action.

The document proposed that the task team consider a "multi-tiered" approach with separate divisions for individual disputes such as dismissals and a division with higher status to deal with collective disputes.

It is understood that adjudicators for the individual disputes division would be appointed by a tripartite body. Employers and

unions, unhappy with the quality of many Industrial Court members, are likely to introduce radical staffing changes.

There is said to be a heated debate under way as to whether the collective dispute division should be staffed by Supreme Court judges only.

The establishment of workplace forums, raised by Labour Minister Mr Tito Mboweni at a conference last week, was another important feature of the draft legislation.

CT 31/10/94 (132)

Possible end to Industrial Court 'demotivates staff'

PROPOSED changes to labour law which included phasing out the Industrial Court in favour of a multitiered system for dealing with industrial disputes, did little for staff motivation, Industrial Court president Adolph Landman said yesterday.

"There is widespread speculation, with some foundation, that the Industrial Court will be replaced by two new institutions — compulsory conciliation for all disputes and a labour court on a par with the Supreme Court and staffed by Supreme Court judges," Landman said.

Landman, who was appointed to his post 18 months ago and who has been instrumental in cutting the waiting period for cases to be heard from an average 10 months to five, described staff morale as very low.

"We are on the horns of a dilemma we are probably going to be phased out, but what do we do in the meantime?" Landman asked.

The existing case load would keep

ERICA JANKOWITZ

the court going for about 10 months at the current rate of hearing about 500 cases a month.

The outflow of cases had exceeded the inflow of new cases since February, and the court was making significant inroads into its backlog.

In September, the four regional divisions of the court handled 824 cases, leaving 5 033 on hand. (132) (103)

The court handled about 500 cases a month and was working under intense pressure, Landman said.

Its aim was to reduce the waiting period in the PWV from five months to about three months. This target had been reached in Cape Town and the planned three new appointments to the Durban court would help reduce the load there.

Only about 0,5% to 1% of cases handled fell under the Agricultural, Public Service or Education Labour Acts as this side had yet to take off.

The Pretoria court had been ex-

panded by an additional 11 courts in the Paulshof Building, bringing to 21 the number of courts in the area. Plans were still afoot to establish courts in Johannesburg and Landman was looking for suitable premises.

The Industrial Court recently advertised for 12 new posts and had received 65 applications which were being sorted through.

Currently about 20% of presiding officers were black or female and there were plans to increase the representativeness of officers.

But the freeze on public service appointments meant replacements for the eight recent resignations from administrative staff could not be found, placing an additional load on personnel. He attributed the resignations to insecurity as a result of the possible phasing out of the Court.

He said some delays were caused by the apparent inability of unions to find and pay for legal representation.

He singled out Numsa in the Eastern Cape.

Mixed response to shorter week

B/Dey 4/11/98
ERICA JANKOWITZ

LABOUR Minister Tito Mboweni's confirmation in Parliament that reducing the working week to a maximum of 40 hours was being considered received mixed responses, ranging from wholehearted support to warnings of the inflationary effect of such a move.

Cosatu spokesman Neil Coleman said amending SA legislation to bring it in line with international norms was overdue and should be expedited and implemented immediately. "Basic labour standards and conditions of employment are not something that should be negotiated industry by industry."

"Government must set the baseline firmly and then parties will negotiate within that framework."

Gengold chairman Gary Maude believed mining should be treated as a special case because of the long travelling time required between workers leaving the surface and reaching the stopes. This could take up to four hours a day, and unions and management had negotiated methods to tackle the matter.

Coleman said reducing the working week would not only improve

working conditions of those currently in employment, but would help alleviate unemployment.

This was disputed by FSA-Contact division head Jim Steer, who said experience abroad had "shown that reducing the working week tends to result in existing employees working more overtime because overtime pay, being a variable cost, does not impact as dramatically on the total wage bill as would employing additional staff."

Industrial relations consultant Gavin Brown felt business would be forced to employ more casual and part-time labour and so increase employment of workers in these categories rather than offering more full-time work.

Coleman said large portions of the work force were already covered by legislation which stipulated a 40-hour working week. Uniformity was now required. "Cosatu doesn't know why business is so excited by this as it has been under discussion for some time," he said.

However, Business SA spokesman Bokkie Botha said business had never been consulted about this issue although he was sure it would be raised soon. "The business community believes working hours are most appropriately set at the time of collective bargaining" (132)

Employers were unanimous in their concern about the cost implications of reducing the maximum working week by 13% from the current 46 hours. Brown said employers would need clarity on whether salaries would be reduced or remain the same for fewer hours' work.

Existing employment contracts would have to change and the "cost implications are horrendous" if employers were expected to fork out the same package, Brown said.

Botha agreed that there would be significant cost implications, but said he was reassured by Mboweni's statement that his ministry would discuss the issue with the social partners before a decision was taken.

Steer warned that it would be an inflationary step if there was no concomitant rise in productivity to make up for the lost hours.

Proposal to include community in council

ET 11/11/94 Political Staff (132)

LEGISLATION was tabled in Parliament yesterday proposing the formation of the National Economic, Development and Labour Council, which will add representatives of community organisations to the "golden triad" of business, labour and government.

The legislation merges the National Manpower Commission with the National Economic Forum and will include members who represent community and development interests.

Plan urged to stem shopfloor drain

B/D Coy

16/11/94

ERICA JANKOWITZ

COMPANIES should release resources for shop steward training to halt the flow of key personnel away from the shopfloor into management, National Union of Metalworkers of SA negotiations co-ordinator Gavin Hartford said yesterday. (132) (21)

Speaking at a conference on human resource policy, Hartford said business must appreciate the role shop stewards played in the management-labour interface.

The loss of strong shopfloor leadership usually meant agreements with management were not well negotiated and union members were reluctant to adhere to their terms. But there was a fine line between enhancing the career paths of shop stewards and co-opting them, Hartford warned.

Unfortunately, shop stewards had not been given the opportunity to improve their skills and develop careers, but this could be rectified, Hartford suggested.

Unions were exploring the possibility of developing career paths within the labour movement and were developing proposals for management participation.

Wits University's industrial strategy project co-ordinator Avril Joffe urged em-

ployers to build union capacity to ensure bargaining agreements were honoured.

Joffe said it was essential for government to create an institutional framework within which co-determinist policies could be developed. Although she did not want to pre-empt the contents of the redrafted Labour Relations Act — due to be released within the next few weeks — she believed the new law would provide for some form of workplace forums.

Hartford said Numsa was negotiating agreements with motor manufacturers which incorporated co-determination practices linked to a skills development programme and adult basic education.

In terms of the latest wage agreement with the motor industry, Numsa and manufacturers agreed to establish a national wage grid in terms of which artisan pay rates became the benchmark from which all workers' wages were calculated, Hartford said.

When negotiations began, the lowest-paid category of workers earned about 45% of an average artisan's pay rate. This year it improved to an average 60%.

RDP payouts 'not enough'

CT 18/11/94

132

Own Correspondent

JOHANNESBURG. — Companies which believed redirecting funds from corporate social responsibility programmes to a Reconstruction and Development Programme fund was sufficient to help transform SA should think again, Cosatu negotiations co-ordinator Mr Jayendra Naidoo said yesterday

Speaking at the RDP summit in Midrand, Mr Naidoo said companies should formulate their contribution in terms of a basic tenet of the RDP Helping to grow the economy

SA industry, especially in manufacturing, was inefficient and needed to be restructured,

'Involve labour in decisions'

Mr Naidoo said

But this process should be initiated with the full participation of labour which should be involved in the decision-making processes of companies

Full information disclosure should be introduced so labour could make informed decisions This aspect should be regulated by law, Mr Naidoo suggested

He stressed business could not

introduce co-determination in a paternalistic manner, but should envisage the process as harnessing the skills and experience of workers for the benefit of the economy

"It's not an act of charity, it's an act of survival"

Mr Naidoo said labour's vision of the new SA was to have a society with full employment in which living standards were high enough to ensure workers had leisure time and sufficient income to buy some non-necessities

A constraint was the growing unemployment level which needed to be urgently addressed by the creation of permanent jobs.

King report calls for (132) workers (31) to have 27 30/11/94 bigger say

Own Correspondent

JOHANNESBURG. — The King report on corporate governance has called on business to improve disclosure and allow worker participation in corporate affairs.

The report, published yesterday, suggested that its recommendations should not be legally enforced but should rather rely on peer pressure.

The Institute of Directors of Southern Africa initiated the report, which has provided a framework intended to bring SA business practices into line with the best of other developed countries.

The report aimed to provide a voluntary code of corporate practices and conduct for what it described as "affected" businesses. All JSE-listed companies, large public entities, control boards and co-operatives, banks, financial and insurance institutions and large unlisted public companies which are not owner managed.

Labour

It has three main threads: improved disclosure, affirmative action and directors' responsibilities. It suggested that its proposals should be implemented in July 1995.

Presenting the report yesterday, committee chairman Mervyn King said labour's role in corporate governance had been hotly debated.

Cosatu executive committee and King committee member Ebrahim Patel did not endorse the final draft of the report, which recommended that SA businesses develop individual systems aimed at allowing worker participation in corporate governance.

The section that Patel disagreed with would result in the "effective sharing of relevant information, effective consultation by management with the workforce and speedy identification of conflict and its effective resolution", the report, itself, said. Deloitte Touche consultant Pat Smit warned that the report would inevitably lead to fundamental changes in the constitution and function of companies' boards of directors and directors' responsibilities.

ARG. 14/12/94

Cosatu plans to get tough with employers in new year

CLIVE SAWYER
Political Correspondent

CONGRESS of SA Trade Unions general secretary Sam Shilowa has sent clear signals of a hardline approach next year in campaigning for the extension of worker rights.

And he has warned of a huge confrontation unless employers change their attitude of "business as usual"

In his forecast for next year, dubbed "1995 the year of reconstruction and development," Mr Shilowa said the post-election period had shown the Reconstruction and Development Programme had many enemies

"Conservative forces in the inherited bureaucracy, security forces, in business, internationally, and in the government of national unity, are determined to ensure that the RDP doesn't disturb old patterns of power and privilege"

□ 'Watershed year' warning

Some of this resistance was unconscious and some deliberate.

"1995 will be a watershed year for workers

"It is a year of numerous opportunities, a year in which workers will expect to see tangible results after the years of struggle against oppression and exploitation"

Mr Shilowa said the ANC-led government, correctly, had emphasised the need to defend and consolidate democracy, build national unity and create peace and stability

"These objectives will be realised only if the entire society is engaged in a massive national effort to implement the RDP"

People would defend the new democracy only if it brought tangible changes to their lives

"The worst blunder we could

make is to reduce the RDP to an empty slogan, which ultimately becomes a swear word on our people's lips"

Mr Shilowa said Cosatu would set up RDP councils in the workplace and communities

The union movement would play a "critical role" in transformation of the public service

Cosatu would monitor government budgeting to ensure it shifted to a zero-based method.

"Cosatu will argue for a more coherent and scientific approach to the reorganisation of public sector personnel

"We reject the current approach which seems to suggest that large cut-backs of personnel in and of itself is a desirable objective, and that a mathematical percentage-based formula can be used to achieve this"

While Cosatu would support elimination of waste, successful implementation of the RDP would need more workers in certain areas.

The federation would pursue restructuring the tax system "to a greater extent than the Katz Commission has been able to do"

Cosatu wanted "a progressive and fair taxation system, which lifts the unfair burden off the shoulders of working people, and induces business to invest in productive activity"

The federation would campaign, as it had done with the SA Broadcasting Corporation, for the transformation and democratisation of all publicly-funded bodies, including parastatals

"In particular, we want to destroy the myth that the Reserve Bank is somehow above society, and operates as an 'independent' institution"

NEWS FOCUS

Cosatu pledge to monitor reforms

BD 14/12/94

NEXT year would be a watershed for workers and the SA labour movement would expect tangible social and economic changes and democratisation of workplaces, Cosatu general secretary Sam Shilowa said yesterday.

Labelling 1995 as the year of reconstruction and development, Shilowa warned government that Cosatu would monitor its progress against the stated aims of the reconstruction and development programme (RDP). The "many enemies" of the programme would have to be conquered as its successful implementation was dependent on the participation of everyone in a massive national effort to combat poverty.

Shilowa said government would enjoy the support of people only if democracy demonstrated its ability to change their everyday lives. Crime would be successfully combated only if "the social conditions which breed these evils begin to be successfully tackled".

The RDP would have positive spinoffs in the form of job creation and, especially, the unleashing of the country's true human resource potential. Shilowa emphasised that the RDP envisaged skills development and training with this goal in mind.

Social discrimination and inequalities inherited from the previous order would have to be eradicated. "Cosatu will focus in 1995 on challenging the vestiges of apartheid inequality which are still entrenched at the economic level. This will necessitate a focus on rural development, affirmative action, anti-trust policies, human resource development and democratisation of economic decision-making."

What was described as tackling "the apartheid wage gap" would become the union movement's top priority. "Our wages and salaries

structure — from the highest paid director to the lowest paid worker — will be placed under close scrutiny."

Workplace democratisation was also high on Cosatu's agenda and employers would ignore this to their peril. Cosatu envisaged a three-tier approach to democratisation starting at national level where economic decisions would

be negotiated. At industrial level, centralised bargaining would be introduced, complemented by joint decision-making at shopfloor level. To ensure workplace forums were not just consultative in nature, employers would need a "radical rethink" on managerial prerogative.

Redrafted labour legislation should provide for centralised bargaining, basic conditions and minimum wages, a maximum 40-hour working week, a full right to strike and picket with protection from dismissal and outlawing the employment of strike breakers, disclosure of information, and compelling employers to negotiate all aspects of retrenchment.

Shilowa said Cosatu would push for the restructuring of labour market institutions such as the wage board, unemployment insurance board and the Industrial Court. The federation was determined to remove the lockout clause from the constitution and would vigorously oppose any attempt to introduce federalism.

Recognising certain organisational weaknesses, Shilowa said Cosatu was determined to open membership to all categories of workers by recruiting white-collar and professional members. Previously disorganised sectors such as agriculture, construction and the public service would also be targeted.

"This 'back to basics' thrust will not involve a retreat from our broader role as a trade union movement. We will continue to strive to advance the interests of working and poor people as a whole, but from a stronger, more mobilised organisational base."

For the public service, Shilowa reiterated Cosatu's aims to introduce a coherent grading and training structure linked to wages, close the wage gap, create a culture of accountability and implement affirmative action



□ SHILOWA

BLOEMFONTEIN — Some countries have refused to sign trade pacts with SA because government insists on a clause refusing to buy certain goods where labour has been grossly exploited, says Trade and Industry Minister Trevor Manuel.

In a report circulated to conference delegates yesterday, he said his department was discussing signing a series of new trade agreements. "In some instances we have been unable to secure co-operation from trading partners because we seek to include a clause that would allow us to refuse to purchase goods where labour has been grossly exploited in the country of origin," Manuel said. (132) ~~(131)~~ His stand is likely to have serious impli-

Govt labour clause scares off investors

cations for the R28bn Taiwanese proposal to take over Mossgas and upgrade SA's petrol and chemical industries.

The Taiwanese investors want a "no trade union activity" clause in their agreement, as well as a free port at Mossel Bay or Richards Bay

Manuel said his department had established 54 foreign offices to try to secure markets for SA and had engaged in "extensive discussions with prospective investors from a number of countries.

"Our focus is on direct investment in order ... (to) create jobs and new production facilities" BD 20/12/94

INDUSTRIAL RELATIONS - GENERAL

1995

OCT. — ~~11~~ DEC.

THE ongoing public sector strikes have exposed a serious contradiction between government's commitment to extending labour rights to all workers — enshrined in the new Labour Relations Act — and its role as employer of hundreds of thousands of aggrieved and increasingly militant employees.

It has handled this contradiction poorly, and its responses have aggravated the situation. These strikes are landmark events not because of the numbers involved, which for the time being are small, nor because of the questionable tactics of workers that have been seasonally reported in the media, but because they are the first test of government's new approach to industrial relations.

The new labour law establishes an extremely advanced system that facilitates workers' collective organising and provides a new approach to dispute resolution emphasising mediation and arbitration.

The system depends, however, on a mature industrial relations system with strong, representative and accountable organisations on both sides of the bargaining table who can understand and make use of the innovative procedures.

The new law is thus a bold vision for the future, rather than a description of current practice, as such organisations are largely absent in the public, farm, and domestic sectors. Effective organisation in these sectors will be built only through a sustained period of experimentation, conflict and — to use an unfashionable word — struggle. These sectors are at least 15 years behind manufacturing and the mines, where workers and employers have developed sophisticated organisation. Such struggle is not only normal, healthy and inevitable, but essential to the development of sound labour relations in the public sector. It is also misunderstood by senior government officials.

As employers — rather than as labour law visionaries — they have acted as if public sector labour relations can be conducted as peace-

ful, technical affairs in national forums between senior representatives of government and labour. When nurses disrupted the smooth running of the national bargaining chamber in the public sector, government officials responded in ways oddly reminiscent of their white public service predecessors: they hastened to brand the strikes illegal, and threatened disciplinary action and dismissals.

They ignore that the organisation on which this system depends will be established through conflict, which occasionally takes regrettable and indefensible forms. However, during a period of confrontation, mature industrial relations practitioners look beyond their adversaries, pyrotechnics — which are often necessary to motivate the troops and put pressure on the other side — to concentrating on the real issues at stake. The sooner senior government leaders accept this fact, the sooner they can rise above the disturbing distractions of strikes and move towards a constructive industrial relations system. The government has correctly pointed out that the issues motivating the strikers are the legacy of the past. Workers find themselves stranded in apartheid-era grading systems engineered to reinforce a white elite through wide wage differentials and promotion proce-

dures insensitive to qualifications and experience. Standard features of SA trade unionism in the manufacturing sector — such as workplace-based shop steward facilities, and effective grievance and disciplinary procedures — are recent introductions, or non-existent.

Without the right to strike, with profound constraints on collective bargaining, and with little access to independent trade union organisation, black public sector workers historically could do little to alter their circumstances. Ultimately their conditions of service were decided in bureaucratic forums dominated by white government officials and the white leaders of staff associations.

With a few notable exceptions, nurses remain outside proper trade unions in which they have power to elect and discipline — their leaders. It is not surprising that the recent national 5% wage agreement provided a catalyst for the nurses' strike; they had little direct involvement in the process and do not feel bound to uphold agreements negotiated by strangers.

Thanks to the increase in free health care provided to children and pregnant women, their workloads have increased while real

wages have fallen. If government has successfully identified the historical causes of the strikes, it has not responded creatively. Nurses have been told that no wage increase is possible before 1996, and to be patient while a comprehensive health restructuring is undertaken. To this unpalatable mixture of deferral and diversion, government has added the threat of coercion: the strike is illegal and will be met with stern measures.

These responses are seriously flawed on principled and practical grounds. Although their actions are illegal under the current act, the legal status of the nurses' action is difficult to define under the new Act. Strikes in essential services are prohibited, but the definition of "essential" remains untested.

And it is unclear that all nurses will fall into the category.

More practically, the nurses have power because they cannot easily be replaced. Dismissal ultimatums have been shown to be unenforceable. These strategies will not solve the problem, but they do make the strikes tests of government credibility and competence.

Government can craft plans for reconstructing the health services, but even good plans from well-meaning administrators will not work so long as legitimate representatives of relevant parties neither

understand nor participate in the process. Joint decision-making, as provided in the Labour Relations Act, and democracy, more generally mean that citizens can have a share in the decisions that affect them. But for democratic forums to function effectively, individuals need organisations that can speak authoritatively and can ensure that their constituencies abide by decisions.

However, while organising is necessary and, possibly, it is time-consuming, messy and inevitably conflictual. Here both sides need to put their houses in order. The government should make immediate secondments of the best and the brightest industrial relations minds in the private sector.

More immediately, public sector workers must avail themselves of the existing — and forthcoming — legal opportunities afforded them for union organisation and democratic protest.

There are hopeful signs that the nurses are developing sophisticated strategies for pursuing their grievances.

They are also making serious efforts towards establishing proper union structures.

For its part, government can contribute to a resolution to the disputes by engaging the workers in a search for solutions and — most importantly — by lowering the heat and easing confrontation. The ANC's notable skills at reconciliation should be deployed in a search for constructive compromises. They should refrain from demonising strikers, and treat these as necessary processes in the development of an industrial relations system.

If government fails to grasp this possibility, it will inflame an already sensitive situation while undermining its legitimacy among workers and raising more general doubts about its competence. Disciplinary action and dismissals will encourage further strikes and poison the air, making further reconciliation — which must inevitably occur — infinitely more difficult.

□ Adler teaches in the Wits sociology department.

Govt responsible for Labour unrest is inappropriate

GLENN ADLER

SD 4/10/95

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Nafcoc remains opposed to Parsons's role at Nedlac

BY THABO LESHILO

EMERGING BUSINESS EDITOR

Nafcoc remains firmly opposed to Raymond Parsons being the convenor of the business caucus of the National Economic Development and Labour Council (Nedlac) even though he has effectively assumed the position

And, Joe Hlongwane, the president of Nafcoc, is adamant that another convenor must be chosen to replace Parsons, whom Nafcoc rejects for allegedly having no record of supporting black empowerment

Hlongwane said he and Dave Brink, the president of Business South Africa (BSA), held discussions about the matter and expected to reach agreement soon

Meanwhile, Nafcoc still recognised Bobby Godsell, whom Parsons replaced, as the convenor

Brink blamed his and Hlongwane's tight schedule for the delay in resolving the matter

Apology

He said he had already apologised to Nafcoc for not consulting it before BSA appointed Parsons

Nafcoc, which has six of the 18 seats in Nedlac's business caucus, sees itself as the true champion of small business and black empowerment in Nedlac

Brink questioned the capacity of Nafcoc to provide a suitable alternative to Parsons

"At the moment the capacity to do the work lies with BSA and its affiliates. The ability of Nafcoc to deliver is somewhat limited"

Brink defended Parsons' effective assumption of the position vacated by Godsell because of work commitments at Anglo-American.

Said Brink "I, and certainly my organisation, would not allow everything to grind to a halt because Nafcoc is upset with Parsons"

"We have a lot of work to do. There is no reason why the work of Nedlac should stop"

Brink expressed a desire to meet Hlongwane soon to resolve the matter. He said it was possible BSA and Nafcoc could share the convenorship

Delays infuriate Nedlac partners

BD 9/10/95

(132)

John Dludlu

GOVERNMENT's partners at the tripartite National Economic, Development and Labour Council (Nedlac) have expressed growing concern at the delays in unveiling proposals on supply-side measures for industry.

An item on this subject has been sitting on the agenda of Nedlac's trade and industry chamber for more than two months.

Sources close to Nedlac said business partners in the chamber were "angry" over the continued delay by government in tabling these packages, with state representatives asking for more time to canvass support among key economic development departments such as the finance and trade and industry departments.

Asked to comment, a Business SA source said the matter would probably be discussed by some Business SA structures this week.

Labour spokesman Enoch Godongwane, National Union of Metal Workers of SA (Numsa) secretary-general, said the anger was justifiable. "The delay is not acceptable," he said. Numsa had always campaigned for a comprehensive package of industrial policy measures, including supply-

side measures

He disagreed with the Board on Tariffs and Trade's view that industrial policy was about the acceleration of tariff reduction. "Our failure to formulate supply-side measures will be critical in certain industries, such as clothing and textiles."

This is the first time that government's partners at Nedlac have spoken out in public against the delays.

Trade and industry department chief director for industry, technology and strategy Alan Hirsch has emphasised the need for a comprehensive package of supply-side measures.

Other Nedlac sources speculate that lack of finance might be the main cause for the delay.

The state saved R88,9m from Geis, which swallows a huge chunk of the trade and industry's shrinking budget.

Geis is to be terminated at the end of 1997.

Hirsch has said the measures, which will assist in training, human resources development, technology enhancement and investment, will be financed from Geis savings and finance facilities of parastatal Industrial Development Corporation.

Inefficient labour market 'holds growth to ransom'

~~217~~ (132) ~~217~~
DEALING with the problem of the poor performance of the labour market was one of the most serious challenges facing SA today, the SA Chamber of Business (Sacob) said yesterday.

In its submission to the Labour Market Commission, Sacob said the labour market's poor performance over recent years had caused the economic marginalisation of an increasing proportion of the population and was an important deterrent to economic growth. **BD 12/10/95**

The commission was appointed earlier this year as part of Labour Minister Tito Mboweni's five-year programme of action to address issues of job creation and wage determination.

Sacob said an efficient labour market would contribute significantly to increased competitiveness, as well as to high growth and high levels of job creation.

Sacob favoured "the most flexible employment practices and wage structures possible, subject to the protection of basic human rights" and had serious doubts about the wisdom of a national minimum wage and a national income policy in the SA context.

While it recognised the need for a social security net, Sacob said the structure of such programmes should be aimed at "the protection of the individual rather than at protection of the job".

However, labour market policy was only one component of the measures available to government to increase growth and employment levels.

"Strict monetary policy, disciplined fiscal policy and a liberal trade policy are equally important."

Clarity on the respective roles of the National Economic, Development and Labour Council (Nedlac) and Parliament would have to be obtained. It said Nedlac should not be the sole method of interaction between interest groups and government. — Sapa.

Union's move could hit chemicals accord

Renee Grawitzky

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SD 16/10/95

A PARALLEL initiative started by the SA Chemical Workers' Union (Sacwu) could jeopardise the agreement reached by the Chemical Workers' Industrial Union and employers to establish a central forum in the chemical industry.

Industry sources have indicated that Sacwu, an affiliate of the National Council of Trade Unions (Nactu), has started its own parallel initiative and has requested a meeting with all employers and unions in the chemical industry.

The Chemical Workers' Industrial Union's national collective bargaining co-ordinator Chris Leeuw said Sacwu had refused to take part in discussions with his and other unions on the move towards centralised bargaining in the industry until the labour minister had established an industrial council.

CWIU and employer representatives met on Friday to discuss the tasks to be undertaken by the joint employer-union national working group which, according to the agreement, must define the various sectors, draft a constitution and determine levels of bargaining and what issues should be discussed at which level.

The employers, however, said before the working group could meet, the union had to try to get the other unions on board.

Leeuw said a number of meetings had taken place with other unions operating in the industry including the Mineworkers' Union and Yster en Staal unions, and further meetings were planned.

He said the union and chemical employers could be heading for "bigger battles" on the establishment of the national and sectoral forums in the industry after a number of areas of disagreement were noted. These related to the constitution and structure of the national and sectoral structures.

Leeuw said disagreement centred on whether the constitution should apply to the national and sectoral forums or whether each structure should be governed by a separate constitution.

He said the employers opted for separate constitutions, administration and financial arrangements for each forum, while the union wanted one constitution covering all the forums.

An employer spokesman said the employers' position was not a mandated one, and formed part of initial discussions.

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Shilowa ruffles Sacob's feathers (132)

By SHADLEY NASH

ECNA

South Africans were labouring under a state of false consensus on economic issues, Sam Shilowa, the general secretary of Cosatu, declared in a speech which ruffled feathers at the SA Chamber of Business convention yesterday.

The speech, which appeared to be aimed at winding up big business and ripping at the heels of the government, was made to about 300 business delegates.

The audience, including representatives from Egypt, Sweden, Japan and other African states, was told labour and business were "working against each other".

Shilowa said: "The stakeholders in the economy, everybody,



STRAIGHT TALK Cosatu's general secretary, Sam Shilowa

we have to move away from the false consensus that exists in our country. I say false consensus in

CT(BK) 18/10/95

the sense that the Nedlac founding document speaks of economic growth, jobs and equity. But the reality is we have yet to agree on a growth strategy as a country."

He said that while the government, organised business and labour agreed on the need for sustained economic growth, global competitiveness and redressing apartheid imbalances, they differed on how this should happen.

Shilowa also warned that the three groups were on a collision course over opposition to Cosatu's request for a social clause in the constitution to guarantee workers certain rights.

He said Cosatu wanted entrenched rights of freedom of association, collective bargaining and the prohibition of child labour.

DILBERT

By Scott Adams

I DISCOVERED I CAN

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'Business requires flexibility'

Star 19/10/95 (132)

■ BY ROY COKAYNE

The Afrikaanse Handelsinstituut (AHI) has warned the Labour Market Commission against introducing mechanisms that will infringe on the flexibility of the labour-market system or over-regulate it

The AHI stressed that introducing such mechanisms would "make it impossible for the South African business sector to act quickly and be effective and efficient nationally and internationally"

The AHI said the business sector believed that the government should provide an environment where business could conduct its operations to become, and sustain, an internationally competitive base, which would provide long-term economic growth and job creation

Its submission to the commission focused on The development of an institutional framework for integrating the dual requirements of rapid and sustainable economic and employment growth, and rais-

ing average living standards.

The role of national economic policy and institutions in improving productivity,

Addressing the negative social implications associated with economic restructuring and improving productivity,

Mechanisms aimed at redressing discrimination in the labour market;

An appropriate policy framework for dealing with access to the South African labour market by non-South African nationals

Start correcting labour policies with statistics

(132) B0 19/10/95

THERE is widespread agreement that SA must get its labour policies right, but little consensus on how to do so. Unfortunately, poor statistics and minimal research severely limit informed debate on labour market issues.

Some months ago the labour department announced in its annual report to Parliament that union membership declined 14.5% last year. A change of this magnitude in only one year is significant, and the figure has been widely used by local and international commentators.

As a relatively well-informed observer of the labour scene I was, frankly, a little surprised. I assumed a decline in manufacturing membership was probably compensated by increasing membership in other sectors, especially the public service. A more detailed analysis of the figures shows this intuition to have been correct.

The labour department report neglected to mention that it counted membership only in sectors covered

by the old Labour Relations Act. This excludes educationalists, public servants, police, farm and domestic workers and the former homelands — precisely the areas in which union growth has been strongest.

Today about 340 000 public servants are organised, more than 75 000 police force members and about 200 000 teachers. In short, unions operating under other laws have about 700 000 members.

Another example is strike information, normally measured as "man days lost". Andrew Levy & Associates, which has long monitored trends in this area, recently reported a decline in strike action. It is probably correct, but its information relies heavily on reports from clients and Press clippings. The labour department also releases strike figures, but these are based on reports from employers.

The result is Levy & Associates' report that strikes increased slightly from 1989 to 1993, with 3,6-million days lost in the latter year,

JEREMY BASKIN

while the department reported a decline in strikes to 0,8-million days during the same period. I am more inclined to trust the Levy data, but have no scientific basis for doing so.

These two examples point to an underlying problem. How much do we really know about the labour market? Does anyone know what share of "wages" goes to senior management, middle management, skilled and unskilled workers? And have labour productivity figures been unbundled along these lines?

Is the best estimate of unemployment the Development Bank figure (50%) or the World Bank/SA Labour and Development Research Unit survey (32%)? No one agrees what percentage of workers are unionised, nor is there a measure of bargaining coverage, a crucial indicator of how many workers are affected by union negotiations.

One reads of workers' wages ris-

ing unrealistically, but what little evidence exists suggests that during the past decade wages have barely kept pace with inflation.

Despite repeated arguments that small business is hamstrung by labour regulations, the evidence presented is almost always anecdotal; in fact one World Bank survey shows this to be a non-issue, and what figures exist show that industrial councils grant thousands of exemptions a year.

Some of the debates reflect genuine differences of opinion as to the appropriate mix between market and regulation, but debate is made substantially poorer by the quality of data used.

The new labour law brings all employees into its ambit and this should improve some of the figures. However, the Labour Relations Act pays little attention to the type and quality of information needed for good decision-making, and there is little scope for combining industrial relations, indicators and broader

economic data

It is surely possible to integrate the information that can be gathered from various sources — Unemployment, Insurance Fund and Workmen's Compensation Act data, industrial councils, household surveys, manufacturing censuses, and the work of private agencies such as the Breakwater Monitor — and combine them in a coherent, internationally comparable way.

This need not mean placing unduly onerous provisions on employers. The US labour department provides comprehensive, regular information on the US labour market and statistical offices in other countries do the same.

If restructuring our labour market is a serious concern, then the Central Statistical Service or the labour department needs to establish a dedicated statistical unit.

□ Baskin is director of Cosatu's National and Economic Development Institute.

LETTERS

Nedlac unveils a working strategy

John Dlodlu *BD 19/10/95*

THE National Economic, Development and Labour Council (Nedlac) released its operating strategy yesterday, calling for a stronger spirit of tripartism among government, business and labour in transforming SA society

The document — drawn up by Nedlac's secretariat — sought to create a coherent framework for effective agreement-making within the tripartite statutory body, its executive director Jayendra Naidoo told a news briefing.

The framework would allow the body, set up to build consensus on key socioeconomic policy, to be better equipped to cope with the increased volume of debating policies to transform the SA economy and society

The release of the paper comes months before the start of what is expected to be a busy year for SA's legislators in making laws that transform society.

The 14-page document is still to be discussed thoroughly by Nedlac partners

The document stresses that "there is no other alternative" open to SA except to seek a meaningful partnership

Naidoo denied claims that the discussion paper was prompted by the failure of tripartism since Nedlac's inception last February "There is no crisis in Nedlac ... the crisis is in society," he said, referring to a need for policies to transform SA.

The paper noted, "We have reached a stage wherein the leadership of each constituency is willing" to consider short-term trade-offs, and mobilising collective resources to create a long-term out-

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come which will deliver jobs and growth and uplift the living standards of all.

In an apparent bid to underplay the expectations that might be raised by the release of the paper, Naidoo denied suggestions that the document sought to carve a social pact — along the German or Australian lines — to create economic growth

The document outlined key problem areas in SA — although it carefully avoided giving firm answers to these.

The problem areas include unemployment — currently between 30% and 40% — low savings and investment, poor access to basic services and infrastructure, and ebbing productivity.

In a section dealing with the proposed framework for addressing the problems, the document says the main objectives should be a strategy for growth and development — at levels substantially higher than 5% — to attract new job-creation investment, improve social incomes and equity as well as increase productivity.

Sapa reports the document did not deal with the relationship between Nedlac and Parliament

Naidoo said this would be the basis of a separate document to be delivered at a Nedlac executive council meeting on November 30

The issue of competition policy would be left for discussion in the trade and industry chamber of Nedlac, he said.

Constituency meetings would be held between November and January. At these meetings, said Naidoo, the constituencies would develop written inputs for discussion prior to a meeting scheduled for early next year

Cut spending on defence, Nedlac urges government

JOHANNESBURG. — The National Economic Development and Labour Council (Nedlac) this week urged the government to cut its spending on defence, reduce the number of embassies and re-assess the size of government. (132) (22)

Nedlac, a statutory policy-making think-tank which groups government, business and labour, also told the government to level the playing fields to allow local companies to compete in international markets by lowering the price of raw materials. ARG 2/110/95

"The pattern of government expenditure must be urgently reversed. Hard decisions must be taken," Nedlac said in a discussion document on a social partnership framework to guide South Africa towards improving its economy.

The document is expected to be adopted early next year after further debate.

Nedlac said there was tension between the strategy of increasing government spending on infrastruc-

ture and services on one hand and fiscal discipline on the other.

"Unless the resources are found through re-prioritising expenditure or raising additional income it has to be accepted that delivery will be limited.

"There is a case for reduction in government spending in defence, reducing the number of embassies, even reconsidering the size of parliament, senate, provincial governments.

"It is also necessary to consider the position of civil servants in the former homelands who appear to be redundant".

Nedlac said overall strategy should be defined to smooth the opening of South Africa's markets.

"Measures must be taken to level the playing fields, so that local companies can obtain their input of materials at least at the same cost as foreign manufacturers.

"Supporting supply-side measures should also be put in place," Nedlac said. — Reuter.

Vague treaty with unions unlikely to stimulate growth

(132)

IN the early 1990s the German government sought a social pact with the trade unions and business to absorb some of the huge costs of unification.

The main aim of the pact was to convince unions to accept lower wage increases in return for job security and longer-term "social gains".

This week South Africa attempted to set out on a similar course, with the launch of a Nedlac discussion document "on a framework for social partnership and agreement-making in Nedlac".

The premise of the document is that a social partnership between government, labour and business is essential "to address the challenges of unemployment and poverty, as well as low productivity, low economic growth and low rates of investment," says Jayendra Naidoo, Nedlac's executive director.

He identifies key problem areas as being the 40% unemployment rate, low savings and investments, poor access to basic services and low productivity.

Nedlac's initiative is laudible but there it begs several questions Nedlac itself was meant as a forum to achieve consensus. Why create an initiative to bolster it?

Because, says Mr Naidoo, each constituency in Nedlac "is now willing to consider the possibility of making short-term trade-offs to create a longer term outcome".

To date, government's search for a winning economic formula has come to nought. A Nedlac attempt to forge a social partnership that takes on this challenge could prove another failure, writes **SVEN LUNSCHKE**

ST (BT) 22/10/95

This is doubtful judging from the lack of consensus that appears to emerge from the various chambers within Nedlac.

Even the Labour Relations Act, says the Nedlac document, while making industrial relations more stable, "does not resolve the growing conflict between workers and employers regarding job security and real wage gains, versus productivity".

But it is precisely issues such as the inflexible labour market, lack of competitiveness in industry and continued high tariffs that need to be addressed to get the economy on a sustainable growth path.

These issues are too close to the bone for the main parties at Nedlac — big business and organised labour — to be overcome by a vague social pact. Instead, the issues should be examined by government acting in the interests of all South Africans.

For example, the forthcoming hearings of the Labour Market Commission provide Labour Minister Tito Mboweni with an opportunity to ease some of constraints imposed on small business in par-

ticular by rigid labour market rules. Issues such as a compulsory minimum wage and extension of labour agreements to non-parties are at the heart of the 40% unemployment rate.

The Afrikaanse Handelsinstituut this week called on the commission to introduce a labour market dispensation "that would ensure maximum flexibility, self-regulation and applicable international labour standards".

Despite its shortcomings the Nedlac document provides new ideas on collective bargaining.

These include

- Complementing a bargained wage with a "social wage" which would measure the long-term improvement in income as a result of short-term trade-offs

- Linking wage increases to inflation, inflation control, skills gains and the establishment of improved social benefits provided by the state

These factors, says the document, could form part of an agreed national framework for collective bargaining in industry level negotiations.



OPTIMIST Jayendra Naidoo of Nedlac, seeking short-term gains from long-term trade offs

'Management and labour need to be partners'

Star 25/10/95 (132)

■ BY FRANCOISE BOTHA

The challenge to create a strong economy could be achieved by a virtual partnership between labour and management, said Bongani Khumalo, the director of Eskom.

Speaking in a panel discussion at the Institute of Personnel Management's annual convention in Johannesburg yesterday, Khumalo said that the time had come to move away from the

approach of management trying to destroy union leadership and union leadership trying to bring management to its knees

In response, James Mdlalose, the president of the National Council of Trade Unions, said management should start recognising workers' importance in the success of building and developing companies

"We want our companies to survive international competition. We should find a way that we can devote much more to the

success of the company, which we can do if management starts developing the people on the shop floor," he said

Mdlalose said management should realise that the workers had a role to play in the company's success and, in so doing, should accept them as social partners

"If the company perishes, the workers will have nothing. The shift must not be merely to satisfy management. It must benefit the workers while moving

towards the ultimate goal of profit sharing," he said

He admitted that unions no longer saw profit sharing as a sellout. But this was only the case while labour was accepted as an integral part of the organisation, he said

"We must have positive participation on the factory floor, which will mean that we can build and make companies succeed

"Then we can share in the ultimate gains in the organisation"

Nedlac must serve worker — Shilowa

Renee Gräwitzky

0026/10/95

(132)

COSATU's participation in the National Economic Development and Labour Council (Nedlac) would be reviewed if it became apparent that the agenda of the working class was not being advanced, Cosatu general secretary Sam Shilowa said yesterday.

Speaking after a two-day strategy meeting held by the federation's central executive committee, Shilowa said this did not imply that Cosatu would withdraw from Nedlac.

He said that if Cosatu's participation within Nedlac advanced the interests of employers, and if the process was driven "by other sides in Nedlac", then "we have no business being in Nedlac".

He said it was agreed at the strategy workshop that participation in Nedlac would be under constant scrutiny.

Shilowa said the objective of the strategy meeting — which took place against a backdrop of job losses coupled with little prospect of the unemployed finding jobs — was to address crucial issues around the political, social and economic transformation of the country.

Discussion, he said, had re-

volved around identifying Nedlac's priorities, which should include job creation, job preservation and the adoption of a social clause. Cosatu said these priorities affected: the implementation of the GATT agreement and the "dogmatic adherence to trade liberalisation"; how the 1996 Budget was allocated to various departments; the lack of reinvestment by SA companies in the country; and the high level of investment in capital as opposed to labour.

Shilowa said it was not acceptable for government and business to state that they could not provide for blacks or for the country as a whole because they were going to run into huge debts.

Labour, he said, remained firm on the adoption of a social clause within international trade agreements and would convey its rejection of government's and business's position today at Nedlac. He said that if negotiations on this issue failed, "we have the power of workers, and we will use it".

The strategy meeting also addressed the way forward for the restructuring of the public sector, the restructuring of state assets, the deepening of democracy and the accountability of political parties aside from the ANC.

Union leader's role on board is unclear

BD 27/10/95 (132)

Renee Grawitzky

THE appointment of NUM assistant general secretary Gwede Mantashe to the Samancor board as a non-executive director could be the beginning of a new trend in more co-operative labour relationships. But there is, at this stage, very little consensus on the role of a union official on a private sector corporate board.

Not only do Mantashe and Samancor appear to have different expectations; within the labour movement no clear consensus appears to exist as to whether the appointment represents an advance.

Will this become a trend? Says Mantashe: "We could see this trend more in Afrikaans-dominated companies because there is a real commitment there to making the new democracy in our country work. We will see a lot of resistance in liberal companies like Anglo American, where they have an obsession about management prerogative and keeping unions out of the engine rooms as far as possible."

Anglo's gold division head Bobby Godsell says Anglo, including its gold mining interests, is carefully pursuing more participative relationships with labour. He said board membership — although not excluded as a possibility — was not the only option in pursuance of this objective.

National Economic Development and Labour Council (Nedlac) executive director Jayendra Naidoo said earlier this week at the Institute for Personnel Management conference that, in an attempt to build a social partnership between the main stakeholders, a key aspect was the extent to which worker share ownership and participation in corporate boards was promoted.

The King report on corporate governance, released in November 1994, states that a non-executive director should be independent of the company and, if utilised in the right way and at the right time, that he or she could have a powerfully beneficial effect on the company. The report also says that non-executive directors are there to ensure accountability and "to ensure that power does not corrupt absolutely."

Mantashe sees his primary role as representing the interest of labour at Samancor, not the interests of shareholders. "My performance," he says, "will be measured according to my impact on issues affecting labour and, more broadly, the running of the company which ultimately has an impact on workers." He says he will not participate in board discussions where, for example, mandates on issues affecting substantive negotiations with unions are discussed. This would represent a conflict of interest. "If a dispute exists on wages, I must be able to organise a strike as a trade unionist."

Executive chairman Mike Salamon says Mantashe will be a director in the "full sense of the word" and will be involved in decisions relating to the "governance and future direction of the company."

He says there is more to running a business than dealing with wage negotiations and wage-related issues, which will now be addressed in a board subcommittee. It was agreed between the board members and Mantashe that he will not participate in the remunerations committee, which will take over responsibility for this sphere.

Salamon says this was done in recognition of the potential conflict that could exist with Mantashe being a union leader and a board member.

Mantashe was appointed in his individual capacity in line with the Companies Act and "is not an organisational representative", says Salamon.

He will not elaborate completely on how Mantashe was selected, but says the appointment followed lengthy discussions with different groups, and that he values and respects Mantashe's views.

Fourteen unions operate within Samancor, with the NUM and Numsa being the two largest.

Mantashe says the decision by the NUM to approve his appointment followed Samancor giving shares to workers. He says these shares were accepted on condition Samancor implemented democratic structures throughout the organisation "so that workers can influence decision-making in the or-



SALAMON

ganisation in a meaningful way."

New structures, established at all levels of the organisation, will contribute towards democratising the workplace, he says.

Mantashe says that at the time of the share issue the union argued that were workers to accept alone the 1% of the company's share capital offered to them, the exercise would have no real impact. He says his appointment to the board is a step towards labour achieving more meaningful influence over the business's management.

"Our ultimate goal is not the appointment of an individual to the board, but to have seats allocated for labour representation."

Salamon says the move is an attempt to provide for broader representation of stakeholders and implies greater participation in decision-making. He says the appointment will result in improved communication and participation, crucial in ensuring that employees understand the environment in which they work.

Since the election, the labour movement has called for the "democratisation of the workplace" and a greater level of worker involvement in decision-making. Mantashe says this can be achieved "only if trade unions have access to decision-making power."

There appears to be some subtle differences of opinion within the labour movement on the appointment of labour representatives to company boards. Cosatu general secretary Sam Shilowa says the union movement has demanded representation of labour on corporate bodies, therefore there is no opposition in principle. However, the test will be how this representation advances the interests of labour.

Shilowa says if there is one labour representative on a board of 20 business representatives, it would have to be decided if this advanced labour's interests. If the board included interest groups besides business, one would be able to participate more freely.

Mboweni: No evidence of labour row

(132) BD 7/11/95

LABOUR Minister Tito Mboweni has challenged the accuracy of the article "Mboweni, commission in bid to head off labour row" (Business Day, October 23). Business Day said attempts were being made to head off a row between labour market commission members and Mboweni over his remarks at a Centre for Policy Studies seminar. Though some commissioners have privately expressed concern to Business Day that Mboweni's remarks had pre-empted the commission's report,

Mboweni says they had not done so to him and there was therefore no row.

Business Day has no evidence that a row has taken place and regrets any inaccuracies. Mboweni was reported as saying that preliminary research by a US economist for the commission had found that if productivity gains were swallowed up entirely by increased wages, this would limit the economy's job creating capacity. He did not refer to "union-negotiated wages" in this context as Business Day indicated.

Labour peace 'up to unions and business'

BD 8/11/95 (132)

Renee Grawitzky

THE new Labour Relations Act provides the necessary framework for the resolution of disputes, but the promotion of labour peace can only be achieved if both labour and business desire it.

Speaking at Andrew Levy & Associates' industrial relations seminar on "living with the Act", Andrew Levy said that one of the main strengths of the Act was the complete overhaul of dispute resolution procedures.

He said the Act did not represent radical changes, but was rather a blend of both the "old and the new", with the introduction of workplace forums being the most revolutionary inclusion.

He said one of the criticisms of the Act was that it was particularly labour-, or more precisely "union-friendly", just as the apartheid government was more white-friendly. He said that instead of dwelling on this aspect, industrial relations practitioners should rather direct their energies towards gaining a better understanding and interpretation of the Act.

Levy said reaction to the legislation had been based on emotive and very broad assumptions on how the world was meant to be. He said the legislation was for a new SA and reflected the values of government and the labour ministry.

Levy said the introduction of workplace forums was a bold attempt to enforce a more participative labour relationship on both parties involved in labour relations interaction. He said "Whether or not this will succeed remains to be seen, and it is our view that the parties will move forward in a cautious manner rather than galloping forward into the unknown."

He said the real test would be whether less adversarial relationships would evolve "or will adversarialism spill over into these institutions not meant to be adversarial".

Levy said another controversial area was centralised bargaining. Labour Minister Tito Mboweni had provided an Act which gave neither party 100% of what they wanted. In the end the ability of unions to obtain centralised bargaining would depend on their will and their membership.

Performing arts council budgets cut to make grants

BD 8/11/95
Business Day Reporter

THE arts, culture, science and technology ministry has redeployed funds and awarded grants to 10 cultural organisations.

The organisations are the Congress of SA Writers, Newtown Film and Television School, African Cultural Heritage Trust, Fuba Academy, Cape Town Community Arts Project, the Arts and Culture Management Programme in Johannesburg, the National Literacy Project, Ikapa Arts Trust, the SA Film Festival and the SA International Film Festival.

The ministry said the grants had been made possible, in part, by 15% cuts in the performing arts councils' budgets.

The awards were made to ensure a more representative spectrum of arts and artists would benefit from available aid.

New applications could be considered only next April because this year's budget had been "exhausted", the ministry said. The criteria for the funding of arts and culture projects had been redefined in accordance with the reconstruction and development programme.

The department's chief priority was to fund projects which would enable the ministry to achieve its mission of enhancing the quality of life of all South Africans.

Employees want say over changes

Greta Steyn

LABOUR wants employers to be forced by law to have detailed discussions with their employees whenever "significant business changes" are planned, according to a proposal tabled at the National Economic, Development and Labour Council (Nedlac).

The detailed proposal for information-sharing forms part of the "social plan" Act labour hopes will be drawn up after discussions in Nedlac's trade and industry chamber. However, the proposal met immediate resistance from business, who felt that it should be discussed in the labour chamber.

A final decision has not yet been taken on the appropriate chamber for the debate.

Business has objected to the plan because it moots the establishment of financial reserves to compensate workers suffering as a result of industrial restructuring, and also because of the "cumbersome" requirement to discuss planned changes with employees.

A source said that if the information-sharing and consultation proposals were implemented, the result would be harmful delays in industrial restructuring.

Labour says in its submission that information-sharing on major changes should occur in com-

panies with more than 50 employees, along the lines of the German model which defines major changes as "any alteration which may entail substantial prejudice to workers". These include scaling down operations; transfers of departments; mergers; changes in the organisation, purpose or plant of the business; and introducing new work methods and production processes. The final decision, however, still rests with the employer.

"The letter of the (German) law does not allow the works council to determine the content of any change that the employer plans — but the works council can use certain tactics under the law to influence the situation," it says.

Employers have to timeously supply workers with "extensive" information on changes, including the likely effects on the workforce. Employees can apply to include a neutral expert in discussions at the information stage. In consultations, workers' proposed alternatives must be discussed in depth. "The employer must try to reach an agreement."

Mediation can take place if an agreement cannot be reached, and if that fails, conciliation can be tried. If all attempts at reaching agreement have failed, the employer can implement the measure as originally planned.

BD 9/11/95

(132)

No solution to Nedlac dispute

ET(BR) 15/11/95 (132) (3)

By BRUCE CAMERON

Warmbaths — Raymond Parsons' position as convener of the business caucus of the National Economic Development and Labour Council (Nedlac) remains unresolved

This follows lengthy talks on Monday night between Business South Africa (BSA) and the National African Federated Chambers of Commerce (Nafcoc)

Joe Hlongwane, the president of Nafcoc, said after the meeting that his organisation had not been consulted and had not approved Parsons, who is director-general

of the South African Chamber of Business

Parsons did not hold the Nedlac position as far as Nafcoc was concerned

Meanwhile, major concerns were voiced yesterday about the speed, intentions and results of the re-organisation of state assets at the Warmbaths bosberaad of key players in the debate.

Representatives of parastatals, organised labour, politicians and the private sector expressed widely ranging views not only about the wisdom of privatisation but also about timetables in re-organisation, the position of labour and who should be responsible for the process

'Community partnerships needed'

Bd 20/11/95 (132)

Nomavenda Mathiane

BUSINESS and non-governmental organisations would have to find common ground for community, government and business partnerships to succeed, a workshop on education, crime and social investment heard recently

The workshop in Johannesburg was attended by international business and education experts under the auspices of The Prince of Wales Business Leaders' Forum, an international forum promoting better co-operation between government and non-governmental organisations.

Corporate and non-governmental organisation representatives criticised one another when giving reasons why SA partnerships were not doing well. Some non-governmental organisation

representatives claimed there were no partnerships but that business was dictating to poor communities

They complained of frustration in getting funds from business and how they had to compete with government for money

They also said company mission statements professed to be about development but they were more concerned about the profits arising out of the visibility they got because of the perception they were working with communities

Corporate social responsibility representatives said company directors were playing games and were rendering them ineffective by dealing directly with government officials who decided where the money was to go. "What do you do when your director informs you he was with Minister without

Portfolio Jay Naidoo last night?" asked a delegate

Company representatives wanted to know how to contact partners to work with

Corporate Social Investment consultant Mabel Rantla called for a "paradigm shift" from companies and non-governmental organisations. Non-governmental organisations had to move away from the idea that they had the power to decide on issues simply because they represented communities, while corporations should not think because they had large resources, they could make decisions for a community

A UK education specialist, Ian Pearce, stressed the need for business to invest in developing local people because the future of businesses depended on the communities they served

Numsa wants privatisation debate slowed

BY FIONA LENEY

CTC(SA) 23/11/95
Johannesburg — A leading trade union leader informed the government yesterday that organised labour was prepared for serious confrontation if the pace of the privatisation debate quickened.

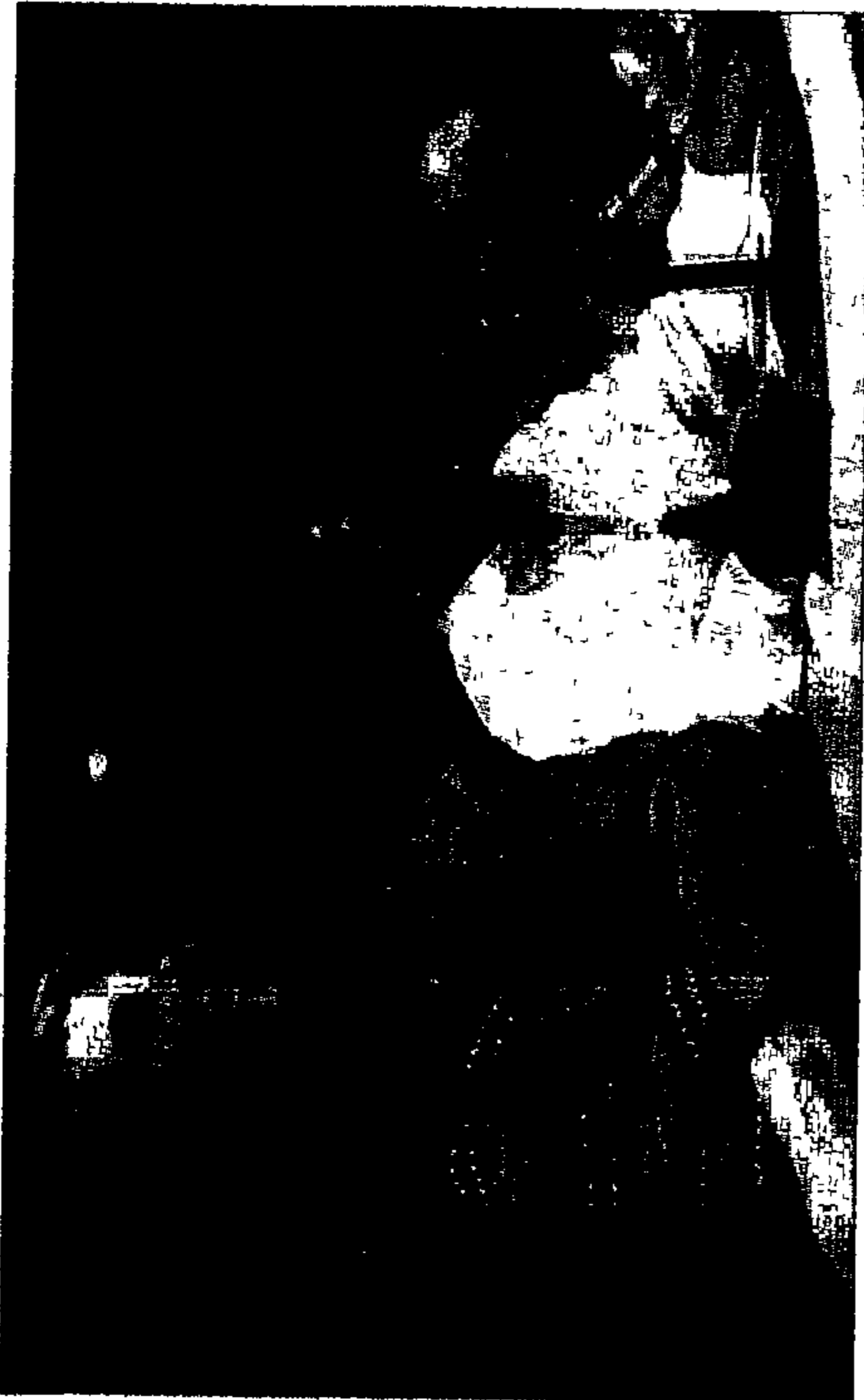
Enoch Godongwana, Numsa's general secretary, said at a labour conference on the new Labour Relations Act that unions were turning their focus to broader socio-economic issues.

The act had removed many areas of conflict which had previously triggered industrial unrest. "The codification of union rights means there will be fewer strikes on those issues," he said.

"Action is more likely to be taken on broader issues. Strikes will be the last resort, but they will come if the government does not listen to us."

He defended public workers' record of industrial unrest, saying that taking to the streets was often the only way to put over demands in a sector with poorly organised labour relations.

He tempered his comments with a guarded criticism of the nurses' strike in September, however. "The nurses' strike was genuine, but such action hits the



TALKING SHOP From left to right: Karl von Holdt of the SA Labour Bulletin; Enoch Godongwana, Numsa general secretary, Vusi Nhlappo, Nehawu president and Bokkie Botha of Business South Africa

PHOTO: JOHN WOODROOF

poor, it is our people who suffer. Politically it hurts us. We must use that weapon very carefully."

His remarks supported a clause in the act limiting the right of workers in essential services to strike. "This limitation is internationally recognised. After all, both sides lose in a strike," he said.

Godongwana said centralising union negotiations would contribute towards fewer, but more widespread, stoppages.

The new act, which simplified and clarified many aspects of

labour relations, including dispute and disciplinary procedures, should materially improve labour relations, said Bokkie Botha, of the Business South Africa group.

"This is about a new start in labour relations in South Africa," said Botha, speaking about the act's implications for small and medium businesses.

"We are still poorly placed to take on massive growth in South Africa." He said that the act would benefit small and medium enterprises in several ways.

First, it was drafted in clear and easily accessible language, for all to consult.

Second, it simplified dispute settlement procedures, shortened resolution times, and thereby cut costs.

Third, small companies would have special representation on the central negotiating councils set up by the act. This would not, however, mean special, anti-competitive concessions, as they would only make small companies uncompetitive in the long run, said Botha.

Unionist on board

(132) MG (PM) 27/10 - 2/11/96

Trade unionist Gwede Mantashe speaks to Karen Harverson about his appointment to the Samancor board

FOR the first time in South Africa's turbulent management-worker relationship, a trade unionist has been appointed to the board of directors of a major listed company. Ferro alloy producer Samancor has appointed 45-year old Gwede Mantashe, assistant general secretary of the National Union of Mineworkers (NUM) to its board, signalling perhaps the new direction to be taken in future by big companies.

Mantashe, born and bred in the former Transkei, describes himself as a trade unionist "through and through", first becoming involved in the union movement in the early Eighties.

He says the appointment is an experiment which if successful could point the direction of future industrial relations in the country. "The implications are clear — for the first time — labour has access to decision making structures and can influence changes before they reach the implementation stage."

Sensitive to any criticism that his position as a defender of union rights may be compromised by his new position, Mantashe is quick to point out that he will stay on the board only if it has clear benefits for labour not himself. "The money paid to board members doesn't come to me, it goes to the union. I see myself not as an individual but representing a collective viewpoint."

Mantashe feels that bringing unions to board level is part of the process of democratising the private sector in the same way as it is important to democratising national utilities

holder representation of the board. "To say, not that Mantashe sits on the board, but that organised labour has, say three seats on the board and various communities in which certain mines are situated also have seats. This will enable those communities to raise issues at board level which directly affect them, such as the environmental implications of an open-cast chrome mine in their particular area," says Mantashe.

He says the problem with negotiating these kinds of issues in collective bargaining structures is that by the time negotiations begin, the decision is already concrete.

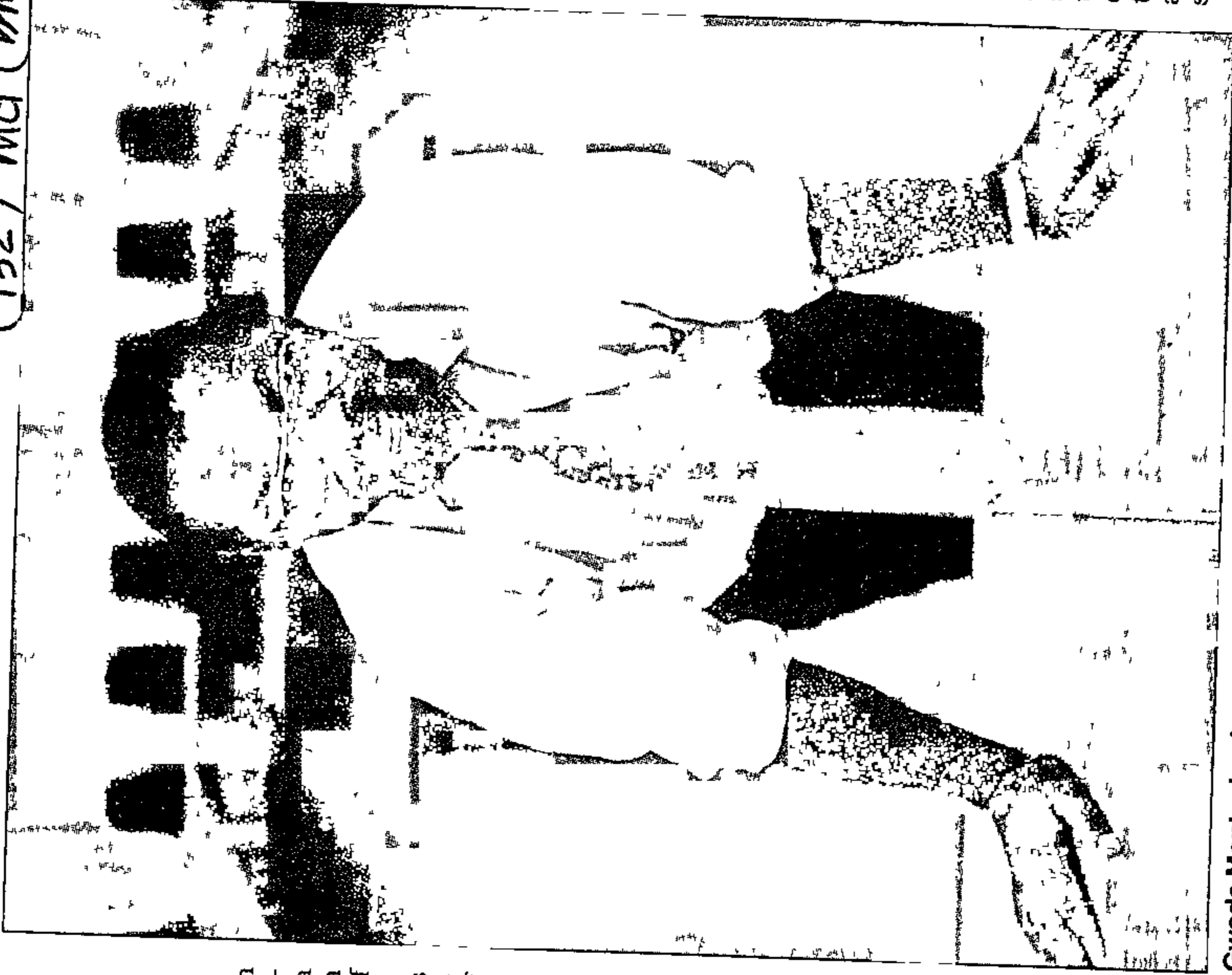
Mantashe joined NUM in 1983, listing his greatest achievement as his appointment to assistant general secretary last year.

While reluctant to discuss his qualifications, "I think it's an artificial status in society," Mantashe holds a diploma in accountancy and feels confident that he can hold his own in financial issues discussed at board level. "In my position at NUM, I constantly deal with the financial statements and reports of big companies including Samancor's — so though not a financial guru — I do understand financial matters."

He thinks Samancor's decision to appoint a unionist to board level may soon be the norm in a couple of years. "I think it'll happen first in the Afrikaaner companies because they are committed to the national interest of South Africa and last in the big liberal companies such as Anglo American."

He advises young people to "join unions as when you act collectively you have optimal power." He warns against individual fulfilment which he says "breeds elitist groupings in society".

Ever the unionist, Mantashe lists scabs — people who replace striking workers — as his greatest dislike



Gwede Mantashe: I see myself not as an individual but representing a collective viewpoint

PHOTOGRAPH NAASHON ZALK

"This step brings unions closer to the co-determination stage which is necessary to bring about a socio-democratic economy," he says, adding that it is in no way the final stage of development.

The next step for Samancor, he says, is to start defining the stake-



Jayendra Naidoo: Hard decisions must be taken

PHOTOGRAPH KAREN HARVERSON

Social strategy needed to pull SA together ⁽¹³²⁾

Karen Harverson

SOUTH AFRICA does not have the luxury of time to plan for the transformation of its economy. All players at national, sectoral, company and community level need to co-operate in a joint strategy to achieve this second miracle.

"There is no alternative open to South Africa except to seek a meaningful social partnership. It is our view that we have reached a moment wherein the leadership of each constituency is willing to consider the possibility of making short-term trade-offs and of mobilising their collective resources to create a longer-term outcome which will deliver employment, economic growth, and uplift the living standards of all," said National Economic Development and Labour Council (Nedlac) executive director Jayendra Naidoo, speaking at the 39th annual convention of the Institute of Personnel Management held this week.

Naidoo said a formal discussion on such a contract was under way at Nedlac and initial conclusions would be made in the first quarter of 1996.

The key elements of the contract should include wages and incomes, investment and job creation, reprioritising

government expenditure and a strategy for the successful restructuring of South African industry.

While the new labour law will do much to stabilise industrial relations, the growing conflict between workers and employers regarding job security and real wage gains, versus productivity was still unresolved, said Naidoo.

He suggested that a creative approach be adopted whereby wage increases are related to inflation, and inflation control to skills gains, and to establishing a floor of improved social benefits which are provided by the state.

As an example, he said Scandinavian governments have kept prices and inflation under control in exchange for economically and socially-sound wage policies implemented by unions and employers. "The Australian government and unions likewise linked the social wage, wage restraint and investment policies in relation to each other."

On investment, Naidoo said a strategy for economic growth and investment was needed which deliv-

ers significant growth in employment. "Recent figures show the rate of manufacturing sector investment has increased considerably, yet employment gain has been minimal." He said one of the areas which could be explored was a policy to promote the employment of additional workers by means of training subsidies, or even wage subsidies for vulnerable categories of workseekers.

An additional aspect is the extent to which workers share ownership and participation in Boards of companies. "This has both an income dimension as well as providing a valuable incentive to unions and workers to 'buy into' a longer term strategy on wages and incomes."

He urged that government reprioritise its expenditure. "Hard decisions must be taken which will impact on the interests of different groups. There is a potential tension between a strategy of increasing spending on infrastructure and services, and fiscal discipline," Naidoo

said the size of the public sector must be seen in relation to the working conditions, wages and benefits of those working there as well as the quality of the services they provide.

"This implies controversial, but necessary

discussions which impact on the employment of civil servants, new employment in specific sectors, and decent remuneration and skilling of public sector workers."

He said a strategy to enable South African companies to become competitive could include measures such as lower raw material pricing, lower cost of services and lower transportation costs.

"Also specific sectoral strategies, although controversial, need to be considered." He added that within the concept of targeting specific sectors, the favouring of more labour absorbing sectors should be considered relative to capital intensive sectors.

Naidoo concluded that while competitiveness and productivity will require agreements at a national level, it was critical that strategies be developed at sectoral and company level. "Employee and union participation in decision-making can improve economic performance both at firm level and in the economy as a whole and can meaningfully contribute to enhanced productivity, innovation, flexibility and human dignity."

MG (BM) 27/10-2/11/95

'Employee and union participation in decision-making can improve economic performance both at firm level and in the economy as a whole and can meaningfully contribute to enhanced productivity, innovation, flexibility and human dignity.'

Jobs are crucial, Nedlac tells conference

BD 29/11/95

(132)

Renee Grawitzky

THE Social and Economic Council (SEC), Nedlac's counterpart in the Netherlands, was undergoing changes forced upon it by shifts in the sociopolitical and economic environment, SEC general secretary Ronald Gerritse said in Kempton Park yesterday.

Speaking at a bilateral conference on multiparty democracy, hosted by the Dutch Foundation for the New SA, in the World Trade Centre, Gerritse said the council was established after the war in an atmosphere of rebuilding the country.

The council was comprised of

representatives of labour, employers and independent experts, mainly academics who were supposed to be non-partisan. He said the council acted as an adviser to the government, but there was no guarantee the government would accept the positions put forward.

The council induced labour and business to compromise on certain issues in order to provide a united front to government on issues referred to it.

Nedlac executive director Jayendra Nardoo said that, unlike the SEC, Nedlac was an "agreement-making body", not an advisory one. Government was one of the social partners and was rep-

resented on it.

Nedlac was a highly structured institution for the formation of a social partnership. He said major debate revolved around the rebuilding of the country.

Trade-offs between the parties were crucial to creating growth that absorbed unemployment.

Anglo American spokesman Stephen Malherbe, speaking for business, said the central political and economic challenge facing SA was alleviation of poverty and unemployment. Between 1975 and 1991 the average annual income of the poorest 40% of black families dropped by 41%. The only hope for the poor was job creation.

Nedlac set to consider growth 'social accord'

John Dlodlu

THE National Economic, Development and Labour Council will table a proposal today at its executive council meeting, which could lead to a social accord on growth and development.

This emerged at yesterday's news briefing by executive director Jayendra Naidoo ahead of today's meeting of Nedlac's executive council.

Naidoo said the executive council — Nedlac's highest decision-making structure — would have to decide on the process of developing the document further, including a time-table.

The recommendation on which the council had to decide was based on a Nedlac discussion document, calling for a social partnership among its key constituencies — labour, business and government.

Since unveiling the document last month, Nedlac has stressed that the paper is not aimed at forging a binding

BD 30/11/95 (132)
accord, such as providing for wage restraints, as practised elsewhere.

The recommendation represented the strongest signal that the country could be moving towards a social accord on growth and development:

The paper, titled "Discussion document on a framework for partnership and agreement-making in Nedlac", outlines key problem areas in SA, — including unemployment, low savings and investment and poor access to basic services. It calls for a strategy for growth and development to attract new investments and create substantial numbers of new jobs.

The council would look at the proposal for a national investment promotion agency, Naidoo said.

Other issues to be considered by the council, which meets once in three months, includes a report on the technical and marketing support for small firms, and a status report on the proposed re-organisation of state assets.

Nedlac told to find cheaper premises

BD 11/2/95 (132)

John Dlodlu

LABOUR Minister Tito Mboweni asked the National Economic, Development and Labour Council yesterday to move out of its expensive headquarters in Auckland Park and find affordable premises, pending budgetary cuts for the organisation. He made this call at the fourth sitting of the executive council, which is Nedlac's highest decision-making structure.

He said his department was facing

budgetary cuts and Nedlac should brace itself for a similar fate.

According to a budget proposal for next year tabled before the council, rent and electricity at the present premises would cost R396 000 — a jump from this year's R200 000.

Meanwhile eReuter reports that mineral and energy affairs director-general Piet Hugo said the Cabinet has approved the Mine Health and Safety Bill, aimed at reducing the unacceptably high death rate on the mines

Changing the face of SA labour

Labour Relations Act is only the beginning of the road for Nedlac

By Abdul Mliati
Labour Reporter

THE WORK OF THE National Economic Development and Labour Council (Nedlac), entrusted with the task of changing the face and direction of South Africa's labour relations is far from over.

Apart from successfully facilitating the drafting and passing of the new Labour Relations Act, one of the most crucial pieces of legislation to be passed in the post apartheid era Nedlac still faces the challenge of implementing it.

Nedlac spokesman Mr Lomin Saayman told *Sowetan* that the intention was to address all outstanding areas in time for the Act's implementation which is targeted for March next year.

He said Nedlac still has to draft codes of practice on picketing, dismissals based on operational requirements and requirements for closed shop agreements.

A sub-committee of two delegates per constituency (comprising business, labour and Government) will begin drafting these codes and will table its first report on December 7.

It also has to determine criteria for the demarcation of sectors and areas and the actual demarcation of sectors and areas for statutory councils.

A group of three delegates per constituency will reconcile the different concerns raised since the beginning of the year during the Labour Market Commission discussions.

Nedlac still has to nominate an independent chairman and three representatives from labour, business and Government for the governing body of the Commission for Conciliation, Mediation and Arbitration.

The secretariat will receive these nominations and forward them to Labour Minister Tito Mboweni.

Saayman said the work on the Act that remained to be done was crucial to its successful implementation, and so was ensuring that its users on the shopfloor understood its content and implications.

He said Government, labour and business were already planning a variety of education programmes and campaigns to popularise the Act.

"The Labour Market Chamber sees its role as that of supporting these programmes and synchronising the various initiatives to avoid duplication," said Saayman.

Wage Board

Nedlac also identified the composition and work programme of the Wage Board, concerned with investigating wages and conditions of employment, as issues which need immediate attention.

Saayman said the Government delegation within Nedlac has undertaken to table recommendations on these issues.

The Labour Market Commission has already verbally reported to the Labour Market Chamber on the progress it made on the issue of minimum wages.

Nedlac's Executive Council met yesterday to reflect,



Nedlac executive director Jayendra Naidoo... "the task of changing the face of South Africa's labour relations is far from over"

deliberate and approve some of the organisation's recommendations on restructuring the Labour Market and its achievements.

Among the issues discussed were next year's budget, the draft bill on tax amnesty, nominations to the committee investigating civil pensions, industrial policy and industrial

restructuring, and the framework for social partnership and agreement-making in Nedlac.

● The Labour Market Chamber is a body within Nedlac concerned with considering all matters regarding workers and the workplace.

The Nedlac Act stipulates that the Chamber considers all proposed labour market policy

before it is introduced in Parliament.

It is convened by three representatives: Congress of South African Trade Unions secretary-general Mr Sam Shilowa, Business South Africa chairman Mr Bokkie Botha and Department of Labour deputy director-general Mr Les Kettleidas.

“The Labour Market Chamber sees its role as that of supporting these programmes and synchronising the various initiatives to avoid duplication.”

Media ordered to leave Nedlac meeting

Star 1/12/95 (132)

The first attempt at transparency by the National Economic, Development and Labour Council (Nedlac) faltered when it twice ordered the media out of its executive council meeting yesterday

Nedlac has already been criticised for a lack of openness in its de-

liberations. The evictions were requested by government representatives in the tripartite body after Trade and Industry Minister Trevor Manuel said debate on state assets and competition and procurement policies would be "contentious". - Labour Reporter

Cosatu 'no' to scab use

Sowetan 4/12/1995 (132)

Unions call for Government to punish companies that use scab labour

By Sy Zwane
KwaZulu-Natal Bureau

THE CONGRESS of South African Trade Unions is to call on the Government not to grant public tenders to any company that employs scab labour

Addressing the federation's 10th anniversary celebration at Kings Park Stadium in Durban at the weekend, Cosatu general secretary Mr Sam Shilowa said if the draft constitution prevented the Government from doing this, then that provision must be changed

The demand would form part of the union's "massive campaign" next year to win demands for a 40-hour week, minimum wage and other demands around the Basic Conditions of Employment Act and the Wage Act

Shilowa said the inclusion of a provision on scab labour in the Labour Relations Bill, which is expected to be passed next year, did not mean that Cosatu had been defeated

He said they had retreated temporarily to gather more strength "We will fight it on the shop floor, industry level and if need be, back at Nedlac"

Shilowa said they would also fight the dismissal of workers who tested HIV-positive or those who had Aids

A draft code of conduct relating to Aids would also be placed on the National Economic Development and Labour Council

"A worker with Aids is still a worker. A Cosatu member with Aids is still a member," he said.

The celebration, attended by senior ANC and SACP members attracted only 10 000 people, far below the expected 80 000

Those who attended enjoyed music from Boom Shaka, Phuzekhemisi and other artists.

Deputy President Thabo Mbeki, Minister without Portfolio Jay Naidoo, and SA Communist Party leader Charles Ngakula addressed the crowd

Among dignitaries attending the celebration were Safety and Security Minister Sydney Mufamadi, Public Works Minister Jeff Radebe and Northern Cape premier Manne Dipico

Cosatu was formed in 1985 by 33 unions representing 40 000 members. Since then its membership has grown to 1.6 million in sectors ranging from mining, steel and metal to municipal and food workers

President Nelson Mandela was to have addressed the gathering but withdrew on the instructions of his doctor who ordered him to rest for four days because of an inflamed shoulder

Government could be heading for sell-off

Star 9/12/95

The Government was heading for a showdown with the labour movement over a decision to sell off key utilities, financial analysts said yesterday.

Organised labour had threatened strike action as it strongly opposed the Government's plan to dispose of assets.

Sapa reports that the Federation of South African Labour Unions said the plan, announced by Deputy President Thabo Mbeki on Thursday, made a mockery of consultation and went against an under-

standing between the Government and labour.

"We need not remind the Government of the effect of a strike recently by just one of our affiliates," said Fedsal general secretary Dannhauser van der Merwe.

The South African Railway and Harbour Workers' Union (Sarhvu) warned that strikes could be used to fight privatisation, which it said would not advance the Reconstruction and Development Programme or black empowerment.

The Government had betrayed workers, Sarhvu president Nelson Ndimisa said.

Rallies and marches would be called among Sarhvu's 37 000 members to press the Government to reverse its decision.

"We will take all possible measures to defend our members," Ndimisa said.

The analysts said the privatisation drive could be the most telling test yet of the ANC's alliance with the Congress of South African Trade Unions

Econometrix analyst Tony Twine said. "This relatively unimportant set of proposals could become a major football field for a tussle between the ANC and Cosatu."

Mbeki said on Thursday the Cabinet had recommended that strategic equity partners should be sought for telecommunications utility Telkom, South African Airways and the Airports Company, in which state involvement was considered strategic.

Non-strategic investments

had been recommended for outright sale.

Cosatu said the Cabinet recommendations violated agreements to consult labour before making decisions.

The labour federation added: "The decisions which have been made are piecemeal and appear to be more motivated by business imperatives than by the desire to service the needs of the people."

"The public perception would be created that the Government had taken a decision

without consultation and therefore was following a predetermined agenda," a spokesman said.

Some analysts said the Government appeared to have decided to plough ahead with the sale of state assets - many of which were loss-makers or produced only marginal profits - to raise funds for its ambitious social spending goals.

The "soft" targets identified by Mbeki for outright sale could be the thin end of the wedge before the state moved on to the

more politically sensitive assets, they said.

Cosatu's argument that large-scale job losses could follow privatisation was probably wide of the mark.

Twine commented "In private hands, output at these units may increase, in turn requiring higher levels of employment down the line."

"They might have short-term negative implications for labour but . . . they will become assets with growing output"

The South African Chamber

of Business called the Cabinet decisions "a positive and pragmatic step"

Fedsal, Cosatu and the National Council of Trade Unions are to meet Public Enterprises Minister Stella Sigcau on Monday to discuss the Government's plans for state assets.

Cosatu spokesman Nowetu Mpali said her union federation, which opposed the restructuring of state assets, would attempt to persuade the Government to change its mind -

Reuters

showdown with labour

Business unites to challenge labour and government

(132)

MTG 15-21/12/95

Simon Segal

LESLIE BOYD, new chairman of Business South Africa (BSA), is used to the trenches of business politics. It was he who played no small part in the merger between the then Association of Commerce (Assocom) and the Federated Chamber of Industries (FCI) to form the South African Chamber of Business (Sacob).

Boyd, also deputy chairman of Anglo American, would like to see this go further. "Unity among the four-general business bodies — Sacob, Afrikanse Handelsinstituut and black business groups the National African Federated Chamber of Commerce (Nafcoc) and the Foundation for African Business and Consumer Services (Fabcos) — is the ideal. But divisions are deep-rooted in differences over language, race and culture. It is also a question of holding on to empires."

As an umbrella body of 18 business organisations — boycotting Nafcoc is the notable exception — the BSA is obviously a forum where such unity can be enhanced.

Can there be such a thing as a single business voice? The BSA itself and its predecessor the South African Employers Consultative Committee on Labour Affairs (Saccola) often found it more difficult to clear its mandate among members than negotiate its mandate with government and labour. Boyd is impressed at the present cohesiveness of the business lobby.



Leslie Boyd: 'We must compete more with labour'

"It is remarkably unified at the moment. Witness our unity over labour legislation, in particular the issue of centralised bargaining."

He ascribes this to government's shift to the left. "In most parts of the world, business is to the right of government. In South Africa this was not the case under the previous government. Now, a more left-leaning Government of National Unity has united business except for Nafcoc, which is closer to the African National Congress. Hopefully, we can work with Nafcoc and achieve de facto unity, if not de jure unity."

Has business lost its influence under this new government? "Not really. But we must compete more with

labour. Business has been consistent: it can operate anywhere as long as policies are known and there is certainty."

Boyd has other priorities for the BSA. "As business' voice in the National Economic, Development and Labour Council, our immediate efforts will be on influencing competition legislation and developing a social accord. Our overall priority is to ensure sound economic policies based on free-market principles."

He is encouraged that government "has done nothing wrong" in its economic policies so far. "The problem is that government has not been quick enough to improve the investment climate in South Africa. There is very little foreign investment in bricks and mortar."

As for the BSA, its executive committee changed in October. A distinction is now made between the multi- and uni-sectoral member bodies. The new executive comprises the chairman, a vice chairman and four members elected by the multi-sectoral members.

A new three-person finance committee reports to the executive. It is responsible for managing and administering the BSA budget which is funded from membership fees. The BSA employs only five full-time officials. Boyd does not anticipate an expansion. "Members have their own secretariats and structures."

BSA's five standing committees remain — social policy, economic policy, development, housing and education and training.

Nedlac opting for 'series' of changes

(132) BD 18/12/95

John Dlodlu

SEVERAL all-embracing deals covering issues such as employment, productivity and training were in the offing at the National Economic, Development and Labour Council (Nedlac) executive director Jayendra Naidoo said at the weekend.

Naidoo said the statutory organisation — which replaced the now defunct National Manpower Commission and the National Economic Forum — was not going for one "hallelujah" accord, but a series of processes.

The successful conclusion of talks on the Labour Relations Act, and the agreement on the establishment of an investment promotion agency were among the key achievements of Nedlac since its inception last February. It had also achieved other agreements, including mechanisms to finance training and International Labour Organisation conventions.

On the list of regrets, Naidoo mentioned the rushed manner in which Nedlac had approached negotiations on the Labour Relations Act. "This was very bruising for parties and institutions... We did not have time to take a strategic view in the issue... We've learned a lot on the process side of things since then."

Naidoo, a former trade unionist, admitted that Nedlac's exper-

iments with transparency had had modest successes.

Last month Nedlac tried to open its executive council meeting to the Press but the initiative was scuttled by objections from constituencies — notably government — that certain parts of the proceedings be closed to the press.

Nedlac's four negotiating chambers were busy prioritising their work programmes to cope with the expected volumes of legislation from parliament on SA's transformation.

Even the development chamber, which has been seen by cynics as Nedlac's problem child, was on better footing. "Parties (which include youth, women, disabled and community groups) and work programme look more coherent now."

On concerns about the commitment of Nedlac constituencies to the social partnership, he said: "Parties have in the past months developed much understanding of one another. But the partnership is not a love affair," he said, referring to frequent wrangles.

But the real test of the commitment would be whether differences were allowed to develop into "visible and sustainable conflicts" in coming months.

In his personal view, Naidoo said a complementary relationship with parliament was a priority. This, however, still has to be defined.

COSATU AND THE ECONOMY

Waging war on growth

(132) FM 22/12/95

With a membership of 1,6m — out of an estimated economically active population of 14,5m — Cosatu is holding the country to ransom. It's difficult to see how its behaviour differs materially from that of the National Party, which was returned to power in 1989 by about 1,6 million people — out of a total of 20,9m adults of voting age.

The proportions differ but the principle is the same — a minority is hijacking the rest of the country on a road to nowhere.

Like the previous governments elected by a white minority, the government of F W de Klerk dictated the country's future to the detriment of other South Africans. Cosatu, among others, was outraged that a minority should hold this power and wield it so unscrupulously. Now it is preparing to sabotage the economy — in the interests of its relatively small base.

In recent months, it has threatened to destabilise the country over a number of issues, including a minimum wage, the insertion of a social clause in foreign trade agreements and proposals to restructure State assets. The trade union movement, of course, is entitled to lobby for its membership. But it is not entitled to claim it is acting in the interests of equity.

The organisation's political roots in apartheid SA, where it represented the underdog, are obscuring the present reality. Now the people on the other side of the divide are not an unrepresentative government or powerful business interests.

It is opposed by its social partner, the ANC in government. And if it gets its way, the victims of its actions will be:

- The unemployed, whose prospects of employment recede as ever-higher minimum wage barriers are put in place at the bottom rung of the employment ladder,
- Workers in other countries, whose only comparative advantage is their willingness to work for less money than Cosatu members earn. If a social clause were to be inserted in all trade agreements with other countries (see page 21), they would not be allowed to sell the skills they have on the local market, and
- The economy and every person dependent on it — including, in the long term, Cosatu's own members.

That is why government — which is ac-

countable to all South Africans, including the unemployed — is distancing itself from Cosatu's determined short-termism.

There is no possibility of the three main stakeholders in the economy — government, labour and business — achieving a social accord if the labour component meets each concession with a further demand. An example is the latest round of wage negotiations between the Steel & Engineering Federation and the National Union of Metalworkers, a Cosatu affiliate.

Federation economist Michael McDonald explains: "At present, wages paid to un-

skilled workers cannot be less than 45% of the minimum artisan rate. As it turns out, skilled workers are usually paid considerably more than the artisan's minimum because of the skills shortage. The union now wants the minimum for unskilled workers to be not less than

SA foreign trade relations chief director Faizel Ismail explains: "Some developed countries, led by the US, have been pressing for a social clause to be included in trade agreements. But developing countries, as a whole, have objected because they believe the motivation of the developed countries is protectionist. They suggest this is an issue best discussed at the International Labour Organisation."

The latest issue on which Cosatu is flexing its muscles is the restructuring of State assets. It is threatening to provoke a massive confrontation with government and is calling for a one-day strike on January 16.

Its terms for co-operation on restructuring are the guarantee of existing jobs and of certain services to the community. This sounds reasonable enough, but it would preclude successful privatisation.

And there is a high price to be paid for not privatising, says Standard Bank group economist Nico Czipionka.

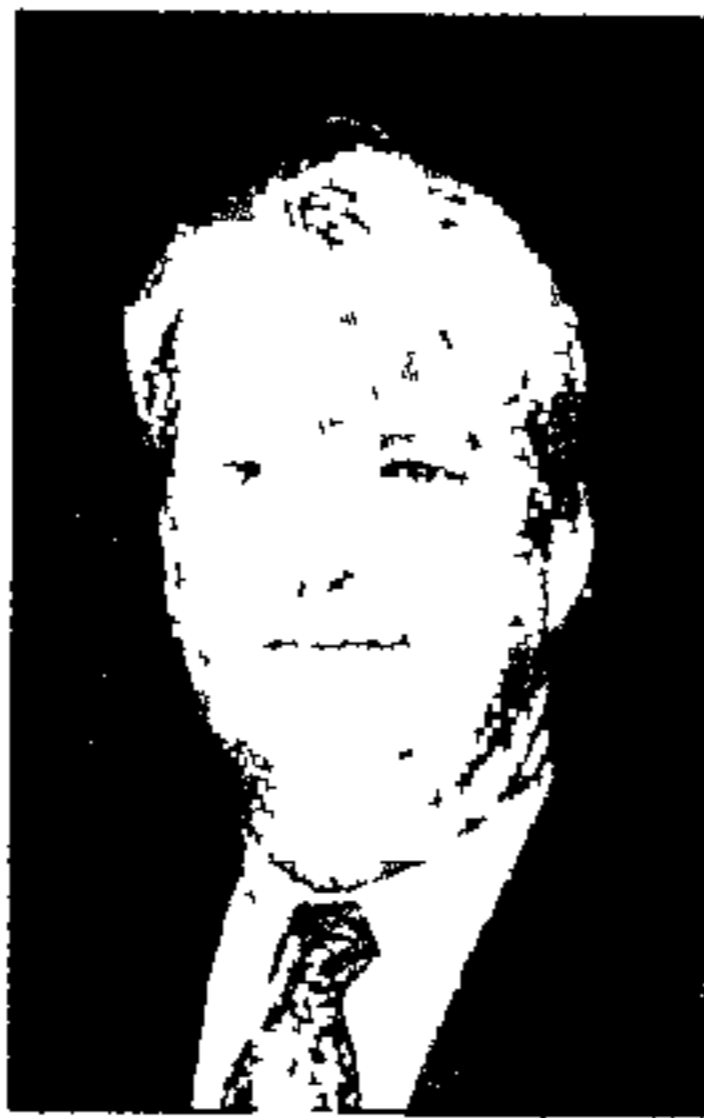
We will miss the opportunity of

- Streamlining essential services to make them more productive,
- Broadening ownership within the economy, empowering blacks in the process,
- Creating a platform for foreign investment, and
- Reducing the cost of State debt (accumulated over many years by the previous government).

The amount allocated to interest payments is budgeted at R28,4bn for 1995-1996. This accounts for almost the entire shortfall between government revenue and expenditure in the fiscal year. If any portion of this debt is reduced, the future borrowing requirement of government will fall — and capital market rates along with it. Thus the positive effects of putting the proceeds of privatisation into debt redemption will be multiplied many times, due to the compounding effect of lower interest rates.

It's true that jobs are generally lost in privatisation exercises, but new ones are quickly created if the climate for investment is right. That, of course, is impossible with Cosatu on a power binge — so it may well end up getting the worst of both worlds.

Czipionka puts the privatisation confrontation in perspective: "To some extent,



Czipionka



McDonald



Shilowa *commandeering the heights*

60% of the average actual artisan wage. This will increase the minimum wage for unskilled workers by 123%."

If employers are not allowed to pay more for work that is more valuable than they pay for work that is less valuable, they will eventually go out of business or relocate to neighbouring countries (which is why Cosatu is so keen on the social clause in trade pacts), destroying jobs in the process.

A deadlock is threatening the steel industry over this issue, and serious damage may be inflicted on a major sector of the economy if the union comes out on strike.

As to a social clause in trade agreements, even communist Cuba — which has signed all 11 of the existing International Labour Organisation's conventions covering the social clause — is not prepared to accept it.

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FM 22/12/95.

the issue is jobs. But it has also arisen because Sam Shilowa has not given up the old idea of the new government holding on to the 'commanding heights' of the economy in order to fundamentally change it.

"Cosatu knows it has lost ground. For instance, some government departments have already started contracting out certain services for cost and efficiency reasons. Cosatu is furious about this."

Government and Cosatu are locked in a battle of wills, says Czipionka. The outcome could decide the course of growth for decades to come. ■

Nedlac ready for action after surviving the year's crises

(132)

JAYENDRA NAIDOO B028/12/95

IN THE 10 months since it was launched on February 18, the National Economic Development and Labour Council (Nedlac) has established an efficient infrastructure, survived several life-threatening crises and produced some key agreements. But more importantly, it has prepared the ground for substantial agreement-making next year. Evaluating the institution's progress requires a brief look at the background to its formation, as well as the activities it has embarked on this year.

Nedlac's establishment concluded a phase of experimentation over mechanisms for interaction between government and civil society. Since the Congress of SA Trade Unions (Cosatu), the SA Consultative Committee on Labour Relations (Saccola) and the National Council of Trade Unions (Nactu) agreement on amendments to the Labour Relations Act, and the Labora Minute which was the first tripartite agreement, there has been serious discussion about how civil society will participate in public policy making. After the 1991 anti-VAT stay-away, the trade unions demanded a macroeconomic forum to negotiate on social and economic issues, parallel to the political negotiations. The embryonic Business Forum was quick to support this move.

With Finance Minister Derek Keys promoting the notion of the "golden triangle", the National Forum was established in 1992. Thereafter, an explosion of forums brought various constituencies together on all manner of issues at national, regional and local level. They were established to discuss matters such as housing, the drought crisis, the VAT system, and local and regional economic development. Towards the end of 1993, at the behest of Cosatu and the ANC, discussions began on creating a substantial mechanism to link civil society to public policy making after the democratic elections. After almost a year of negotiations, concluding with tripartite negotiations between labour, business and government representatives, it was agreed to create Nedlac as a statutory negotiating body.

Nedlac is part of an international tradition of institutionalised co-operation between government and

economic stakeholders. However, it is unique in some very important ways. It is the most representative policy body SA has yet had, including the community and the traditional golden triangle components. It is an agreement-making body, not an advisory body, requiring mandated representatives not experts and serving as an instrument for continued "accord-making". Nedlac has a broad scope of activity, covering all relevant aspects of social and economic policy and decision making. It is also required to consider all labour and other "significant" legislation before it is tabled in Parliament.

Ultimately, the constituencies are challenged to make Nedlac work and to produce agreements which can be acted on to improve the country's prospects and quality of life. It is the ability of the representatives to bring realistic mandates, to negotiate in the best interests of their constituents and to deliver their constituencies that will lead to Nedlac's success. Agreement-making is not a charitable exercise. Each side must test a possible agreement against what their constituents think is in their best interests. However, it is the will of each party to seek win-win outcomes that inspire innovative problem solving and agreement-making.

The list of formal agreements this year is small but significant. Top of the list is the agreement on the Labour Relations Bill, followed by agreements on International

engaging the other constituencies in the negotiating chambers with greater vigour and consistency.

There have been no outright failures, although there are numerous areas in which improvements are undoubtedly needed. One is communication with the media and the public. Our experience to date has been that well-formulated statements and interviews produce far more informative coverage than opening meetings to the media. The Nedlac update publication has started to fill this gap. The executive council has decided that further attention will be given to Nedlac's relationship with the media.

The relationship between Nedlac and Parliament must also receive priority next year and is scheduled for consideration by the management committee in January. Ultimately, a complementary process must be structured which allows the social partners to engage in a negotiation which involves trade-offs, while ensuring that the sovereignty of Parliament is respected. In the aftermath of the Labour Relations Bill, informal interaction has considerably improved with, for example, parliamentary finance committee chairman Gill Marcus frequently attending Nedlac's public finance and monetary policy chamber.

The Labour Relations Bill process showed clearly that negotiations in SA, given the history of inequality and conflict, are not a cosy affair. They take place in a rugged and challenging environment where a real contest occurs to produce meaningful agreements.

There is a danger that things may become bogged down, or the easy way out may appear to be some form of unilateral action by government. However, the only route open to an institution such as Nedlac is to continuously evaluate the process and to adjust and innovate to produce results.

Given the legacy of the past which has to be undone, the pressure of modern industrial developments and the relative strengths of each of the players, co-operation between the social partners represents the most effective and potentially the quickest way forward.

□ Naidoo is executive director of Nedlac.

and hopefully that process will be back on track soon.

To develop a strategic focus, a twin-track process is in motion to identify the core "accord-type" issues for rapid agreement, and devise a timetable for presentation of draft agreements to the executive council. This should encourage trade negotiations and strategic trade-offs and make the process more manageable for the social partners.

The capacity and participation of each constituency is most important, and much still needs to be done. However, despite several heart-stopping moments during the year, the position is relatively promising. The business constituency, which almost broke down at the launch of Nedlac, has reached a reasonable point of cohesion and co-operation between Business SA and Nafcoc. Disputes over representatives are a thing of the past and a healthier interaction on concrete issues has begun.

Labour unity is strong. The co-operation between Cosatu, Nactu and Fedal represents the highest level of trade union unity in our history. The loss of union capacity after the elections has been partly remedied and some consolidation is definitely noticeable.

The community, including the civic organisations and those representing women, youth, rural and disabled constituencies, are holding joint meetings and are beginning to come together. Government is now

Labour Organisation conventions on freedom of association, the right to organise and bargain collectively, on forced or compulsory labour, on the abolition of forced labour, and on discrimination in respect of employment and occupation.

Agreement was reached on the establishment of an investment centre to promote foreign direct investment, and the creation of a competitiveness fund to enhance technical and marketing support for small and medium-sized enterprises.

In addition, there is a long list of important issues in various stages of consideration in Nedlac's negotiation chambers. These include next year's Budget, the Katz commission's report on taxation, a medium-term expenditure framework for government, exchange controls, the redefining of the Masakhane campaign, urban and rural development strategies, housing and job creation.

There are discussions on supply side measures for industrial restructuring, a social clause for trade, various sectoral studies, competition policy, the Basic Conditions of Employment Act, a review of collective bargaining in 1995, wage regulation, restructuring of the Unemployment Insurance Fund, and a host of matters pertaining to the implementation of the Labour Relations Act. The restructuring of state assets is directly under consideration by the management committee,

INDUSTRIAL RELATIONS - GENERAL

1995

JANUARY - MAY.

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Business names its labour policy team

BUSINESS SA's selection of six representatives to the labour policy chamber of the National Economic, Development and Labour Council (Nedlac) had been finalised, BSA social policy convener Bokkie Botha said yesterday.

(132)
They were Botha, Chamber of Mines chief negotiator Adrian du Plessis, Seifsa executive director Brian Angus, Transnet human resources director Vic van Vuuren, the SA Agricultural Union's Kobus Kleinhans and Pieter Rautenbach from Durban.

The business delegation was the first to be finalised. Organised labour has yet to name its six representatives. BD 17/1/95

Botha said details of Nedlac's structure and schedule had yet to be finalised. It would be a complex body with four chambers and numerous committees often over-

ERICA JANKOWITZ

lapping in function. Combining resources and scheduling work would be discussed when the body convened next month.

Issues under discussion by the National Manpower Commission would be transferred to Nedlac's agenda as the commission closed. The most important would be labour market policy, including the re-drafted Labour Relations Act, scheduled for release early next month.

Affirmative action policy would also feature, although Labour Minister Tito Mboweni had indicated different pieces of legislation would be used to ensure equal employment opportunities.

"Nedlac has to look at all things affecting the world of work," Botha said

Labour standards call rejected

NEW DELHI — A group of 82 developing countries yesterday unanimously rejected calls by rich nations to link strict labour standards to international trade.

The fifth conference of labour ministers of non-aligned and other developing countries adopted a declaration at the end of a five-day meeting calling the proposed linkage totally unacceptable.

A group of industrialised countries led by the US and France had proposed that the World Trade Organisation adopt a clause tying trade benefits to a country's willingness to enforce labour standards.

The campaign has focused largely on eradicating child labour, widespread in many developing countries but denounced by rich nations as immoral and amounting to an unfair trade advantage.

Indian Commerce Minister Pranab Mukherjee told the conference that the linkage between trade and labour standards would amount to a new form of protectionism aimed at low-cost exports from developing countries.

"We are deeply concerned about ... the

efforts at seeking to establish linkage between international trade and enforcement of labour standards through the imposition of the social clause," the declaration said. (132) (2)

"We wish to reaffirm the position we took in our fourth conference at Tunis, that the social clause is totally unacceptable," it said. BD 24/1/95

The labour ministers said it was imperative to promote and safeguard human dignity by improving the working and living standards of all people and better protecting workers.

They said countries should tailor measures to their own "socioeconomic conditions without any form of coercion", and called for a strengthening of the ILO, whose labour standards are voluntary.

The ministers said their countries were committed to eliminating child labour, but poverty, distress and inadequate access to good education compelled parents to send children to work, and priority should be given to ending child labour in hazardous industries. — Sapa-Reuter.

Broker cites labour costs, union militancy

ARLT 24/11/95

Millstones around South Africa's neck

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■ BY CHARLOTTE MATHEWS

While SA now has the vital ingredient of stable politics, the cost of labour and union militancy sound a warning note, says a report by Merrill Lynch.

President Nelson Mandela is proving to be "a most astute and savvy politician", it says.

The surge in demand for the government's recent bond issue seems to confirm that SA is now acceptable in international markets.

It has a number of major attributes — natural resources, an entrepreneurial population and a First World infrastructure.

However, despite the high unemployment rate — 40 percent, according to some estimates — many unions are seeking increases far beyond those productivity gains dictate.

"A number of unions have brought their members out on the basis that the majority has won the election and the majority now deserves high wage increases.

"This kind of muddled thinking, which takes no account of economic reality, could result in some businesses introducing further mechanisation

"Some very weak businesses could even fall by the wayside, resulting in a loss of jobs. Others might even consider moving to neighbouring states like Zimbabwe, Botswana or Namibia, where minimum wages are possibly one-tenth of those in SA."

The brokerage agrees with local estimates that the economy is likely to grow by 2,5 to 3 percent this year, with inflation a likely 10,5 percent

There is already evidence of good profit advances by a

number of leading companies in key economic sectors. Further advances are expected from companies likely to benefit from higher spending in housing, roads, electrification and sewerage

Iscor should be a major beneficiary of this spending, along with cement and other building product suppliers

Iscor should benefit from growing international steel demand, leading to increased iron exports and a pick-up in local economic activity

The decline in the value of the commercial rand against the dollar could compensate for a lower forecast gold price of \$385

Vaal Reefs, Ergo and Kinross still show good relative value against other SA and North American gold mining companies, says Merrill Lynch

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Militant unions worry the JCCI

(132) ~~132~~

BY CHARLOTTE
MATHEWS

The overwhelming concern among members of the Johannesburg Chamber of Commerce & Industry (JCCI) in the manufacturing sector is the growing militancy of trade unions, a telephone survey shows.

In the latest issue of Going Concerns, the JCCI's newsletter, it says militancy is curbing industrial output, limiting job creation and hinder-

ing the implementation of the RDP.

9/25/95
"One respondent reported that an export order worth several million rand, and which would have required 30 extra staff, had been turned down.

"Because of SA's labour volatility, the buyer had stipulated severe penalty clauses for non-delivery on time, which could have crippled the business"

NEDLAC LIFTING THE WRAPS (132) (132)

FM 27/1/95

The question of transparency in decision-making is high on the political agenda. But the principle is not necessarily given practical expression by influential statutory bodies which are intended to play an important role in formulating policy.

The organisation which replaces the National Economic Forum is due to be launched on February 18 — the National Economic Development and Labour Council. But it is not clear from legislation, gazetted in December, whether its proceedings will be open to press and public.

The legislation is concerned largely with the structure of the organisation and leaves its constitution to provide for the conduct of meetings. As the constitution is still in draft form, the issue of transparency remains open. New programme director Debra Marsden says Nedlac is fully committed to transparency — “but how this will translate into practice is an issue that will feature

prominently on the Nedlac agenda.”

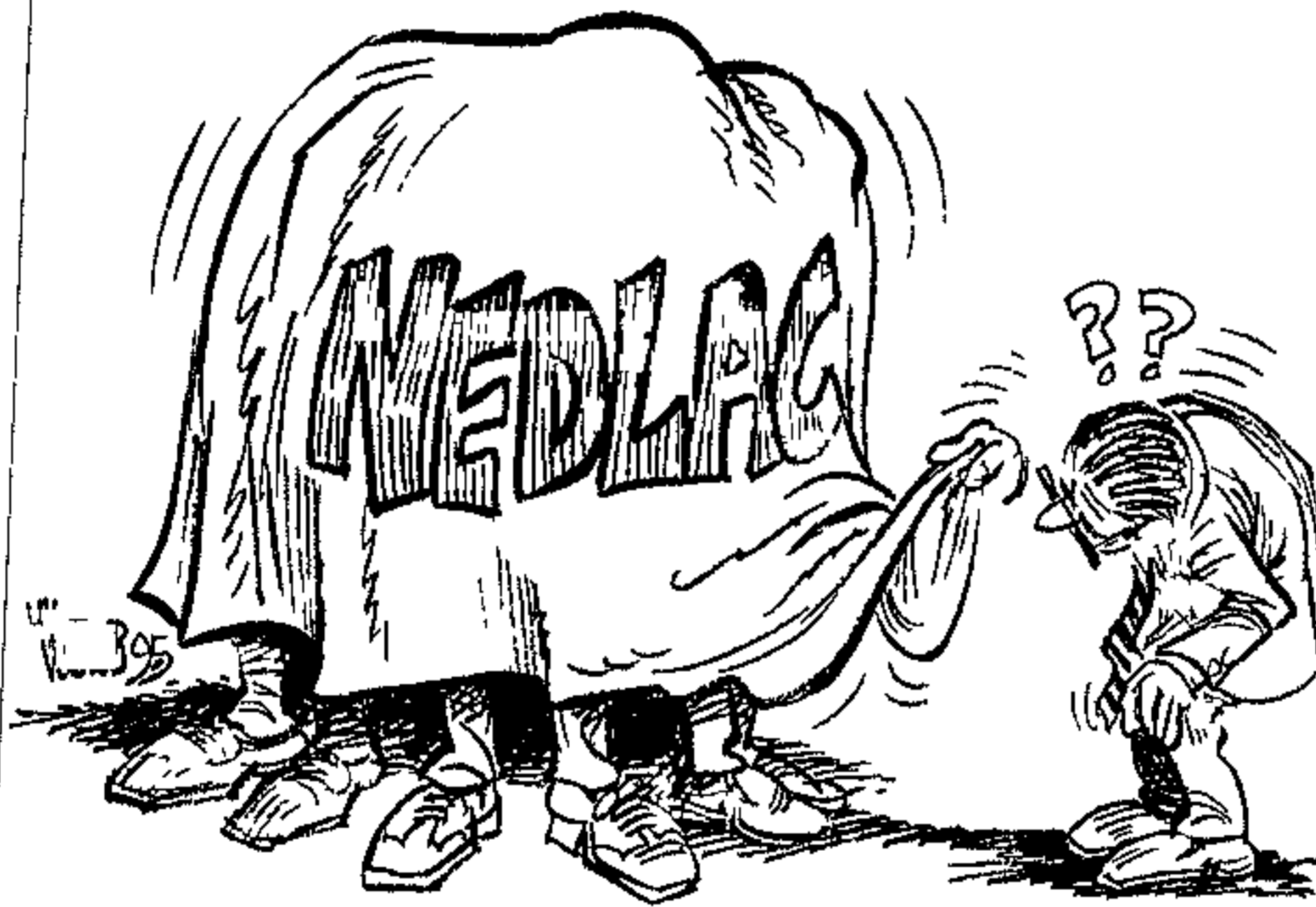
In the past, only NEF plenary sessions, held once a year, were public. Nedlac will continue to hold public plenary sessions — under the chairmanship of the deputy president of the majority party in parliament.

But so far there is no indication meetings of its executive council will be open. It will consist of about 70 members representing the four constituencies — business, labour, government and community organisations.

These will each select six representatives for the four chambers which will deal with public finance & monetary policy; trade & industry; the labour market, and development. Groundwork will be undertaken by working committees who will refer their findings to the council.

An immediate problem is that of Nafcoc's role. It has withdrawn from Business South Africa, the business lobby.

Nafcoc president Joe Hlongwane was not prepared to discuss reasons but, in an interview last year with *New Nation*, he reportedly said Nafcoc, one of only two organisations representing black business, would resist being marginalised and “bogged down in an insignificant role.” The way in which Nafcoc will be represented has also to be decided. Meanwhile two appointments have been made. Marsden and Jayendra Nandoo who has been appointed executive director.



SA Labour Minister honoured

(132) Sowetan 29/1/95

THE Minister of Labour, Tito Mboweni, has been awarded the honour of membership to the prestigious World Economic Forum's Global Leaders for Tomorrow, (GLT) This is the first time that a South African Minister has been chosen to join the ranks of global leaders

The GLT is described internationally as the most dynamic global network of decision-makers

focus on LAIDOUT

SOUTH Africa is set to receive maximum aid from vast German experience in labour relations and related fields. After two hours of talks in Cape Town on Saturday, German Minister of Labour and Social Affairs Dr Norbert Blum and his South African counterpart, Mr Tito Mboweni, pledged themselves to direct cooperation which will concentrate on

- Labour law reform,
- The prevention and resolution of disputes and the promotion of workplace democracy, and
- Capacity-building for South Africa's new Department of Labour and the strengthening of its labour administration

A memorandum of understanding setting out this cooperation is scheduled to be signed on Thursday

Blum, who was involved in an acrimonious dispute over his support for the overthrow of apartheid with the former SA Government on his last visit to the Republic in 1989, arrived in South Africa on Saturday for a six-day visit

He is being accompanied by a top-level delegation of German members of parliament and business and trade union leaders from that country, and is to meet both Deputy Presidents Thabo Mbeki and FW de Klerk, as well as other senior ministers, politicians, business and church leaders and senior participants in labour law reform and related fields

Blum told journalists after Saturday's talks that a country like South Africa, which showed that peaceful development was possible, had to be supported by the world, especially in view of the genocide in Russia and Yugoslavia

One of the most encouraging features to emerge from South Africa was that the reconstruction process was being undertaken "without revenge"

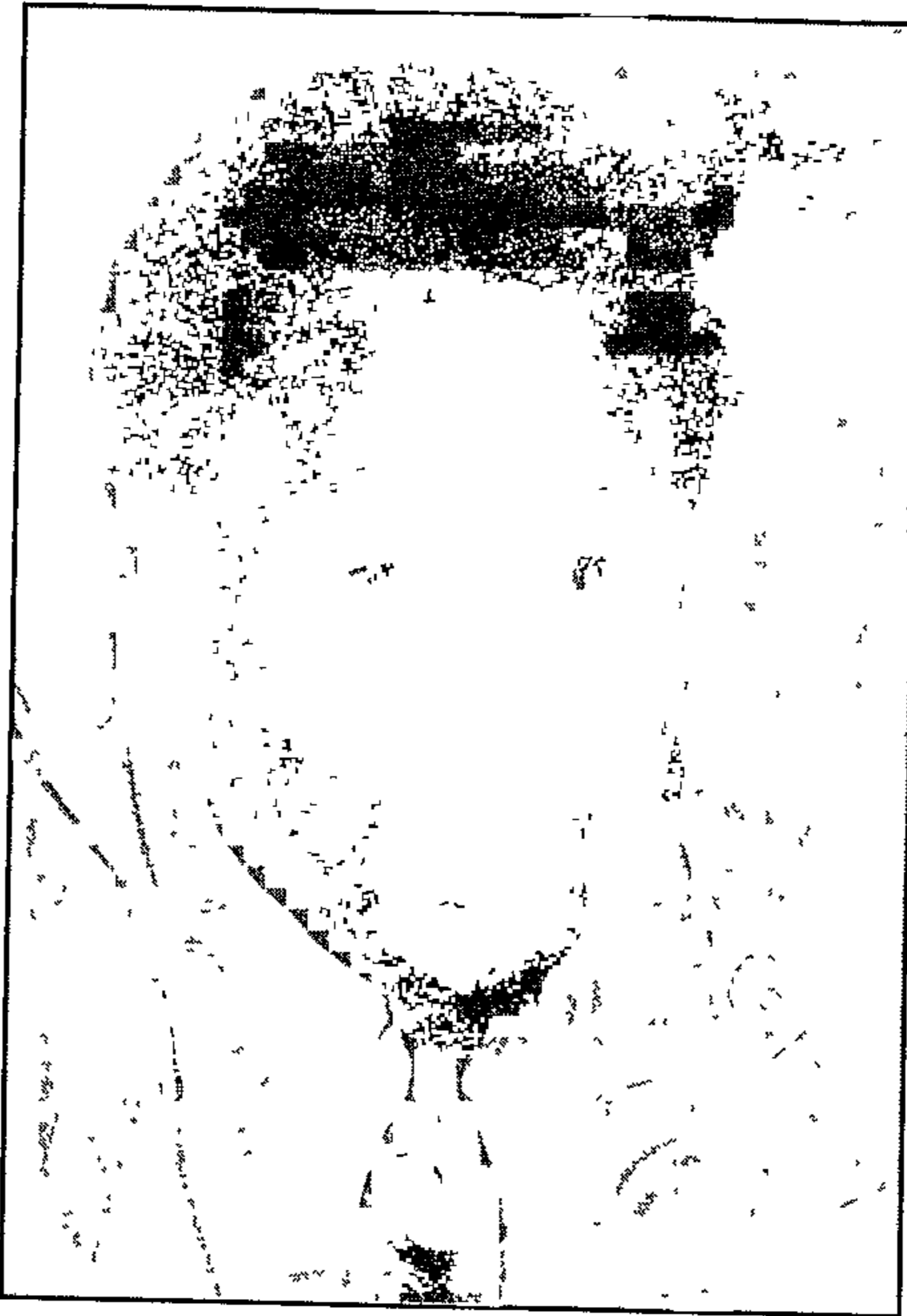
He and his delegation would dispense advice on labour law reform, the building up of a new labour department and administration in SA and would pass on the German experience, Blum pledged

Mboweni, receiving his first foreign counterpart since becoming Minister of Labour in South Africa's first post-apartheid Cabinet, said Blum's visit was particularly opportune as South Africa was embarked on drafting a new labour

A visit this week by Germany's Minister of Labour and Social Affairs, Dr Norbert Blum, and a top level delegation puts the spotlight on labour relations and related fields:

*somehan
30/1/95*

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Tito Mboweni

relations system which would require maximum assistance from countries like Germany

Advice on building up the capacity to disseminate labour statistics would be particularly valued, Mboweni said

Meanwhile, new trade and joint ventures are expected to develop "almost immediately" between Norway and South Africa in the wake of the Norwegian trade mission's visit

But members of the mission, which returned home yesterday, say direct Norwegian investment will depend on an increase in confidence in the

new South African Government that Norway helped bring to power

A diplomatic source said at the weekend it seemed business cooperation was likely to develop quickly in the metals, oil, shipping, fishing and insurance areas

Norway had expertise to offer in the technical areas of the oil and shipping industries especially, and joint ventures seemed likely in specialised areas of fishing, including fish farming

Both countries had unique skills to share in the special metals sector — Norway because of its use of hydro-electric power in an energy intensive industry

But Norwegian aid donors had burnt their fingers in joint Scandinavian and direct funding of South African political organisations, now in power, in recent years. Major recipients of aid included former Cape minister of finance Dr Allan Boesak, now at the centre of controversy over the spending of Norwegian money from both private and government donors

Both government and private sectors were well informed on what they saw as negative changes being made by the new South African Government in education, health care and other areas

The effect of these decisions will be to drive skills and investment out of the country rather than encourage new investment

The source, prepared to summarise impressions at the end of the SA visit if not identified, said Norwegians were aware of the negative consequences of such moves from their own socialist experiments and

those of Sweden and the former Soviet Union on their borders

Where Swedes had once referred to Norway as their "little brother", the failure of socialism in Sweden had now resulted in the polite metaphor being reversed

The Norwegian trade mission, led by Trade and Shipping Minister Ms Grete Knudsen, ended its visit to the country in Cape Town and will be followed by another from April 24 to 28. The second mission will be mostly a financial delegation

New era as SAPS and unions agree to work together

ARG 3/2/95 (132) 32
□ Police minister meets with Popcru, Sapu

THABO MABASO
Staff Reporter

THE South African Police Service in the Western Cape is poised to take on a whole new character following intensive discussions between police management and the two leading unions in the force.

The meeting yesterday was convened by provincial Police Minister Patrick McKenzie who said the purpose was to prevent a recurrence of the Langa police station hostage drama.

"Unless we come together to work out a plan by which grievances will be addressed, we will have problems. Hostage situations and illegal strikes are unacceptable, we must have a code of conduct," he said.

The Police and Prisons Civil Rights Union (Popcru) and the SA Police Union (Sapu) expressed dissatisfaction with the way the SAPS was run and tabled suggestions to the minister. The unions said the force must be run in a democratic, transparent and consultative fashion.

Problems highlighted included alleged racism in the SAPS and amnesty for police personnel who had been found guilty of improper conduct during industrial action. Sapu was particularly concerned about junior officers being delegated by police management to attend management-union negotiation forums.

The meeting agreed that police management and the unions would submit recommendations to the negotiating

forum on ways to improve their relations.

They would also recommend how best the force could transform itself into one acceptable to all sectors of the community.

The three parties must submit their recommendations within 14 days. After this a committee of nine independent people will be chosen to look at creating a formula from the recommendations. The formation of the committee was supported by all parties present.

Mr McKenzie said he would then prepare legislation to make the recommendations law in the Western Cape.

Meanwhile, Popcru has reaffirmed its commitment to call off protest action in the region.

Proposed changes to labour laws could cut strike action by half

ARG 3/2/95 (132) 32
The Argus Correspondent

JOHANNESBURG — Far-reaching changes to South Africa's labour laws have been set in motion by the government.

The proposed changes to labour legislation include steps designed to increase worker involvement in decision-making and speed up dispute resolution mechanisms — which could reduce strike action by more than half.

Releasing the draft Labour Relations Bill to business and labour leaders in Johannesburg yesterday, Labour Minister Tito Mboweni said the new legislation attempted to meet the requirements of the reconstruction and development programme (RDP).

The proposals call for increased worker involvement in company decision-making and put in place concrete plans to avert disruptive labour disputes.

In a break with past practice, all workers except members of the SA National Defence Force, the SA Police Services and agencies created under the Intelligence Services Act, will be governed by the same labour laws.

The draft bill proposes that no strikes or lock-outs will be allowed in services identified as "essential" and proposes that all disputes in these services must be referred to compulsory arbitration.

It protects workers' right to

legal and procedural strike action and cuts down on red tape in unfair dismissal hearings by introducing a system of compulsory arbitration.

One of its major innovations is the entrenchment of a workplace forum in which workers, if they choose, will be able to contribute, outside the bargaining forum, on issues like retrenchment.

Mr Mboweni said the success of the proposed legislation depended on the co-operation of all players in labour and business.

"The co-operation of unions, business and other organisations of civil society is essential to the creation of a strong, balanced and dynamic society."

UNION MAN Marcel Golding — 'I represent the interests of everyone and not just Cosatu'

By RAY HARTLEY
Parliamentary Correspondent

PHILIP DEXTER used to eat, sleep and drink trade unions. Now he occupies a hard-to-find office in the maze of parliamentary buildings

Surrounded by files, the distant clatter of teacups and the soft footfalls of grey-jacketed attendants, he has melted a lot since he led striking nurses into a bitter confrontation with the Transvaal Provincial Administration.

The former general secretary has few regrets "The media attention I got was out of all proportion to my actual importance politically I don't consider myself to be a Nelson Mandela or a Cyril Ramaphosa," he says.

Once known for his in-your-face rhetoric, Mr Dexter now measures each word for its broader significance.

On the one hand, being in Parliament along with 19 other Cosatu nomi-

Mellowness takes over

ST 5/2/95

needs has been "an extension of worker control and participation" On the other, it has been an uncomfortable compromise with "Westminster stuffiness."

Have the ANC's trade union representatives been able to put worker issues on the agenda?

"Perhaps we were to some extent overly optimistic or overly ambitious. There's a logic to government that we haven't really come to grips with — it's a learning curve," he says.

Former Cosatu head office official Godfrey Oliphant describes Parliament as "another site of struggle". His status as chairman of the select committee on labour has earned him a roomy office and an authoritative hardwood desk

Being a committee chairman has forced a soothing neutrality on him. "Business also has to be on board," he says.

"I'm comfortable where I am," he says, adding a qualification: "The only thing I'm not comfortable about is that the majority of workers in this country have not yet started to see change."

Mr Oliphant's committee has been overseeing legislation on the new National Economic Development and Labour Council, the integration of homeland labour laws and amendments to the Agriculture Labour Relations Act among other things.

The job has been made easier, he is quick to point out, by his good relationship with Labour Minister Tito

Mboweni

Not so for one-time National Union of Mineworkers official Marcel Golding. As chairman of the select committee on Mineral and Energy Affairs, Mr Golding has had to deal with the National Party's Pik Botha.

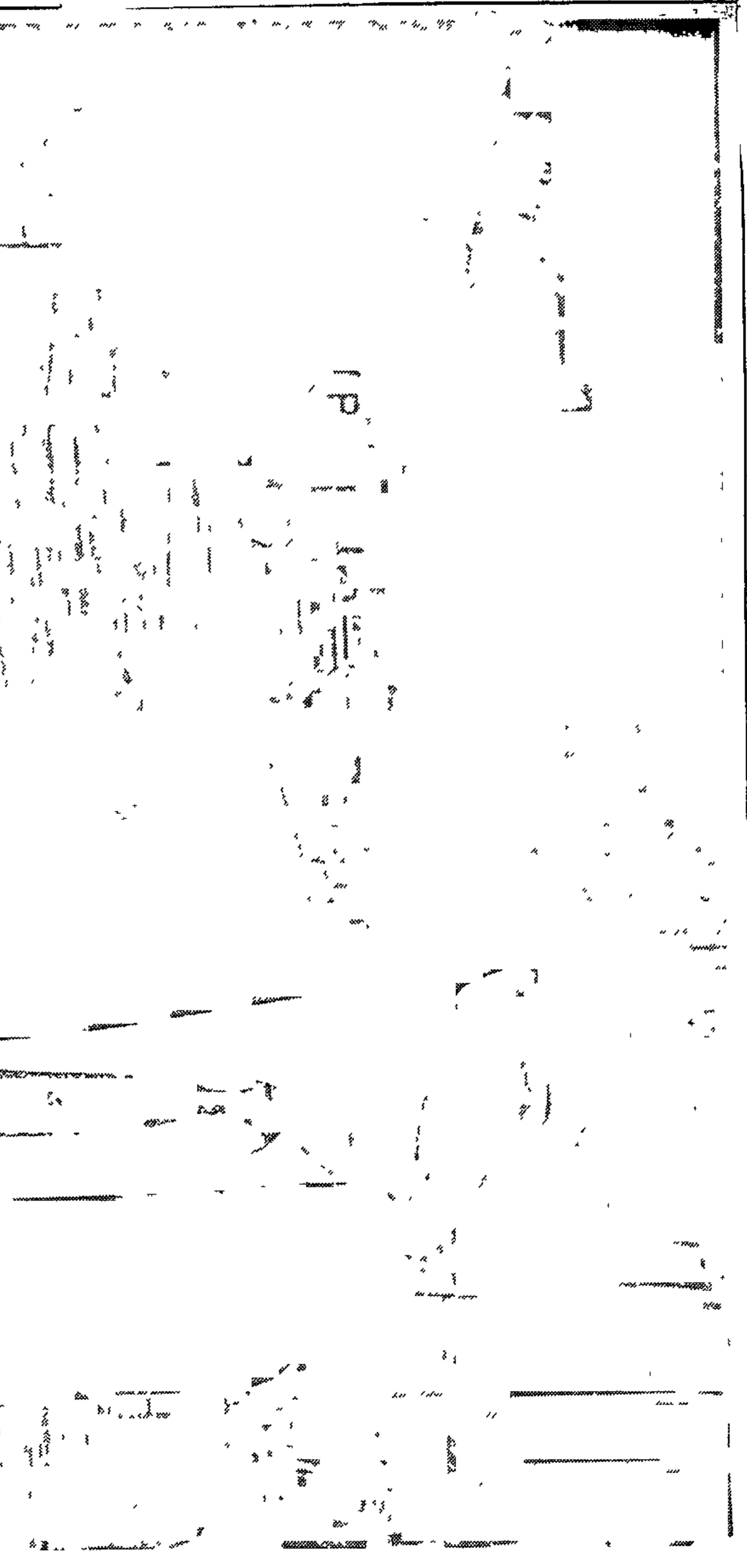
"They should change his title to Minister of the Chamber of Mines," says Mr Golding, who is cynical of his cabinet counterpart's willingness to change the system

Mr Golding commutes to and from Johannesburg, which he regards as home. On the table next to his desk stands a portable computer, and two bookcases are jammed with files.

"For someone like me it's extremely difficult Parliament has an infrastructure that's not designed to facilitate productivity," he says, his frustration showing.

"I don't necessarily represent Cosatu — I represent the interests of everyone," he says.

Picture: JUSTIN SHOLK





UNION MAN . . . Marcel Golding — 'I represent the interests of everyone and not just Cosatu'

Picture: JUSTIN SHOLK

By RAY HARTLEY
Parliamentary Correspondent

PHILIP DEXTER used to eat, sleep and drink trade unions. Now he occupies a hard-to-find office in the maze of parliamentary buildings.

Surrounded by files, the distant clatter of teacups and the soft footfalls of grey-jacketed attendants, he has mellowed a lot since he led striking nurses into a bitter confrontation with the Transvaal Provincial Administration.

The former general secretary has few regrets. "The media attention I got was out of all proportion to my actual importance politically. I don't consider myself to be a Nelson Mandela or a Cyril Ramaphosa," he says.

Once known for his in-your-face rhetoric, Mr Dexter now measures each word for its broader significance.

On the one hand, being in Parliament along with 19 other Cosatu nomi-

Mellowness takes over

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nees has been "an extension of worker control and participation". On the other, it has been an uncomfortable compromise with "Westminster stuffiness".

Have the ANC's trade union representatives been able to put worker issues on the agenda?

"Perhaps we were to some extent overly optimistic or overly ambitious. There's a logic to government that we haven't really come to grips with — it's a learning curve," he says.

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Govt, unions start work on salary plan

CAPE TOWN — Government and public service unions began work yesterday on a comprehensive three-year salary plan for SA's 1.2-million public servants.

Government and union negotiators have given themselves two months to draft the "salary improvement plan".

Unions threatening strike action over wages have agreed to suspend any action to give the initiative a chance.

Participants at a crucial two-week meeting of the central chamber of the Public Service Bargaining Council in Durban yesterday described "a new spirit of co-operation" between government and the 18 public service unions.

A union negotiator attributed the new-found co-operation to a realisation by mainly white unions that they could no longer frustrate the restructuring process. "They seemed to have finally realised there is no turning back," he said.

Wage negotiations broke down last year when government said it could not afford to meet union demands for a 15% across-the-board increase and a minimum monthly wage of R1 500.

The two sides agreed to resume negotiations after the intervention of Deputy Presidents Thabo Mbeki and FW de Klerk late last year, when the idea of a salary plan was mooted for the first time.

One union participant warned yesterday that the partnership between government

DAVID GREYBE

and the unions was wholly dependent on the salary improvement plan. "We still reserve the right to strike," he said.

Another source said there was a "strong feeling" among delegates that if government and the unions were not to lose credibility among public servants they had to produce a joint plan by the middle of April.

Union negotiators conceded they would have to scale down their demands because of government's financial constraints.

Negotiations on the plan will be conducted by a main task team — representing Public Service Minister Zola Skweyiya, the Public Service commission and the unions — plus five smaller specialist task teams.

The specialist teams have to devise strategies to narrow the wage gap; review the remuneration system; look at allowances; identify "all" disparities and discriminatory practices; and, research promotions.

Members of the main task team met yesterday to work out preliminary details before work in earnest began next week, a source said.

Meanwhile, negotiators set up a separate task team to study public service labour relations in light of the draft Labour Relations Bill. Negotiators also agreed on broad affirmative policy guidelines for departments.

control, an agreement was concluded in...
Mr Marcel Joubert in...
fect from...

Launch of new statutory body

Weekend Argus Reporter

A NEW statutory negotiating body for social and economic policy is to be launched next weekend

The National Economic Development and Labour Council (Nedlac) will bring together government, organised labour, organised business and community leaders

In a statement, Nedlac's execu-

(132) (49)
tive director Jayendra Naidoo said the body would have a key role in seeking co-operation between the "social actors" on social and economic policy matters

President Nelson Mandela would deliver the keynote address at the launch, on Saturday February 18, at Gallagher Estate, outside Johannesburg

ARC 11/2/95

PROFILE

Naidoo must get all to pull together

By RAY HARTLEY

THE skills Jayendra Naidoo picked up while helping with the drafting of the peace accord could come in useful in his new job searching for peace between government, business and labour.

As executive director of the National Economic Development and Labour Council (Nedlac), Mr Naidoo will oversee the launch of the new body on Saturday.

Then it will be down to business.

First on Nedlac's agenda will be the search for consensus on the new Labour Relations Act and getting to grips with the first season of wage bargaining in the new South Africa.

The critical asset at his disposal is the pragmatic political tradition launched by the negotiation process.

"There is in the political culture in this country a capacity to make leaps, to compromise one's own interests," he says.

Mr Naidoo has a long

trade union pedigree, including several years spent with the SA Commercial, Catering and Allied Workers Union as education secretary and

his most recent job as Cosatu's negotiations co-ordinator.

But he is not cynical of the role business can play in the forum.

"I've come across people in the business community who are sensitive to the need for greater democratisation. I'm not being asked to be neutral. My job is to help manage this process," he says.

Although Nedlac will be a statutory body, parties will not be legally obliged to seek agreement there. Not using Nedlac would, however, have negative consequences.

"If government goes it alone, it will have to take the consequences of not having the support of business and labour," he says.

Mr Naidoo is determined that Nedlac should not get bogged down in detail.

"We have to be sensitive not to create a bureaucracy, not get locked into little committees and losing sight of the big picture," he says.

Will the new forum reshape South Africa's industrial landscape?

"It will make a contribution to the extent that it delivers. The National Economic Forum showed parties that they could take risks," he says.

SEEKING COMMON GROUND . . . Jayendra Naidoo

(132) AT 12/2/95

LABOUR

(132)

PM 13/2/95

Balancing act

Government and the country's biggest trade union grouping, Cosatu, will continue their delicate balancing act to ensure a sound future relationship.

In their annual review on labour relations, Andrew Levy & Associates say the extent to which employers are able to distinguish between what is essential to a functioning economy and what can be conceded will play a crucial role

"A look at employment and management practices in societies with successful economies elsewhere on the globe could show that some vestiges of the past, which seem part of the natural economic order, are, in reality, obstacles to progress."

Furthermore, says Andrew Levy, Cosatu's future role will also be determined

CURRENT AFFAIRS

by the extent to which organised business and individual companies can identify common ground with unions

The consultants think it can be assumed that Mboweni will back some changes to labour relations which will strengthen the position of unions "Despite the fantasies of those who believe a Thatcherite strategy is possible in this country, no government, however large its mandate from the elec-

torate, would be able to create conditions for economic growth without granting the union movement a significant say in decisions"

The consultants say the ANC will have to find ways of affording Cosatu, in particular, a significant say in decision-making (from the plant level to national) without damaging business confidence or allowing union demands to impair prospects for

sustained growth At the same time, Cosatu will have to find ways of exercising restraint in pursuit of national goals, while not alienating its membership

The consultants say that given its limited resources and weakened leadership (many former office-bearers are now in parliament as ANC representatives), Cosatu's chances of finding a workable strategy are less promising than government's

KwaZulu prisons hit by go-slow

ARG 14/2/95

DURBAN. — Warders at Empangeni Prison in KwaZulu-Natal did not arrive for work today, severely disrupting services, prison authorities said.

Nine other KwaZulu-Natal prisons were affected by go-slows today, correctional services spokesman Mike Deysel said.

"We have nine prisons affected by go-slows, and at Empangeni Police and Prisons Civil Rights Union (Popcru) members have left the prison completely," he said.

Three striking warders at Empangeni Prison were arrested yesterday on intimidation charges, Captain Deysel said.

Popcru members are demanding that a merit award system be scrapped or adjusted to ensure equal annual bonuses for all prison staff.

Yesterday internal stability division (ISD) police surrounded the prison, where inmates rioted and escaped into a courtyard.

Captain Deysel said non-striking warders were trying to render essential services at Empangeni and had been able to feed the prisoners, but were unable to accompany them to court or to supervise exercise periods. — Reuter.

Minister names top trio for labour revamp

ARG 14/2/95

The Argus Correspondent

JOHANNESBURG — Labour Minister Tito Mboweni has announced the appointment of the top three civil servants who will be charged with the implementation and success of the new Labour Relations Act.

The post of director-general in the new Department of Labour goes to current University of Fort Hare registrar Siphon Pityana.

Veteran trade unionist Les Kettleidas has been appointed deputy in charge of human resources, policy and labour relations.

Acting director-general Joachim Kastner has been appointed deputy director-general in charge of labour market programmes and administration.

Mr Mboweni also announced that the Labour Ministry's five-year plan, which will outline all the programmes the ministry hopes to embark on in the next five years, will be released "soon, probably in the next two weeks".

He said the three men will have the task of building the new Labour Department, implementing changes within the labour department and bringing its workings in line with government policy.

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SATURDAY

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SUNDAY

Mboweni names trio

CT 14/2/95

(132) (132)

PRETORIA — Labour Minister Mr Tito Mboweni yesterday announced a new non-racial management team to oversee labour department matters

Mr Siphon Pityana, currently the registrar at the University of Fort Hare and a former trade unionist, was appointed director-general of the department

Mr Les Kettleidas, a long-serving trade unionist in the motor industry, and Mr Joggie Kastner, the department's present acting director-general,

al, were named deputy directors-general

Their appointments will be effective from March 1.

"Basically, the Department of Labour is under new management," Mr Mboweni told a news conference here.

"I am confident that the combined experience and expertise of the three will significantly enhance the face and image of the new Department of Labour" — Reuter

Nafcoc to meet Mboweni over exclusion from forum

THE National African Federated Chamber of Commerce (Nafcoc) said it would meet Labour Minister Tito Mboweni today over its exclusion from Business SA's representation on the National Economic, Development and Labour Council (Nedlac). (132) HSE

Nafcoc president Joe Hlongwane said the chamber had written to President Nelson Mandela about an issue which threatened to keep an organisation "representing the majority" out of Nedlac. BDIS 12/95

Hlongwane said it was impossible for his chamber to accept the Business SA structure and the conditions the organisation set for Nafcoc's affiliation. This had led to a deadlock in talks held this week. Nafcoc was not prepared to affiliate to Business SA, which sought to relegate the black organisation to a junior partner

THEO RAWANA

Last week Business SA left Nafcoc out of the list of representatives it submitted to Nedlac.

Hlongwane told a news conference in Johannesburg the chamber would seek to take its seat independently if Business SA was not restructured to reflect the black organisation's representation of the majority of South Africans. "Nedlac without Nafcoc would be hollow, because we represent the masses."

He said Business SA was "disproportionately weighted" against black representation in that it consisted of 17 predominantly white business organisations.

Nafcoc could not meet terms requiring Nafcoc to pay R60 000 in fees for each of its 24 members as this would mean that the organisation

had to pay R1,4m a year. "This situation we patently reject as a ploy and a farce, and our participation in Nedlac cannot and must not be on condition we affiliate with this organisation," he said.

Business SA sought to reduce the role of Nafcoc into a "ghettoised rubber stamp" to what was essentially white business decision-making. "We, however, believe that we represent the voice of the majority in this country and that cannot simply be measured in the size of the assets our members command.

"That attitude we believe is cynical to the history of our country and the problems facing black business today," Hlongwane said.

Business SA social policy standing committee chairman Bokkie Botha said the two organisations were still talking. He refused to elaborate.

STAV 15/2/95

Nafcoc up in arms over exclusion from new body

■ BY ROSS HERBERT

Nafcoc escalated its conflict with Business South Africa (BSA) yesterday, calling a press conference to protest its exclusion from a new national economic body and accuse BSA of trying to turn it into "a ghettoised rubber stamp."

At issue is the formation of the National Economic, Development and Labour Council (Nedlac), a statutory body in which labour, government and business are represented. BSA has had an ongoing tussle with Nafcoc over the group's representation on BSA and hence Nedlac.

Last year Nafcoc (National African Federated Chambers of Commerce) withdrew its membership in BSA and therefore has been excluded from Nedlac.

However, BSA president David Brink and Nafcoc held meetings Friday and Monday to discuss Nafcoc rejoining.

According to Nafcoc president Joe Hlongwane, to participate Nafcoc and its 24 constituent organisations would each have to pay R60 000 in fees for a total of R1,4 million: the more representation Nafcoc wants, the more it must pay.

Hlongwane said Nafcoc had been promised 50 percent representation on BSA on Monday. "Then, to our surprise, we were told on Monday we would have to second 200 people and Nafcoc would have to pay for them," Hlongwane said. Such salaries and fees would be impossible for Nafcoc to afford, he said, but exclusion on economic grounds also would be

unacceptable.

"We are the biggest chamber of commerce, even though our pockets are empty," he said. "It is very obvious to us that BSA never intended to have Nafcoc involved."

Hlongwane said he would meet Labour Minister Tito Mboweni today and was drafting a letter of complaint to President Mandela.

"We are being responsible, and we really believe BSA does not have good intentions to have everyone on board."

"We, however, believe we represent the voice of the majority and cannot simply be measured in terms of the size of the assets our members command."

The Nafcoc press conference was held at 4:30 pm, after which no BSA members could be reached for comment.

Labour market probe coming

THE cabinet yesterday approved the appointment of a labour market policy commission headed by UCT academic Mr David Lewis

"The Minister of Labour was given approval for a commission to develop a comprehensive labour market policy," cabinet secretary Professor Jakes Gerwel said.

Shareen Singh said the commission would have a wide mandate to investigate all aspects of labour market policy and to draft a white paper that could be published next year.

"Its a broad commission that will look at the consequences of industrial restructuring and globalisation and how they affect labour."

She said the commission was

planned in the light of international experience of labour market shifts associated with industrial restructuring and development.

The probe would include training, retraining and job creation and the Trade and Industry Ministry and the RDP would also be involved.

"It's an enormous task they are taking on. We have not set

a time frame, but hopefully they will be able to report sometime next year," she said.

Ms Singh said the Labour Ministry would release full details, including the names of the commissioners, today.

She confirmed Mr Lewis coordinator of the Industrial Strategy Research Project at UCT, would chair the commission.

CT 16/2/95

Labour policy body approved

CAPE TOWN — Cabinet yesterday approved the appointment of a commission to develop a labour market policy for SA and said government would sign two International Labour Organisation (ILO) conventions.

Labour Minister Tito Mboweni pledged support for four ILO conventions at the ILO's annual conference in Geneva in July. (132)

Cabinet yesterday ratified the adoption of ILO conventions 87 and 98, which related to freedom of association, protection of the right to organise and collective bargaining rights. BD 16/2/95

Cabinet secretary Jakes Gerwel

Business Day Reporters

said Cabinet had approved the commission to develop a comprehensive policy on the local labour market.

It had also discussed questions relating to illegal entry to SA and had established a committee to examine the international instruments available, he said.

A working committee of "relevant role players" would be established to investigate the creation of an exclusive national occupational health and safety council which would develop overall national policy on occupational health.

Path to success

THE GOVERNMENT last year set up a wide range of organisations to assist South Africa's fledgling democracy. Among the latest is the National Economic, Development and Labour Council, unveiled last week by President Nelson Mandela on Saturday.

"It is a negotiating body and is made up of Government and civil society in its broadest sense," says Nedlac executive director Mr Jayendra Naidoo.

Its roots go back to 1992, when the National Economic Forum was formed and the National Manpower Commission was restructured.

"But its real basis lies in the commitment of the new Government and the country's democratic forces to replace apartheid with a more democratic form of government," says Naidoo.

"One that's not simply based on parliamentary representation but which has a much more active involvement with civil society."

Nedlac is made up of four constituencies: Government, business, labour and the community.

"Its purpose is to bring about cooperation between these constituencies for the good of the country, to bring about agreements at a national level on economic, labour and social policy."

Naidoo realises there are high expectations of Nedlac. "That's a problem," he says "There is no way we are going to transform the country overnight."

"But if we get our priorities right, the body has a good chance to deliver something useful, and at the same time make people feel this process of negotiation is producing the goods."

Priorities will be identified in March at the first meeting of Nedlac's chambers, which deal with the labour market, trade and industry, public finance and development.

In terms of what the body should address, there is "an incredible shopping list", Naidoo says.

"We are not going to address this huge list. Each chamber must decide which three or four things we can tackle and complete and which will have a big impact."

He cautions: "This body is not solely responsible for transforming the country. It's not replacing the responsibility of Government and business and labour to do what they have to do."

"But it has the capacity to bring about agreements where the sum total of the agreement will be far more than what each constituency on its own could achieve for its members."

Naidoo concedes there is a danger of Nedlac

National Economic, Development and Labour Council executive director Jayendra Naidoo talks to **Tyrone August** about plans to change the face of South Africa forever:



Jayendra Naidoo ... looking forward to his new job at Nedlac. PIC: VUSI ZWANE

Southern 16/2/95
becoming bogged down in bureaucracy but is optimistic this could be overcome

"It's the intention of the body to eliminate procedures that are bureaucratic and cumbersome, but the fact of a negotiating process does have some delaying effect," he says

"Taken as a whole, it may actually assist Government and the other constituencies to achieve things much faster

"For example, if we get agreement by negotiation, it means the resources of all the constituencies are brought to bear on the implementation of that agreement."

This will avoid running into problems at a later stage because only one constituency was involved initially in decision-making

"All we've done is change the process," Naidoo explains "We've brought all the parties into the decision-making stage. It's not left to individual constituencies."

And Naidoo sees his own role as an exciting challenge "My job is to help manage the negotiating process. But I don't make the decisions, the



constituencies make them.

"My objective would also be to make sure we don't try to manage everything at once, or make the council something that takes over the responsibility of any of the constituencies"

Nedlac clearly has very wide powers. "Its agreements are going to be very important for every citizen," says Naidoo

"Whether it's a new labour bill or a strategy on development or a programme for job creation, it can offer a service and a possibility to make these things happen"

Naidoo's rich and varied background equips him to deal with the challenges posed by Nedlac. A student activist who participated in community organisations in Durban, he joined the trade union movement in 1981.

As Cosatu's representative, he also took part in negotiating the National Peace Accord, and has a wealth of experience in negotiations.

But, he says modestly, the body depends on the constituencies to work.

"I will just try to manage the process as much as possible."

Naidoo looks forward to the challenge: "The big problem South Africa has is that we need so many things and the Government doesn't have enough money to do them."

"By bringing the constituencies together, we have a possibility of bridging that gap. Our task is to make sure we change the face of the country."

"We must be able to provide people with the things they need so that they have jobs and homes, so that we are able to reduce crime and make this a better place."

Naidoo recognises this will not be an easy task. "There is no simple solution," he says. "It's going to require detailed work on a lot of key issues."

In spite of this, he looks forward to his new job. "The possibility now exists to construct a body that is proactive, that is capable of doing things in a far more comprehensive way."

"It replaces a need for several other forums that have now disappeared. I call it a one-stop-shop of social and economic negotiations."

Nedlac is, in many ways, a unique body. No doubt it will be a learning process for all its constituencies, but there seems to be a willingness from all sides to make it work.

Especially from Jayendra Naidoo

(132)

Daunting task for Nedlac chief

Reg Rumney speaks to the Jayendra Naidoo, director of the National Economic, Development and Labour Council, which will be launched tomorrow.

THE very name of the National Economic Development and Labour Council portends one of its first problems

Quite simply, there are high expectations that this statutory successor to the National Economic Forum and the National Manpower Commission will bring consensus and clarity where now there is none

Cosatu has already promised to bring before Nedlac, "the need to completely overhaul the method for determining inflation as well as proposals to address the massive racial and income inequalities inherited from apartheid."

This week Finance Minister Chris Liebenberg said he would ask the council to look into the creation of a national export strategy.

In terms of the Act which created the council, bearing the inelegant acronym Nedlac, it is statutorily obliged to consider all changes to labour legislation and all significant changes to socio-economic policy before it reaches parliament, a tall order.

As executive director Jayendra Naidoo, agrees there is a temptation to see Nedlac as a danger and to use it as a dumping ground for every problem. But one of the big differences between the council and the NEF it replaces is that Nedlac will have a defined agenda.

Nedlac is not the NEF part two, he stresses. Many of the weaknesses of the NEF will be avoided, including having to operate in crisis mode, as it did in dealing with the petrol price increase

Naidoo warns against expecting quick agreements. It has taken six months to negotiate the creation of the council: it may take another three months to set priorities.

Former Cosatu negotiating co-ordinator Naidoo, carefully uses the neutral, technical jargon of negotiation rather than the rhetoric of a union organiser

132 WMI 17-23/2/95 (BM)

He smoothly produces a definition "Nedlac is a negotiating body of government and civil society in the broadest sense which seeks to find co-operation and agreement that would enable a process of social and economic transformation to be carried out."

Nedlac will not only take over the work of the NEF and NMC, but will inevitably co-ordinate the work of various other forums that sprang up post-1992 as stakeholders sought to find common ground on electricity, housing, local government and the like

The NEF and other forums did, says Naidoo, achieve difficult agreements, even though they were not always in the short-term interests of every forum member

For example, the NEF managed to agree on an increase in petrol prices — unavoidable to prevent the collapse of the regulatory system, says Naidoo — when the previous government was facing political resistance to do so, even though this necessary step was hardly to the benefit of

most businesses or to union members

The NEF also agreed what South Africa would propose to the world policeman of trade barriers, the General Agreement on Tariffs and Trade, in the way of reductions in protective tariffs, and on job-creation programmes

The negotiation process, however, has been fragmented, with each forum dealing with different issues, and much time being taken up with discussion of jurisdiction, making it complex to get mandates from constituencies

Sectoral interests came to the fore. So with the electricity, local government and housing forums there was clear overlap in several areas. This led to a contest between the forums about whether electricity distribution should stay at the municipal level or be done at a national level.

The idea of Nedlac is to have a central forum, with a much more ordered process of negotiation, likely to get better agreements and a better chance for the constituencies to be mobilised and organised.

From the government's side Naidoo says that there was a need to rationalise forums after the elections to pursue its commitment to the reconstruction and development programme.

Nedlac has sought, says Naidoo, to include all credible national democratic organisations. The unemployed are not organised. Consumer groups can also seek participation, though consumer bodies in South Africa may be small lobby groups rather than representative organisations, mandated by the consumers. And non-member organisations can make representations

In the end it is government's task to represent the unemployed, and it has a commitment through the RDP to do that.

Also, Nedlac will include "community" representation, says Naidoo

Community representatives will be appointed by Minister without Portfolio Jay Naidoo, from a list of community organisations which will have to prove they are "democratically constituted"

A procedure for selection of the community delegates will be outlined at the launch

Naidoo agrees that it is essential for participants in the council to be representative because the aim of the council is to reach binding agreements. The community will only be represented in the development chamber, and the executive council

There will be three other chambers: public finance and monetary policy, trade and industry, and labour legislation

The community representation, aside, how representative of South African society can Nedlac be, given the diversity within constituencies?

Naidoo says Nedlac will not dictate the composition of constituencies, though any constituency might exert some subtle form of influence to ensure it is talking to the right people

On the government side, ministers, deputy ministers and directors general will represent socio-economic ministries such as labour, trade and industry, finance and mineral and energy affairs

Labour will provide representation from major union groupings Cosatu, Nactu and Fedal

There is a temptation to see Nedlac as a danger and to use it as a dumping ground for every problem

Mandela unveils new council to cut labour unrest

Weekend Argus Correspondent

JOHANNESBURG — President Nelson Mandela today unveils a new partnership government, labour and business which is expected to reduce the labour unrest which has characterised South Africa's industrial relations.

At the Gallagher Estate in Midrand Mr Mandela will launch the National Economic, Development and Labour Council (Nedlac), a merger between the National Economic Forum and the National Manpower Commission where labour, business and government are represented

About 300 delegates are expected.

Former trade unionist and political activist Jayendra Naidoo is the executive director of the new institution, which is statutorily charged to consider all changes to labour legislation and all significant changes to socio-economic policy before it reaches parliament. It will therefore play a significant role in the formulation and implementation of new government policy.

Says Mr Naidoo. "This body is a negotiating forum between four constituencies government, labour and business and the community. It will make agreements on matters concerning social and economic issues. It considers all labour legislation before it is introduced into parliament. It will also consider any significant change to social and economic policy before implementation or introduction into parliament.

"This is a potential partnership between government and civil society at national level and will change the way disputes are dealt with."

Nedlac will be made up of the executive council and four chambers representing labour, trade and industry, development and public finance and monitoring.



□ **NEW CHIEF:** Jay Naidoo heads the new institution.

Mr Mandela will deliver the keynote address, which will be chaired by Deputy President Thabo Mbeki. Other speakers include Minister of Labour Tito Mboweni and President of the Congress of South African Trade Unions (Cosatu) John Gomomo

Mr Naidoo says Nedlac is being created because the government realises the need for co-operation of all the four constituencies that are represented on the body

"Every constituency is equal and independent and that includes government.

"If there is a failure to reach an agreement each party can proceed with whatever steps it intends to take. But inevitable there will be pressure to reach agreements. There will be no barriers to reach agreements. This is a unique institution which will strengthen our democratic process," says Mr Naidoo.

This body is "not solely responsible for transforming the country," he adds.

Dispute delays council's launch

By RAY HARTLEY: Parliamentary Correspondent

SOUTH AFRICA'S business, labour and government leaders gathered to see President Nelson Mandela launch the National Economic Development and Labour Council in Midrand yesterday.

But they were kept waiting for over an hour while black business, represented by the National African Federated Chamber of Commerce and Business South Africa, squabbled over representation on the council, which seeks to establish consensus on economic policy.

Nafcoc president Joe Hlongwane and Business SA head David Brink eventually agreed to resolve the matter after the

launch and both took to the stage.

Mr Mandela was loudly applauded by the Nafcoc delegation when he called for the matter of black business representation to be addressed.

He described the launch of the council as an event of "towering significance".

"None of us would contest the assertion that our democratic gains will be shallow and persistently threatened if they do not find expression in food and shelter, in well-paying jobs and rising living standards," he said.

In his speech, Cosatu's John Gomo

warned that bringing workers and bosses together would not be "a calm and easy process".

But he added: "The alternative is for the new democracy to flounder on the rocks of continual strife and conflict over all matters of production and distribution."

With six cabinet ministers, a deputy minister, a fistful of trade union heads and the leaders of 19 business organisations on its executive, the National Economic and Development Council is shaping up to be the most powerful body in

South Africa after the cabinet.

Founding executive director Jayendra Naidoo said agreements reached by the new body would "impact on the quality of life of all citizens".

With a brief that covers everything from the drafting of legislation to monetary policy, he may have understated the council's case.

Among those set to take government seats at the council's meetings are: Labour Minister Tito Mboweni, Mineral and Energy Affairs Minister Pk Botha, Finance Minister Chris Liebenberg, Trade and Industry Minister Trevor Manuel and Public Works Minister Jeff Radebe.

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A troubled birth for Nedlac

BY KHANGALE MAKHADO

THE NATIONAL Economic Development and Labour Council (Nedlac), a new negotiating forum comprising representatives of government, labour and business, was launched in Midrand yesterday – with the last-minute inclusion of the National African Federated Chambers of Commerce (Nafcoc)

Consensus

Nafcoc finally agreed to take part in Nedlac – even though it had not yet settled its dispute with the sector within Nedlac which represents business, Business South Africa (BSA), from which Nafcoc withdrew earlier this week.

Addressing the launch, President Nelson Mandela hailed the new statutory body – aimed at promoting consensus among government, business and labour – as a

milestone in the transition from an illegitimate system which had brought about the worst form of oppression to the most democratic expression of the popular will and unity.

The body would directly engage sectors of society in formulating policies and managing the institutions governing their lives, he said.

Referring to the dispute between the predominantly white BSA and Nafcoc over the number of representatives they should have in Nedlac, he said the concerns about representation of black business needed to be addressed with regard to the interests of all sides.

The Nedlac launch was delayed by half an hour as the executive council tried to sort out Nafcoc's concerns

A decision to allow a "business caucus" involving Nafcoc and BSA to take part on a temporary

basis in Nedlac broke the deadlock.

Nafcoc president Joe Hlongwane said Nafcoc would take up representation on Nedlac's executive council, but its participation in Nedlac's four chambers – dealing with public finance and public monetary policy, trade and industry, the labour market and development – depended on further talks.

Four chambers

Addressing the launch, Nedlac executive director Jayendra Naidoo said the council would seek to reach consensus on matters of policy and would consider all proposed labour legislation in relation to labour market policy prior to its introduction to parliament.

Four chambers have been established to deal with public finance and public monetary policy, trade and industry, the labour market and development.

(132) CP 19/2/95

Godsell sees Nedlac as alternative to 'slugging it out in the streets'

THE National Economic Development and Labour Council (Nedlac) is an institution worthy of the world's top industrial relations, says the council's convener of business interests, Bobby Godsell.

Speaking at a briefing on Nedlac, which was launched by President Nelson Mandela on Saturday, the Anglo American director said Nedlac was "an alternative to slugging it out in the streets, or private lobbying of government" which led to deals representing only the narrow interests of particular sectors or parties.

Ebrahim Patel said Nedlac would not eliminate conflict of interest between business and labour "But it will allow us to identify common ground, resolve those conflicts capable of being resolved, and manage the consequences of conflicts which are not resolved".

ALAN FINE reports that Godsell, commenting on the split between Business SA (BSA) and Nafcoc, said there had been insufficient time to establish ground rules for co-operation between the two groups. "Nafcoc is an important part of organised business. Nedlac can work only if there is a degree of coherence in the approach of each grouping, including business."

It was vital that BSA and Nedlac resolve how the business component within Nedlac would operate. He said there had been some progress in talks between BSA and Nafcoc on Saturday.

Nafcoc has argued that, as black business's main representative, it should be entitled to representation equal to BSA's. BSA's approach is for each of the 18 affiliates to have one seat on the executive.

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Godsell said major black interests were represented in BSA New Africa Investments Ltd chairman Nthatho Mothlana, Real Africa Investments chairman Donald Ncube and Telkom chairman Dikgang Mosenke were on the BSA board of trustees.

Meanwhile, a major surprise among the parties' delegations to Nedlac, disclosed on Saturday, is the presence of former Trade and Industry director-general Stef Naude as senior business representative in the Trade and Industry chamber of Nedlac. Naude is a Sanlam director.

Nedlac executive director Jayendra Naidoo said the negotiating body comprised "equal partners, and creates the basis for a more participatory form of governance". Nedlac would not be merely an advisory body like its predecessors, the National Economic Forum and the National Manpower Commission.

Mandela told the launch that "the outcome of its deliberations in the all-encompassing arena of development is bound to have an authority that government cannot ignore". But the body, although not advisory in nature, would not "usurp the duty of

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Nedlac

(132)

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Government to govern" In terms of the Nedlac Act, a failure of the parties to reach agreement through negotiation and discussion based on proper mandates will result in each party retaining its right to "its freedom of action within its own sphere of responsibilities".

Community structures, such as youth and women's groups, would be invited to participate, provided they represented a significant, national community interest, had a direct interest in the reconstruction and development programme and were democratically constituted

Mandela cautioned that Nedlac should not be seen to be a "cosy deal-making body representing the powerful and well-organised against the weaker of our society. To prevent this the body would include, besides the three chambers dealing with public finance and monetary policy, trade and industry and the labour market, a chamber yet to be constituted which would focus on development.

Mandela and Labour Minister Tito Mbozi highlighted current "criminal and anti-social activities" and stressed the need for the urgent formulation of policy to prevent further decay of the "social fabric" of the society.

R5m had been budgeted for Nedlac's operations in the next financial year

Picture: Page 3
See Page 4



Joe Hlongwane felt
BSA wanted to
marginalise Nafcoc.

Nafcoc, BSA to settle

By Mzimkulu
Malunga

A COMPROMISE is likely to be reached soon between Nafcoc and Business South Africa on representation on the National Economic Development and Labour Council.

Mr Benjamin Wauchop, executive director of the National African Federated Chamber of Commerce, says the two groups have until March 6 to resolve their dispute.

Last week the BSA, which comprises mainly white business organisations, clashed with Nafcoc on the number of seats the organisation is entitled to in the Business Caucus, the business representation in Nedlac.

Nafcoc, led by its president Joe Hlongwane, argued that the organisation was the biggest of all the groups in the Business Caucus and was therefore entitled to 12 of the 18 seats allocated to business in Nedlac.

BSA was only prepared to give Nafcoc two seats.

Later Nafcoc brought down its demand to nine seats while indicating it could even go down to five seats.

Wauchop said there was no way BSA could go it alone as Nafcoc was a very important player.

He was optimistic that an amicable solution would be reached soon.

LABOUR AND THE ECONOMY

Believing in fairies?

FM 24/2/95

(132)

High-powered it certainly was, but the launch of the National Economic Development & Labour Council (Nedlac) last Saturday was not entirely auspicious

Two rather sour notes were struck — early warnings perhaps of the inherent difficulties (already seen in the former National Economic Forum) that face this ambitious attempt to forge economic policy consensus among business, labour, government and community organisations.

The first sour note was the unresolved spat between Business SA and Nafcoc over representation in Nedlac (see *Economy*).

The second and more ominous was a warning to government (and business, no doubt) by Cosatu president John Gomomo against what he construed as “witch hunts” in President Nelson Mandela’s speech to parliament the previous day. The speech had criticised “anarchists” in the union movement and elsewhere

Labour Minister Tito Mboweni tried to patch things up by explaining that “government is fully supportive of collective bargaining processes,” which is precisely what the draft new Labour Relations Act seeks to do in an organised framework. “But I am sure,” Mboweni added, “that the president of Cosatu will agree that the looting we saw in Eloff Street recently, for example, is not on”

Gomomo’s prepared speech was, however, reasonable enough for the occasion and included hard-headed recognition of the difficulties ahead Nedlac, he said, offers a special opportunity — “a chance to rebuild the economy and society through consensus forged among workers, investors, government and the community

“The road to that consensus will, no doubt, be rocky. You cannot bring together Jabu Xulu, earning R200 a week after 15 years, with a family of five to feed, and John Smith, the CEO of a major conglomerate, who earns R20 000 a week, and expect that it will be a calm and easy process. But bring them together we must or we (the new democracy) will flounder on the rocks of continual strife”

Warning against any patronising, old attitudes to the workers, Gomomo called for policies which “combine high and sustainable economic growth with far-reaching programmes of wealth redistribution for the millions of working poor.”



Gomomo

While Gomomo (like the business spokesmen David Brink and Bobby Godsell) fully embraced the idea of finding negotiated solutions through Nedlac, he stressed that agreements made must be kept. He pointed out that Cosatu was still waiting for the implementation of already concluded agreements, such as the clothing and textile industry plan

Cosatu was aware of Nedlac’s challenge to promote growth, which is important to create more jobs and resources, said Gomomo. But he took issue with the *FM* and others for putting forward “fashionable and simplistic answers” centred on deregulation.

The idea of Nedlac, whose deliberations will have an impact on policy, is certainly better than “slugging it out on the streets,” as Godsell put it

Whether it is eventually recognised as “the watershed of SA’s modern economic history,” as Brink said it may be, remains to be seen. ■

FOREIGN AFFAIRS

Personal choices

Foreign Affairs Minister Alfred Nzo is expected to support the candidature of Rusty Evans to stay on in the East Wing at the Union Buildings as director-general. Nzo’s support for Evans comes after a short list of six candidates was presented

On Tuesday Nzo was due to meet Cabinet colleagues to enlist support for his nomination of Evans. If accepted informally, the nomination will be handed over to Public Service & Administration Minister Zola Skweyiya, who will present it formally to Cabinet



Langley



Nzo



Evans

In response to the advertisement for Evans’s job, 114 applications were received by Skweyiya’s department. After interviews with all the applicants, including Evans, a short list was compiled. Other names on it included former diplomats from the TBVC “countries” A notable absentee from the short list was the name of University of the Western Cape academic Peter Vale, who told the *FM* this week that he had withdrawn his application

The re-appointment of Evans as DG would do much for morale in the department, which has suffered because of affirmative action and general uncertainty. Though he was a confidant of former Foreign Minister Pik Botha, Evans has easily adapted to the transition. He seems to enjoy a close relationship with Nzo, during a previous visit to Washington DC, Evans’ wife Gerda was invited to accompany the touring party in the absence of Nzo’s wife.

Nzo also supports Evans’s continued residence in the State residence occupied by many former Foreign Affairs director-generals. Evans received a letter from Public Works Minister Jeff Radebe asking him to vacate the house within three months because it was needed for other purposes. The Foreign Affairs DG is the only such official to occupy a government house

Nzo then wrote to Radebe to explain that the house was allocated to the department’s DG because he often has to entertain foreign visitors and members of the diplomatic corps. Previous occupants include Neil van Heerden and Brand Fourie. By Tuesday Radebe had not yet responded to Nzo’s letter.

□ Meanwhile, there is embarrassment at the Portuguese government’s negative reaction to the appointment of the Freedom Front’s Tom Langley, a former Conservative Party MP, as ambassador to that country. It is said that Portugal does not want to be seen as a conservative country.

But Langley’s surprise appointment must be seen as an example of President Nelson Mandela’s conciliation policy. It is also

indicative of the mutual respect between Mandela and Freedom Front leader Constand Viljoen

The Portuguese reaction to Langley’s appointment now casts doubt over another Freedom Front name, that of Carl Werth, who is also in the running for a diplomatic posting

LABOUR

Pay checks

(132)
FM24/2/95

The establishment of a Labour Market Commission is to be welcomed. It will highlight important — and controversial — issues such as wages and productivity, which are vital to growth and have been ignored for too long.

The new 17-member commission is expected to submit a first report by September and a final one by the end of the year, followed by a draft White Paper.

The trap to avoid is proposing an incomes policy of the kind that was all the rage in the Seventies, which failed then and is not likely to get off the ground here.

The process of transition in SA and world economic restructuring have posed new and difficult challenges, says Labour Minister Tito Mboweni. To ensure implementation of the RDP and form the basis for adapting to re-entry into the world economy, it has become necessary for a thorough investigation of our labour market with a view to formulating a comprehensive labour market policy.

The economic growth rate has lagged the population growth rate for more than a decade. The labour absorption rate declined by more than 30% in the last decade, which means that fewer than seven out of 100 new job seekers can find formal employment. 5,7m (43% of the economically active) have no job; half the work force has only low-level skills and productivity levels are poor compared with competitors.

Setting out the commission's complex and wide-ranging terms of reference, co-chairman Dave Lewis (former unionist, UCT economics lecturer and now special adviser to Mboweni) described the task as daunting. His co-chairman is Moss Ngoasheng, group manager of labour relations at Gencor.

Lewis explains that SA has had two labour market policies for much of this century. The one was directed principally at white labour and represented a standard European-type mix of active and passive labour market policies — career counselling and training services, UIF and other social security benefits. These succeeded until fairly recently in maintaining full

CURRENT AFFAIRS

national incomes accord without talking about a productivity accord," which is the second of the terms of reference.

Thirdly, enhancing productivity on a substantial scale, says Lewis, effectively means a major restructuring of the economy in general and of manufacturing in particular. "We recognise that though this will generate new and high-productivity employment, it will also eliminate jobs in declining areas. The question here is how to deal with the social implications of restructuring — specifically, how feasible is the idea of a Social Plan Act?"

Finally, what is the policy framework for affirmative action that is consistent with the productivity objectives of industrial policy and the growth objectives of macro-economic policy? Affirmative action is seen as "a force for unleashing productive capacity."

The commission is described as an expert rather than representative body. As with Nedlac, the idea is to reach consensus before proposals are turned into a White Paper and submitted to parliament.

Asked whether a national minimum wage will be proposed, Lewis says "We'll look at income determination and whether a national minimum wage is an appropriate way to influence incomes in the economy. We'll look at public sector employment policy, for example, and what the relationship is between public and private



Mboweni towards a clearer view of the labour market

focused on growth, with an inevitable trade-off between them. We want to find the labour market policy that complements industrial and macro-economic policies."

This perspective fits well with — and perhaps duplicates — the idea and role of the National Economic Development & Labour Council (Nedlac), which was launched recently.

The commission's terms of reference call for examination of whether there is a role for public policy in the determination of wages and other forms of income. It is recognised that "you can't talk about a

employment and reasonable skill levels among white workers.

The other labour market policy essentially consisted of influx control and migrant labour directed at blacks.

Policy that was directed at whites can no longer meet the needs of that narrow segment and is clearly not capable of being extended to the whole population, as the commissioners initially thought.

"Essentially, active labour market programmes of the traditional type are capable of dealing with relatively low levels of frictional unemployment in relatively high-level, high-skill economies. While they're important and will be considered in appropriate cases, on their own they are simply not up to the task of dealing with massive unemployment, systemic labour market discrimination and the deep-seated productivity crisis which characterise SA."

Lewis says the commission's task is to answer the following question: what is the policy and institutional framework that will realise the employment-related objectives of the RDP — employment creation, rising average living standards, elimination of discrimination and industrial democracy — that are consistent with macro-economic and industrial policy objectives? "We want to get away from the notion that labour market policy is focused on equity whereas industrial and macro-economic policies are

Nafcoc steadfast on seats

SD 24/2/95 (132)

JOHN DLUDLU

THE National African Federated Chamber of Commerce (Nafcoc) would insist on an allocation of seven of the 18 seats allotted to business in the reconstituted National Economic, Development and Labour Council (Nedlac), the organisation said yesterday.

Nafcoc, which has been embroiled in the row for months, first over its standing in Business SA and its representation in Nedlac, had initially proposed it be entitled to nine representatives, the same number as BSA.

Nafcoc president Joe Hlongwane said this week his organisation would not budge from its latest position.

The two organisations were given until March 18 to resolve the wrangle by Labour Minister Tito Mboweni last week.

BSA leader David Brink said the organisation would make a proposal today to Nafcoc to resolve the dispute over representation to Nedlac.

He refused to disclose details of the proposal, but said it would lead to the conclusion of the dispute or make a

substantial contribution to the resolution of the wrangle.

This week the Foundation for African Business and Consumer Services (Fabcos) secretary-general David Moshapalo issued a statement, in which Fabcos offered to mediate between the two parties.

The offer was turned down by Nafcoc, which argued that Fabcos — as part of BSA — was not qualified to play the role of mediator and lacked the clout to influence BSA.

Commenting on these developments, Brink said he was not surprised by Nafcoc's refusal, but said BSA would accept the offer.

"It's our view that Fabcos has been making a constructive engagement on this subject. And Fabcos is a very valuable member of BSA which has made a good contribution to the organisation."

Moshapalo said he welcomed the two parties' determination to meet to discuss their differences.

Mandela 'must defy SA unions'

HARARE — The political price President Nelson Mandela would have to pay for sustained economic recovery was defiance of trade union resistance to market economic reform, Financial Mail editor Nigel Bruce said in Zimbabwe last week.

Addressing the closing session of the Marketing 2000 conference, Bruce warned recovery would not be sustained without private sector foreign investment, but the rate of return on capital was too low and falling, while real wages were above those in Korea. *BD27/2/95*

"If experience elsewhere is anything to go by, the political price Mandela will have to pay for sustained economic recovery will be a similar defiance of trade union hegemony that Walesa in Poland and Thatcher in Britain had to face before they were able to make meaningful reforms."

MICHAEL HARTNACK

In SA, the public sector unions would be equally hostile as public service wages were more than 50% of total government spending, excluding debt servicing. *(132)*

Bruce's speech to leading marketing executives on "the economic and political dynamics of change in southern Africa" caused a stir, as he voiced the most outspoken criticism of President Robert Mugabe yet heard at the conference.

Bruce said "those who feel the energy of greater confidence will look ahead and not backwards to the illusory comforts of indigenisation, the imagined protection of isolation and the stultifying thinking characteristic of a nationalised media."

Politicians like Mugabe saw free markets as a threat to their "power

of preferment and their privilege of despoliation".

"His intervention brought the economy of this country these last 15 years to such a pass that he had to call on the IMF, cap in hand, for help.

Bruce said Mandela also suffered from "the Mugabe contradiction" — paying lip service to market reforms demanded by foreign financial institutions while his supporters raised sentiment against those reforms.

Bruce urged that Mandela be given "time, flattery and example" for his new-found conversion to market economics to "mature into conviction".

"Mandela is nothing if not mutable ... But such obfuscation lacks the conviction to carry populist support away from the disaster of socialist coercion, and towards the conditions in which innovations will spur greater savings, rising investment and greater prosperity."

Labour movement input essential

(132) (133) BD 27/2/95
THE danger of the labour movement becoming a "fringe performer" would jeopardise economic restructuring as well as political stability, Glenn Adler of the Sociology of Work Unit at Wits University said at the weekend.

This was one of the initial findings suggested by the unit which was conducting research into trade unions and the transition in SA. It is being sponsored by the Albert Einstein Institute in the US.

Both Adler and Eddie Webster, also of the unit, concurred that prior to transition and in the period leading up to the consolidation of democracy, the labour movement played an integral role in the transformation of society.

Consolidation of democracy resulted in a change in labour's role. "Unions play different roles at different times," Webster said. The role of labour was complicated further by the swift changes to the economy and the demands that were placed upon it by pressure to gear itself towards world class manufacturing.

With these new demands, labour moved more towards a corporatist model so it could be involved in macroeconomic decision-making.

The formation of the National Economic Labour and Development Council (Ned-lac), which emanated largely from the efforts of the labour movement, was a clear example of this, Webster said.

Corporatism depended on whether the parties could deliver and it was question-

RENEE GRAWITZKY

able in the light of a number of problems within organised labour whether it could play a constructive role.

The flip side would be to ignore labour, but this could lead to labour blocking policy decisions.

Initial research showed that:

- The labour movement developed into an organisation concerned with the interests of and dominated by a few;
- The labour leadership could be weakened by not always having had the opportunity to involve itself in strategic issues;
- It was questioned whether shop stewards could move away from the old style of resistance to one of constructive debate over issues such as productivity;
- The labour movement was no longer seen as central to the alliance; and
- Concern was raised as to the level of ungovernability on the shopfloor.

Adler said that lack of capacity and representivity undermined union power and effectiveness.

Options open to the labour movement were to revert "back to basics" and concentrate on educating from rank and file upwards; to develop officials and try and create clear career paths within the union movement and to determine whether labour represented an interest group or a movement, Adler said.

To survive it had to develop a "vision beyond its own constituency".

Star 28/2/95

Nedlac deadline

(132) (132) (132)
Organisations representing community and development interests which wish to take part in the National Economic Development and Labour Council (Nedlac) have until next Monday to apply for membership to the body.

Nedlac, which will have powerful representation from labour, business, Government and community organisations, will primarily seek to reach consensus and make agreements on economic policy issues.

Organisations which seek membership to Nedlac must represent a significant community interest on a national basis, have a direct interest in development and reconstruction and have a democratic constitution, Nedlac executive director Jayendra Naidoo said.

The organisations should also be able to seek mandates from their members and obtain compliance from their members in regard to resolutions and policies of the council, he said.

A special committee chaired by the Reconstruction and Development Programme office will meet by March and make recommendations

to Minister without Portfolio Jay Naidoo.

"The meeting will be announced to the public and organisations which applied may attend as observers at their own cost," Naidoo said.

Nedlac will consider all proposed labour legislation, including the recently released draft Labour Relations Bill.

Nothing in the constitution should constrain the council from considering any matter within its frame of reference, according to Naidoo.

Organised labour, organised business and Government will have equal representation in Nedlac and the combined representation from community and development interests will not exceed that of any of the other parties.

The council will be funded by the Department of Labour and Labour Minister Tito Mboweni will act as its link with the Government.

Nedlac will take over the functions of the National Manpower Commission and the National Economic Forum. — Labour Reporter.

BSA bid to resolve dispute over Nedlac

BUSINESS SA (BSA) would try to resolve its dispute with the National African Federated Chamber of Commerce (Nafcoc) at a special meeting tomorrow, BSA president David Brink said yesterday. **BD 28/2/95**

The dispute arose two weeks ago over the allocation of the 18 seats set aside for business on the National Economic, Development and Labour Council (Nedlac) executive. Nafcoc had demanded half the seats as the main body representing black business in the country. **(132)**

Brink said BSA's governors would meet

JOHN DLUDLU

to work out a comprehensive proposal or to find a deadlock-breaking mechanism. Nafcoc president Joe Hlongwane last week reduced Nafcoc's demand to seven seats from the original nine, but said that was its last compromise.

Brink argued that the dispute was more complex. Apart from accommodating umbrella bodies such as BSA and Nafcoc, the 18 seats would have to address the demand

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economic sectors to have representation. "One more seat that's taken away will keep other sectors out of Nedlac."

Observers said the talks could deadlock on. This would make it impossible for the two parties to resolve the dispute by March 18, an unofficial deadline given to them by Labour Minister Tito Mboweni. One analyst said Nafcoc's proposal for strong representation on the executive council was "a little misplaced". The organisation should instead be pushing for

adequate representation on the other relatively autonomous and effective Nedlac chambers which met frequently.

Asked about the possibility of increasing the number of seats allocated to business, Nedlac executive director Jayendra Naidoo said while the constitutional clause providing for 18 business seats could be amended, there was a limit to which the idea could be pursued. "The problem is that if you make the structure too big, it tends to be difficult to control."

Moves to include labour on corporate boards

BD 2/3/95

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BEATRIX PAYNE

The government-appointed standing committee on company law was researching ways to include labour representatives on company boards of directors, King committee on corporate governance member Michael Katz said yesterday.

"There is no doubt that workers will have to participate in corporate governance," he told an Institute of Directors seminar. But he could not give details on likely recommendations as the committee was still investigating various models.

"A unitary board is vital," he said. The German two-tier model of including labour through the use of a supervisory and management board was "not appropriate".

He said it was "wrong" that labour had not participated in board decisions such as whether to buy or sell a business or how to increase productivity.

Labour participation on boards was a burning issue but decision-makers, such as the National Economic, Development and Labour Council would need to thrash out to what extent labour could participate in corporate decision-making.

He was opposed to statutory codes for corporate governance as SA's social and business environment was constantly

changing. But this should not stop companies drawing up their own guidelines.

Competition could be blunted through cross-directorships "and anything that undermines competition, undermines business", said Katz.

Fellow King committee member Nthatho Motlana said the King report principles should apply to small and medium enterprises as well as non-government organisations (NGOs) NGO trustees had important responsibilities, particularly in the light of recent allegations of mismanagement of donor funds by local NGOs.

Committee chairman Mervyn King said shareholders were entitled to know whether executive and non-executive directors were being fairly remunerated. Year-on-year comparisons should be provided when earnings were disclosed.

But he said it seemed "unnecessary for the needs of stakeholders to disclose and discuss each individual director's remuneration in detail". However, the issue of disclosure was sensitive particularly where skills were in short supply as it would facilitate poaching

STC could be replaced by dividends tax, say experts

SA's controversial secondary tax on companies (STC) — expected to be addressed in the Budget — could be replaced by a new tax on dividends, tax experts say.

This would increase the competitiveness of SA's corporate tax rate, with STC currently resulting in an effective tax rate for foreign companies of more than 59% in some cases, they said.

Tax sources said an imputation system, which is characterised by a direct link between the tax credit given to the shareholder who pays tax on dividends and the tax paid by the distributing company, was likely to be imposed in one or other form.

The introduction of an imputation system, "which has as many variations as there are countries that use it", would probably follow the lines of the Australian system, they said.

This system allows an "imputation credit" for dividends distributed out of income that has borne the full brunt of the com-

SAMANTHA SHARPE

pany tax rate.

This would mean that the dividend recipients would not have to pay any further tax, sources said.

Deloitte Touche tax consultant Louise Vosloo said the only real alternative to an imputation system was a return to SA's pre-STC position of 1990, which meant a higher companies' tax rate.

It would be difficult to address STC in this month's Budget because of the logistics involved in setting up an alternative, she said.

Independent tax consultant Willem Cronje said, however, that there was an alternative to the imputation system and pre-STC days.

A flat 15% tax on dividends awarded to non-corporate shareholders similar to that imposed in Zimbabwe could be another solution, Cronje said.

Maize harvest expected to be cut by drought

HARARE — SA and Zimbabwe, the bread basket of southern Africa, are expected to produce less than half their normal harvest this year because of the drought, a regional planning group said yesterday.

The Early Warning Unit of the 11-nation Southern African Development Conference forecast SA's next harvest of maize, the re-

gion's staple food, at about 5,4-million tons, down from 12,5-million tons last year. Depending on late-season rains, Zimbabwe will probably produce between 800 000 and 1,3-million tons of maize, down from 2,3-million tons last year.

The unit said in its latest drought update bulletin that the region's overall maize production was ex-

pected to fall by between 35% and 43% to about 12-million tons compared to 20-million tons last year. Total projected demand for the 11-nation bloc is about 16-million tons of maize. Stocks and food imports will have to make up for the 4-million-ton shortfall, but widespread hunger is not forecast. — Sapa-AP.

Nedlac will have to show protectionism is over

JOHN DLUDLU

THE trade and industry chamber of the newly established National Economic, Development and Labour Council would have to convince business that the era of protectionism had passed, sources said.

A source said exporters and big business played important roles in stimulating economic growth, but there was mounting concern that not enough attention was given by government to creating an environment conducive to the export trade.

The situation could be aggravated by increasing government focus on small business promotion.

"Exporters and big business are a very important part of creating growth. Small business cannot adequately perform this role now," a source said.

It was unclear whether the promotion of small business and the implementation of the sector's policy framework will be dealt with in the trade and industry chamber.

Trade watchers welcomed the make-up of the chamber, saying that the representatives had experience in trade and industrial policy front.

The inclusion of former Trade and Industry Deputy minister director-general Stef Naude on the business side was singled out as an added benefit to the chamber.

A relative newcomer to the trade and industry chamber is Foundation for African Business and Consumer Services vice-president Reggie Hlongwane.

Observers said the fact most of the old National Economic Forum members had been retained on the chamber, either as principals or alternate members of the chamber would boost its ability to reach agreements.

Developing a mineral and mining policy as well as an integrated agricultural policy would also form part of the chamber's responsibilities.

"The old forum trade and industry task force often referred agricultural issues to the SA Agricultural Union for discussion, thereby defeating the approach of tripartism. I guess a challenge now will be to ensure that all parties take part in debates," a source said.

Nafcoc embroiled in bitter conflict over seats

By Mzimkulu Malunga

(132) ~~(132)~~ ~~(132)~~
THE National African Federated Chamber of Commerce and Business South Africa have until March 16 to resolve their dispute over seats in the National Economic Development and Labour Council

The two sides are in dispute over the number of seats Nafcoc has to get out of the 18 seats reserved for business in Nedlac

Department of Labour's deputy director general, Les Kettleidas, said Nafcoc and BSA had to resolve their differences before the next Nedlac executive council meeting which is on March 18

He said if the matter was not resolved by then, other stakeholders in Nedlac, namely the government and labour, would have to get involved and discuss the issue

The two sides said discussions on representation in Nedlac were still continuing
Nafcoc's executive director Benjamin

Sowetan 2/3/95
Wauchope told *Sowetan* yesterday that the organisation still maintained it would not accept anything less than five of the 18 seats

BSA's assistant secretary-general Corrina Gardner was only prepared to say the "matter is still being debated" and declined to say whether BSA had moved from its original position to offer Nafcoc two seats

The dispute started when Nafcoc demanded to be allocated 12 of the business seats in Nedlac as the biggest business organisation in the country in terms of membership

The organisation later toned down its demand to seven seats

However, BSA, which comprises mainly white business groups and Fabcos, countered that it had to cover not only organisations but a number of business sectors like mining and agriculture in the allocation of seats.

Deadlock on seats for national council

BD 3/3/95
JOHN DLUDLU

BUSINESS SA's (BSA) governors have decided to ask for a mediator after failing to break the deadlock in negotiations with the National African Federated Chamber of Commerce (Nafcoc) over business representation on the National Economic, Development and Labour Council (Nedlac) (132) (25/1/95)

The decision was taken this week at a special meeting of governors — the highest decision-making organ of BSA — called in a bid to resolve the wrangle over the 18 seats allocated to business on Nedlac's executive council.

BSA president David Brink said the organisation was "anxious" to find a solution. Governors had agreed "some form of mediation" was needed to break the deadlock.

The governors had turned down Nafcoc's proposal to have seven of the 18 seats. "There's no possible rationale for this if we want to Nedlac to succeed."

Brink would not disclose who BSA had in mind as mediator, but said the organisation would be flexible.

The governors had agreed that "a special dispensation to accommodate emerging business" was required, he said.

Brink was asked last week to work out a proposal to present to Nafcoc, but it was rejected by the governors.

Social plan to bring relief on the agenda

ALIDE DASNOIS

Deputy Business Editor

A SOCIAL plan to bring relief to sectors or regions in distress is on the agenda for discussion by the newly appointed Labour Market Commission, according to co-chairman Dave Lewis.

Speaking at a briefing in Cape Town this week, he said economic restructuring, necessary for growth, would inevitably mean employment loss in some sectors or regions.

"We need to find ways to match job losses and job gains."

One possibility was a Social Plan Act, which had already been mooted by the National Union of Mineworkers. The commission would look into this.

"We need to make industrial policy compatible with labour market policy."

Retraining would be one aspect of job-matching, though "it's difficult to turn miners into cocktail waiters", Mr Lewis said.

The commission would also debate the possibility of a national incomes accord and a national productivity accord.

The goal was to develop labour market policies which were compatible both with the employment objectives of the reconstruction and development programme and with the needs of economic growth.

This meant looking into:

■ The role of tripartite institutions such as Nedlac in determining income,

■ The relationship between income and wage determination;

■ Elements of a national incomes policy — which need not imply wage or price restraint,

■ Public-sector employment policy and the RDP's employment objectives,

■ Wage determination in small and medium businesses

On productivity, Mr Lewis said the commission would examine the role of institutions like the National Productivity Institute, the link between industrial relations systems and productivity, and barriers to the introduction of new technology

It would also look at discrimination in the labour market and the effects of affirmative action.

Fighting discrimination should not mean losing productivity, Mr Lewis said: "affirmative action can unleash productive potential"

"Affirmative action doesn't mean employing, in posts for which they're not qualified, people who haven't had a chance to get qualified."

Previous labour market policies aimed at whites and based mostly on European experience, had succeeded in generating full employment for whites and a rising level of skills.

For blacks, labour market poli-

cy meant influx control and the pass laws, aimed at keeping unemployment out of the cities. This policy had broken down but had never been replaced.

A comprehensive labour market policy was now needed, not merely the extension of old "white" policies to the whole population.

Traditional policies could not deal with South Africa's unemployment problem and productivity crisis.

"It would be like using aspirin against cancer," Mr Lewis said.

The commission, which is co-chaired by Mr Lewis and Gencor labour relations manager Moss Ngoasheng, includes academics, trade unionists, consultants and business representatives. It is expected to produce a first report to the Minister of Labour within six months and a final report by the end of the year — a tall order for a commission with only one fulltime member.

"Our objective isn't to produce a 1500-page report spelling out the details, but rather a framework for policy which identifies areas where more work needs to be done," said Mr Lewis.

The commission's work will be complemented by that of a labour market information group led by experts from the International Labour Organisation (ILO), which will produce a "snapshot" of the current state of the labour market in South Africa

(132)

ART 4/3/95

Poorer nations oppose anti-poverty scheme

COPENHAGEN — Poorer nations all but rejected firm targets on anti-poverty spending yesterday, dealing another blow to concrete action by the world poverty summit meeting.

The meeting — attracting nearly 9 000 delegates from 193 countries — will likely end up with a watered-down promise by rich and poor countries to work out adjustments in social spending on their own.

Two days into the \$28m assembly, delegates were still trying to agree on any firm commitments for ending poverty, unemployment and social inequalities — an unwieldy swath of topics being lumped together for the first time.

The summit aims to hammer out a final document to be signed on Sunday by nearly 120 national leaders.

The meeting got a boost yesterday from US First Lady Hillary Clinton, who jettied in offering words of support and an initiative for fighting female illiteracy. "Investing in the health and education of women and girls is essential to improving global prosperity, and I am glad that this summit has endorsed the principle of equal rights and opportunities for women," she said.

But even as she spoke, an ambitious anti-poverty plan to set a target of 20% for social spending by aid donor and recipient countries was faltering in closed-door meetings. The plan, dubbed "20-20", faced trouble since it was proposed months ago. Some UN officials said the fact that it might be approved in any form could be seen as an achievement.

The "20-20" proposal ran aground in a caucus among delegates from about 130 developing countries who are resisting any conditions set on aid money, said Venezuelan minister Mercedes Puido de Briceno.

She said the plan might still be preserved in principle but limited to bilateral negotiations. That means it would not be subject to global or UN pressure.

With the likely sidelining of the 20-20 targets, the remaining tangible proposals centred on calls for debt relief and adjustments in foreign aid.

The World Bank, IMF and regional lenders have borne much of the criticism at the summit for sometimes forcing strict fiscal policies. "They are forming social policy in the interest of creditors and not of society," said Michel Chossudovsky, an economics professor at a tandem conference of private aid groups.

But bank officials said they have "thick skin" when it comes to such complaints.

"When they say the World Bank recommends cuts in health and education expenditures, that is pure rubbish," bank vice-president Armeane Choksi said. "We are now explicitly telling governments that if you cut your fiscal deficits and expenditures, you must take care of the poor."

IMF MD Michel Camdessus suggested one solution could be taking "new steps to improve the daily co-operation in particular with the UN family" But he said more co-operation on financial issues would not replace more discipline by governments themselves. — Sapa-AP.

Applications for Nedlac

THE National Economic, Development and Labour Council (Nedlac) had received more than 40 applications from community and development organisations for representation on the executive council, programmes director Debra Marsden said yesterday.

She said the applications would be assessed this month by a special committee to be chaired by a representative from Minister without Portfolio Jay Naidoo's office.

The successful applicants would represent community and development constituencies on the Nedlac executive council which would meet quarterly.

A newly constituted development chamber would represent community and development interests.

It would operate within the broad framework set out in the reconstruction and development programme White Paper, Marsden said.

Sources speculated that the development chamber representatives were likely to be drawn from the ranks of the SA National Civic Organisation.

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DDP projects cannot afford

Applications for Nedlac

JOHN DLUBU

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Sources speculated that the development chamber representatives were likely to be drawn from the ranks of the SA National Civic Organisation.

Merger to boost RDP

By Mzimkulu Malunga

(132)
THE launch of the National Business Initiative for Growth, Development and Democracy yesterday represents a big boost for progress

The organisation, which is a merger between the defunct Urban Foundation and Consultative Business Movement, sees its task as marshalling private sector resources and technical skills in support of the RDP

Chief executive Dr Theuns Eloff said NBI was simply a business initiative of civil society in partnership to nurture democracy and development.

"We are also going to interact with the four groups of the National Economic Development and Labour Council, as well as players at all levels of government," he said

Facilitating consensus on critical issues among the four groups in Nedlac — business, labour, government and the community — was one of the key areas of operation

Eloff said the NBI would be advising the companies on how best they could make their RDP contribution effective

Sowetan 10/3/95

ANC warns on heel-dragging

JOHANNESBURG. — Resistance from business towards the democratisation of the workplace could lead to conflict, says Constitutional Assembly chairman and African National Congress secretary-general Cyril Ramaphosa (132)

Speaking at a "Democracy at Work" workshop at Midrand, north of Johannesburg, yesterday, Mr Ramaphosa told 120 business and trade union delegates antagonism, confrontation and unequal powers should be replaced by consensus-seeking, consultation, equality and partnership between management and workers

Strikes last year over alleged racism at work had highlighted the differences in viewpoints between management and staff, he said.

He also condemned management attempts to co-opt workers and weaken the "capacity" of unions

"Co-option benefits no-one. It does nothing to eradicate confrontation and

merely prevents management and workers from addressing issues of differences".

Only by ensuring that unions were accountable to their members could so-called ultra-left elements be prevented from "hijacking" workers' causes for their own agendas and sowing conflict in the economy, said Mr Ramaphosa.

He said the trade union movement needed to continue to be the primary vehicle for democracy in the workplace, but it also needed to strengthen its relationship between leadership and members. ARG 11/3/95

"Unions over the past few months have become weaker as a result of the departure of people who were in top positions who went to parliament.

"The union movement also needs to alter its entire mindset to the new challenges that we are facing as a nation. It requires a strategic shift in all areas of worker organisation," Mr Ramaphosa said. — Sapa.

Black farmers' union ducks deregulation

(BT) ST 12/3/95
By CIARAN RYAN (132)

INSTEAD of supporting deregulation, both the black National African Farmers Union and the National Consumer Union are scrambling for a share of compulsory agricultural levies, worth millions of rands

The pro-deregulation lobby says it is struggling to win support in its campaign for voluntary agricultural levies and vastly reduced statutory marketing powers

Nafu, which claims to represent 40 000 black farmers, got 13,7% of the levy income received by the South African Agricultural Union in 1994/5. SAAU says it is also looking at ways to cut the South African National Consumer Union in on the levies it receives from farmers.

"We tried to get Nafu to support our position on voluntary levies, but it appears the SAAU got to them first," says Nils Dittmer of the Sunnyside Group, a vocal supporter of agricultural deregulation.

"This surely compromises their credibility as a group claiming to represent the best interests of their members. They are hardly likely to support voluntary levies when they are the recipient of compulsory levies from the SAAU. I also question whether Nafu represents a fraction of the members it claims. Unless you have voluntary paid-up members, it is hard

to determine" (S) (P) (S)

Sancu has also come out in favour of compulsory levies, provided "all interested parties" have a hand in determining the need for and the size of levies. It wants to see the spoils shared among consumer bodies, producers and other interested parties.

Compulsory levies lie at the heart of the agricultural deregulation debate. Without them, producer bodies will have to seek voluntary paid-up memberships and there is a fear that farmers who have been forced to pay compulsory levies for decades will opt out of the system.

Mr Dittmer says these levies benefit neither the producer nor the consumer, only the middle men.

SHOP FLOOR



BY KARL VON HOLDT

*Labour minister seeks to
end authoritarianism and
racism at work* (132)

Mboweni's mission: Free the workplace

No one should underestimate the changes Tito Mboweni, the minister of labour, is planning to introduce in the workplace, in industrial relations and in economic management. Mboweni envisages a dynamic and active labour department at the centre of economic growth, actively shaping relations between labour and business. This is a far cry from the old department, which confined itself to administering collective bargaining, as well as welfare systems for those who fell out of the formal economy.

"We want to get rid of the notion that the labour ministry is a junior ministry of government. We must give a new sense of dynamism; managing the relationship between the social partners managing Nedlac and managing key economic policy issues which affect the world of work," says Mboweni.

This is an ambitious programme, but Mboweni is among the most energetic and sharp-witted of the ministers in the 11-month-old Cabinet. He has assembled a strong team of advisors, policymakers and managers. They have already produced a draft new Labour Relations Act, launched Nedlac, established a high-powered commission to investigate labour market policy and planned far-reaching changes to the department.

What is the nature of Mboweni's vision?

Mboweni envisages a workplace which breaks from the South African tradition of racism, authoritarianism, the degradation of workers and the high levels of antagonism and distrust this generates. Democracy and human rights must be extended into the workplace. Hence the entrenching of organisational rights and provisions for co-determination in the draft LRA. Hence, too, his promise to the Cosatu congress last year to revise the Basic Conditions of Employment Act, to phase in a 40-hour week and better leave and other conditions.

Mboweni's plans to establish a national occupational health and safety council inspectorate are consistent with these intentions. He also plans to use the Wage Act to protect workers who are not catered for in existing collective bargaining arrangements — which could include hundreds of thousands of domestic and farm workers.

Prevailing free market prejudices assume that these concerns with democracy and worker rights will be an obstacle to economic competitiveness, a luxury our nation cannot afford.

Mboweni thinks differently. Economic competitiveness, he argues, should rest on a highly trained, versatile workforce with the organisational strength and skills to participate in economic decision-making.

Hence Nedlac and the provisions in the draft LRA for workplace forums and for the renamed industrial councils to negotiate industrial policy.

All of this implies an important role for trade unions. Trade unions receive extensive organising and workplace rights in the draft bill. They participate in Nedlac. They will participate in regulating health and safety, in training, and in the new commission for conciliation and mediation. The department is also discussing with unions ways to increase their capacity — through a union college and a union research institute, for example.

**The labour
department will
have to be
transformed to
be an agent of
democracy**

Mboweni also envisages support mechanisms to help employers organise themselves and enhance their capacity to respond to change.

If the unions and employers are to play the role envisaged for them by Mboweni — the role of "social partnership" — the relations between them will have to be transformed. The workplace changes outlined above are designed to take some of the heat out of workplace antagonisms. In the current set-up employers and unions tend to resort to litigation as "industrial action by other means" to rephrase Bismarck's dictum on war and politics. The draft LRA envisages replacing this with robust and active mediation and arbitration. Nedlac is another institution to facilitate transformed relations.

It is not only the social partners that will need to adapt. The labour department itself will have to be transformed if it is to play its new initiating role as an agent of democracy, human rights and economic development. New staff have been employed, including director-general Siphon Pityana and deputy director-general Les Kettleidas, a former Cosatu unionist. A data-gathering and research capacity is envisaged. A closer and more dynamic relationship with the trade and industry department is to be developed.

Clearly the minister has a bold vision. Will it work?

One problem is that the "social partners" — business and labour — do not face only each other as antagonists in the field of industrial relations. The most powerful trade unions in the labour movement were a major force in the democratic movement. Their agenda is far-reaching change. Most employers were quite content to do business under the old order — and their agenda is to preserve themselves from far-reaching change. How far can co-operation go between such "partners"? Policies to increase the rights, powers and capacity of the unions — and to compel business to co-operate — are crucial if the partners are to reach workable agreements.

A second question is: what about the millions outside the "social partnership" — the millions in small business, the informal sector, the rural areas and the unemployed? To some extent this is answered by introducing a fourth partner — community-based and development organisations — into Nedlac. This will serve to frame the negotiations between business, labour and the government with broader developmental concerns. The labour department is also working on a set of measures, as noted above, to regulate the conditions of those outside the collective bargaining system. However, the backdrop to all of this is that if the economic vision underlying the new policies fails to deliver jobs and incomes, the resulting social conflict will blow them apart.

Thirdly, employers and labour lack capacity. Employers' organisations tend to be weak and are driven by a few large corporations. Unions do not have abundant resources and have lost many of their most seasoned activists, not least to the labour department. The department's programme of assistance to unions is, therefore, especially important.

Finally, the policies Mboweni and his department are seeking to implement fly in the face of a global rhetoric of free markets, deregulation and the sacrifice of union and worker rights on the altar of international competitiveness. Can these new labour policies survive pressure from international investors, local business and even from within Cabinet for a more free market, anti-union stance?

Mboweni's answer is that there is an increasing interest from other countries in the South African experiment. And he is not passively awaiting the judgment of international markets, but instead establishing an international relations directorate to actively lobby for worker rights internationally.

It is a bold vision for change indeed, one which will be shaped and reshaped by interactions between the government and its partners. A bold vision which promises a better life for South Africa's working people — but only if there are strong unions capable of translating formal rights into real change.

Selection (132) for Nedlac (4)

JOHN DLUDLU

A COMMITTEE headed by Minister without Portfolio Jay Naidoo's special adviser Howard Gabriels would meet next week to choose organisations to represent community and development interests on the National Economic, Development and Labour Council (Nedlac) 50/16/3/95

Nedlac said yesterday the committee would meet on Monday to consider the 53 applications received from development and community organisations.

It would then make recommendations to Naidoo.

The applications had been divided into youth, development, women's, professional, business, service, community interests and labour organisations.

A fourth constituency of Nedlac, in addition to business, government and labour, would be formed to represent community and development interests.

Nedlac wrangle still unresolved

JOHN DLUDLU

20 2013 195
BUSINESS SA (BSA) and the National African Federated Chamber of Commerce (Nafcoc) have yet to find a permanent solution to their dispute over business representation on the National Economic, Development and Labour Council (Nedlac), says BSA spokesman Frieda Dowie.

The wrangle stemmed from the allocation of the 18 seats available to the business constituency on Nedlac's executive council Nafcoc, as a key representative of black business, initially demanded nine seats for its members, then cut this to seven, but said it would not budge further.

Dowie said an interim arrangement was reached shortly before the executive council's first meeting at the weekend. In terms

of the arrangement Nafcoc was represented by five people and BSA by 13.

Both parties had mandated senior officials — BSA leader Bobby Godsell and Nafcoc president Joe Hlongwane — to search for a permanent solution to the issue, Dowie said.

Hlongwane was not available for comment yesterday. (132)

Although BSA earlier tabled a proposal to Nafcoc recommending appointment of a mediator — a "fair-minded business player who understood the workings of organised business" — Dowie said a final solution could be reached without mediation.

Proposals made for Nedlac representation

BO 22/3/95

(132)

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THE SA National Civic Organisation, the National Youth Development Forum and the Women's National Coalition should be represented in the National Economic, Development and Labour Council (Nedlac) development chamber, a special selection committee has recommended.

The committee, which is headed by reconstruction and development programme official Howard Gabriels, made the announcement on Monday after considering applications from 60 youth, development, women's, professional, service and labour organisations.

The development chamber is the only one of Nedlac's four chambers in which groups other than business, labour and government are to be represented.

Nedlac executive director Jayendra Naidoo said the National Progressive Primary Network and the SA Congress for Early Childhood Development would also be recommended for representation, subject to clarification of direct membership and mandating capabilities.

Naidoo said that provision would also be made for representation from rural structures and disabled people.

Further dialogue would take place among religious organisations involved in

RENEE GRAWITZKY

development work.

The selection committee was mandated to consider only those organisations which represented a significant community interest on a national basis, had a direct interest in reconstruction and development, were democratically constituted and could obtain mandates from their membership, Naidoo said.

The committee's recommendations would be forwarded to Minister without Portfolio Jay Naidoo as well as to labour, business and government for comment.

It was expected the Minister would make an announcement within a week on those organisations which would constitute the development chamber and the number of representatives from each organisation to form part of Nedlac's executive council.

The role of two additional categories of organisations, service or nongovernmental organisations and development funders, was debated during the process.

The two groupings played an important role and discussion would take place on ways of accommodating them.

Gabriels said the foundation had been laid for an inclusive approach to the workings of Nedlac.

BUSINESS

Nafcoc win five Nedlac seats

~~32~~ 132
sowetan 23/3/95

By Mzimkulu Malunga

THE dispute between Nafcoc and Business South Africa over seats in the National Economic Development and Labour Council is "over"

Sources close to both organisations suggest the two sides have agreed that five of the 18 seats reserved for business in Nedlac be given to Nafcoc

The five Nafcoc representatives attended Nedlac's deliberations in Johannesburg over the weekend.

It is understood Nafcoc, which earlier indicated that it would not accept anything less than five seats, still wants to bargain for a sixth seat.

Both disputing factions had been given until last Thursday by the government to settle their dispute

The controversy was sparked when Nafcoc demanded 12 of all the seats allocated to business in Nedlac—arguing that its membership was bigger than any of the groups comprising BSA. On the other hand BSA was prepared to apportion only two seats to Nafcoc.

Nafcoc later toned down its demand to seven seats, but BSA refused to budge

But when it became clear that Nafcoc was not prepared to compromise any further, BSA indicated it was prepared to negotiate the issue further.

After lengthy talks, BSA eventually agreed to increase its offer to five seats

A forum where the twain can meet

Glenn Adler argues that workers and management alike should overcome their instinctive suspicion of the plan to create workplace forums

THE proposal to create workplace forums — in the new Labour Relations Act (LRA) — is an attempt to bring South Africa's move to political democracy into the workplace.

Political democratisation has created the opportunity to change labour relations and, in turn, workplace forums should strengthen the new political democracy by democratising the factory floor.

Under conditions of globalisation, competitiveness comes about through "employee involvement", which has become a production imperative. Market demand for quality puts a premium on employee performance while new computer technologies decentralise decision-making and increase employees' influence.

Management cannot simply tell employees what to do but must trust them not to misuse their increased discretion. One approach is to increase employees' commitment to the enterprise.

Some South African managers understand these issues and have instituted employee involvement schemes which often amount to discussion forums with little real decision-making power. As such, they are often distrusted by employees and opposed by unions.

Under apartheid this was a rational response. Without a purchase on decision making in firms or government, employees could not enjoy the fruits of improved productivity. There was little incentive to improve work standards, indeed, ungovernability on the shop floor was considered virtuous as it speeded up the demise of apartheid. Now, however, the economy will suffer — and political democratisation will be compromised — if employees' "militant abstention" from production decisions continues.

Political democratisation has given South Africa a historic opportunity to reverse these conditions by giving ordinary citizens a measure of influ-

ence over the most important decisions that affect their lives. The workplace and the economy more generally can be put on a different footing if the second transition, economic democratisation, is taken seriously.

Chapter 5 of the LRA promotes economic democratisation by allowing for workplace forums in all workplaces with more than 100 employees. Because of employees' fears of harassment and works committees — apartheid-era "toy telephones" designed to undermine unions — the LRA insists that forums can be initiated only by a representative trade union. Once organised, the forums will be composed of elected representatives of all employees except senior management. Forums are by definition non-union bodies, but they will work best where unions are strong — both to trigger the forum and to serve it once established.

The forums will have extensive statutory rights to influence the most significant decisions in the workplace. These could include: major investment decisions, new technology, staff development, promotions, dismissals and reassignments and plant closure. The forums will generally be concerned with expanding the economic pie, rather than its division. And wages will remain the subject of bargaining between unions and management.

In some cases forums will make these decisions jointly with management. In others, management must consult with the forum "with a view to reaching consensus" — the forum may present alternative proposals and management would have to give reasons if it rejects them. The forum will have the right to all relevant information, and employers will provide facilities such as offices, secretarial support, and paid time off for members.

Once established, forums cannot be dissolved. Both sides are forced to co-operate in a "Catholic marriage" —



On strike Proposed workplace forums will facilitate communication between workers and management and may prevent industrial conflict
PHOTOGRAPH: AVRAL UZ

they may not love each other but they must learn to live together.

Workplace forums should deliver the efficiency bonus essential for economic growth and increased competitiveness. With joint decision-making over staffing decisions employees can have confidence that efforts to improve productivity will not result in job loss. They can make criticisms of management without fear of retribution. Finally forums help ensure that employees' interests are given weight in key decisions. By removing the obstacles to participation the forums encourage employees to share their intimate knowledge of the production process and thereby help improve productivity.

Management, in being compelled to share information and to provide reasons for its decisions, will be forced to act with greater deliberation. The forums will slow down but also improve the quality of decision-making.

Finally, the forums should help ease the often self-defeating and reactive

adversarialism that characterises South African industrial relations. They encourage the creation of consensus, but not through good will or an ephemeral balance of collective bargaining power — they encourage both sides to realise their interdependence in decision-making.

The strengths of workplace forums come about through a fundamental compromise. Employees contribute to efficiency because they know their interests will be represented, while management accepts such representation because it desires workers' co-operation with its goals.

This compromise is also the reason forums are currently viewed with suspicion by management and unions alike. Management fears giving up its prerogatives while labour fears its powers will be diluted by entering a non-union institution in which it will have to take responsibility for "co-managing capitalism".

These fears are shortsighted. Management relaxes its grip on core pre-

rogatives, but receives improvements in productivity while retaining legal authority over the enterprise. Trade unions lose nothing as the forums can place their stamp on the forums, expand employee participation, and use management-provided facilities to bolster capacity and organisation while returning important benefits to their members.

Successful forums will require strong managements and strong trade unions, but such strength will be oriented toward new goals. This means — not an end to conflict — but a more sophisticated way of resolving differences.

Workplace forums should be welcomed as the central institution in a new vision of industrial relations and economic development. The transition to economic democracy can remake the world of work and help build a firm bedrock for economic growth. In so doing, it will fundamentally reinforce the transition to political democracy.

Dr Adler is a staff associate of Wits University's Sociology of Work Unit

'Poorly managed unions will suffer in new system'

132
~~132~~
ARG 24/3/95

ESANN de KOCK
Education Reporter

BADLY managed unions may be at a disadvantage under the proposed system of workplace forums aimed at joint problem-solving and decision-making, says Labour Minister Tito Mboweni

But he said well-organised trade unions would find the forums working to their advantage with a resulting smaller workload

Speaking at the first of a series of graduation ceremonies at the University of the Western Cape last night, Mr Mboweni said the proposed forums — contained in the draft

labour bill currently under discussion — were set to bring democracy and transformation to the workplace

The South African reality was one of a managerial system where workers simply had to implement what management had decided

This, said Mr Mboweni, was cause for much conflict

Joint problem-solving and decision-making was the only way to transform the situation and bring about democracy and transformation in the workplace

He criticised "prophets of doom" who feared this kind of proposal was too radical for South African society and could

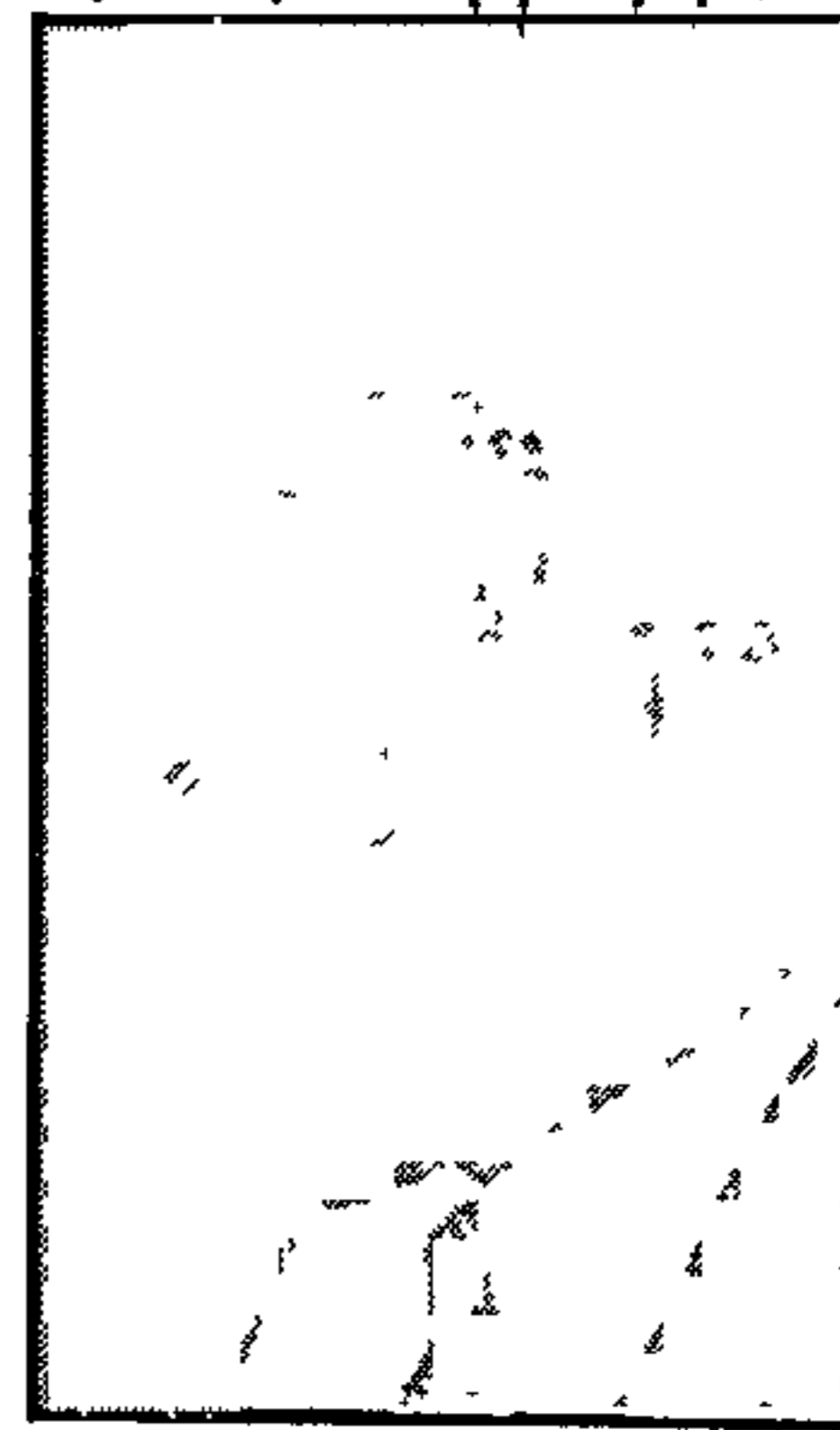
work only in a mature democracy

Unions had nothing to fear and they would not be marginalised by the workplace forums, Mr Mboweni said

Industrial councils had a high failure rate in trying to resolve disputes, whereas independent mediation services boasted a 70 percent success rate, and his department recommended a statutory but independent commission to resolve disputes

Mr Mboweni told graduates and their families that all South Africans had to avoid claiming they had superior solutions to problems

No-one in South Africa had yet lived under a democracy



Tito Mboweni

Move 'could weaken unions'

RENEE GRAWITZKY

THE Chamber of Mines' decision to cancel the closed shop arrangement could weaken the labour movement, the National Union of Mines (NUM) said yesterday.

NUM assistant general secretary Gwede Mantashe said the union welcomed the opening up of the closed shop, but that it was cautious about doing away with it because it could weaken the labour movement.

The union would have preferred a multi-union closed shop arrangement providing for freedom of association. This would have done away with the allocation of trades and crafts to specific unions, he said.

A closed shop arrangement compelled workers to belong to certain unions. (32)

Mineworkers' Union (MWU) general secretary and Council of Mining Unions (CMU) chairman Peet Ungerer said the two unions were not unhappy with the cancellation of the closed shop arrangement.

However, the criteria for recognition after the two-year transition period of 50% plus one was unacceptable to the unions, which had proposed "significant representivity".

It was strange that they "suddenly had to prove representivity" after being recognised for years, he said. BD 28/3/95

Underground Officials' Association general secretary Renier de Waal said the decision to cancel the closed shop arrangement was rejected as a number of issues had not been resolved.

He did not believe that there would be a "major exodus" to other unions of the 13 000 to 14 000 members covered by the closed shop arrangement.

Labour, trade policies in turmoil

ST(BT) 2/4/95

(132)

GOVERNMENT, 12-hour and business were embroiled in a series of disputes this week, leading to charges that the absence of a coherent economic policy threatens to derail recovery in key sectors of the economy.

**By CIARAN RYAN
and KEVIN DAVE**

out over two years
 □ Cosatu reportedly has rejected key parts of the draft Labour Relations Bill, placing it on a confrontation path with business and threatening to postpone "fast-track" labour reforms

Disputes erupted on several fronts this week
 □ Business suspended its participation in fuel negotiations in the tripartite forum, Nedlac, after the government missed a self-imposed deadline to table its proposals on the future of the fuel industry
 □ Sasol said the terms of reference for the inquiry into its tariff protection had been agreed with the oil industry, but an industry spokesman says "That's news to me"

□ A furious war of words over the pace of proposed textile tariff reductions between the textile and clothing industries culminated in a march by 3 000 workers to a small business conference in Durban

□ Botswana-based Hyundai says it will oppose government's new complete knock-down (CKD) definition announced this week as "it is contrary to Gatt, to which SA is a signatory"

Hyundai was responding to an announcement that lower duties on semi knock-down kits would be phased

Other disputes which remain unresolved include

□ The Organisation of Live-stock Producers and the South African Futures Exchange say they will challenge the proposed Agricultural Marketing Act — which retains contentious provisions for single-channel marketing and compulsory producer levies — in the Constitutional Court

□ The car assembly and motor component manufacturers are at loggerheads over proposed tariff reductions

Meanwhile consumer discontent is looming over the proposed 6c/l increase in fuel on Wednesday which could be followed by a further 4c/l rise in May

Business believes government is banking at the question of reducing its involvement in the fuel industry, making it difficult to plan for the future.

"The lack of clarity on economic and industrial policy is making it harder to make decisions on advancing money to certain sectors



IN THE FIRING LINE
Trevor Manuel

of the economy, such as clothing and textiles and the motor industry," says Ned-

Industrial Development Corporation economist Flip Kotze says progress is being made in shaping a national industrial policy

But key areas still to be resolved are the future of the motor and clothing and textile industries, the finalisation of the tariff phase-down over the next five years, Gatt, and supply-side incentives to replace the General Export Incentive

Scheme.
 "The formulation of an industrial policy is taking longer than many people would like, largely because of the extensive negotiations which are taking place between all the role players," says Mr Kotze.

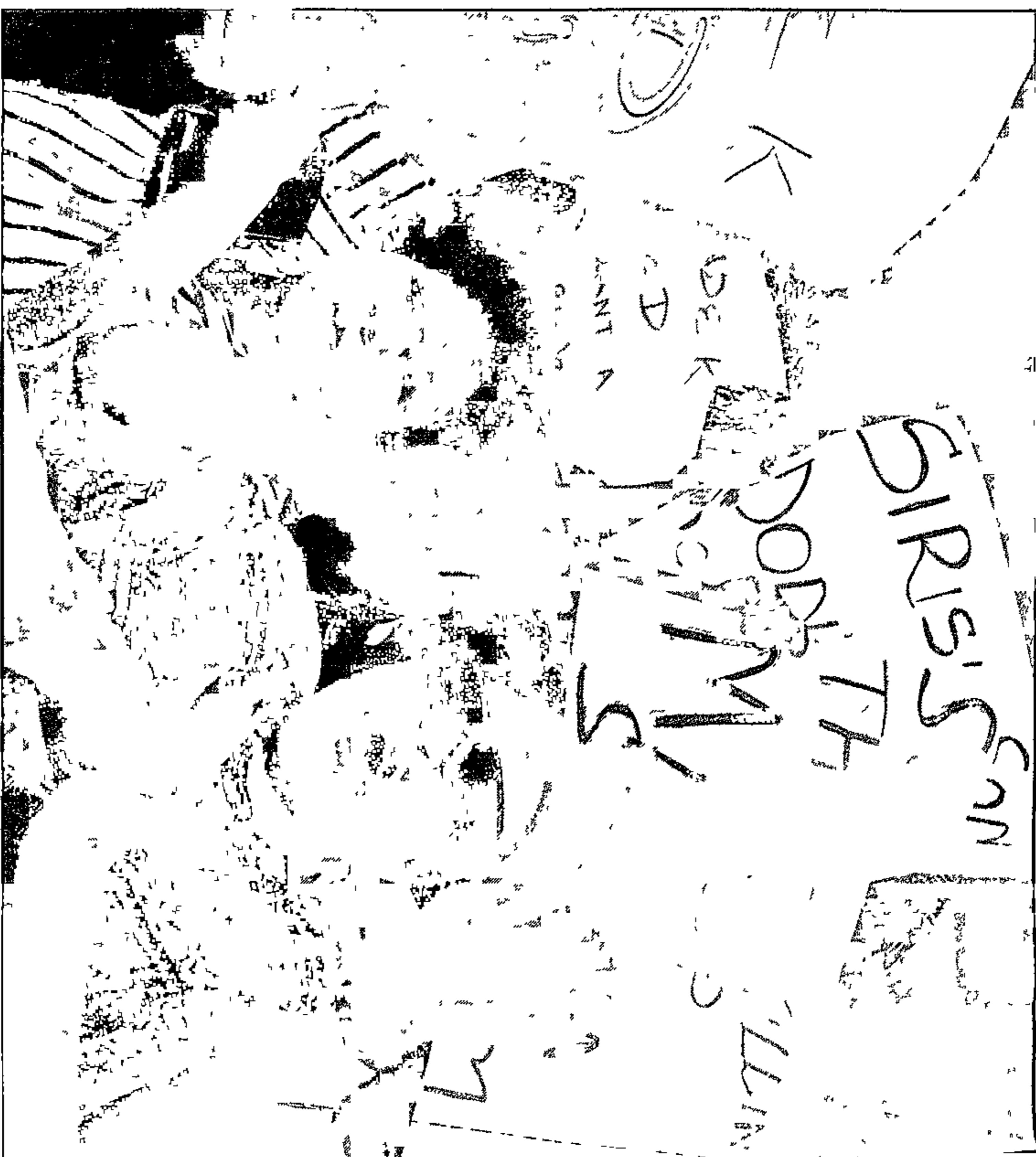
Mr Manuel indicated this week that the future of clothing and textile industries needs more negotiation. Industry sources say the government is likely to agree to the Swart report, which proposed a ten-year tariff phase-down, but say a shorter period of six to eight years is likely.

The Swart proposals are below the ceilings required in terms of South Africa's offer to Gatt. But the clothing industry wants faster lowering of tariffs over two to five years.

Ebrahim Patel, labour convener at Nedlac, says a too-quick reduction in tariff barriers could see South Africa lose its manufacturing base, reports **JEREMY WOODS**

"More than half a million jobs could be lost in one industry and its ancillary operations, though other industries like the car industry would suffer a similar fate

"We favour the reduction of tariff barriers, but argue for a careful management over time and with other support mechanisms being put into place," he says



JOB INSECURITY textile workers protest against tariff reductions in Durban

Pictures: Richard Shorey

Commission to focus on arms trade policy

SUSAN RUSSELL

THE Cameron commission of inquiry into Armscor's international trade since 1990 will focus on SA's arms trade policy after it concludes its investigation into last year's aborted AK-47 shipment to the Middle East this month.

Commission chairman Judge Edwin Cameron has indicated that he hopes to have an interim report on the AK-47 transaction ready to hand to government by the end of April. This will be after he has heard final submissions next week from lawyers acting for Armscor and the other parties involved.

No date has been announced for the second leg of the inquiry into SA arms trade policy and decision-making, which will be conducted by way of a public forum, but the commission has said it will do so shortly.

It will invite interested parties to submit written presentations on specified aspects of arms policy.

After reading written submissions, the commission will convene a public forum in Cape Town to hear oral argument.

Commission secretary Donald du Plessis said the commission would be chaired and directed along the lines of a public hearing with presentations followed by questions and discussion rather than as a quasi-judicial process with legal argument and cross-examination.

One of Cameron's two co-commissioners Laurie Nathan will chair the forum and analyse the written material, but the final report will be undertaken by all three members of the commission, including Advocate Vincent Mankala.

The commission is still considering how best to conduct the rest of its brief which is to investigate any transactions since 1990 which are "similar" to last year's AK-47 deal with Lebanese arms dealer Eli Wazan.

Workers prepare for joining of councils

RENEE GRAWITZKY

THE amalgamation of local authorities, establishment of a national industrial council and reconstruction of a fully representative employer organisation will be the focus of the SA Municipal Workers' Union's fourth national congress starting on Thursday.

Samwu acting general secretary Roger Ronnie said two thirds of the current 600 local authorities would be eliminated as a result of the amalgamation of authorities by geographical area under the Local Government Transition Act.

Amalgamation would bring together workers covered by differing conditions of employment, which could be a major source of conflict.

Creation of a national committee comprising employer and employee representatives, to resolve disparities in conditions of employment, would be demanded.

Wage policy discussion would consider submitting separate demands to industrial councils covering small local authorities and large urban ones such as Cape Town, Durban and Johannesburg. Minimum wages in large urban authorities ranged between R1 100 and R1 300, while wages in small local authorities were as low as R500, he said.

Industrial councils could face demands for a minimum wage of R1 000 for workers now earning R650 or less, R1 200 as a minimum for those earning between R650 and R850, and an across-the-board increase of

R350 for those earning more than R1 200. Ronnie said large authorities could face negotiations on a 20% increase on the wage bill and how this could be spread across the various categories — with emphasis on narrowing the wage gap.

Employer organisations party to industrial council agreements were viewed as being linked to apartheid structures and should be collapsed and reconstituted.

The union was of the view that such bodies "should seek a reasonable and democratic balance between proportional representation by size and voice of legitimate interests", he said.

The role of local authorities in the delivery of reconstruction and development programme objectives, the local government elections, new collective bargaining arrangements in the local government sector, and human resource development were some other issues to be discussed at the unions' congress.

Ronnie said that final plans were underway for the formation of one public sector union in August.

This would have a membership of more than 250 000 and make it Cosatu's second largest union after the NUM.

Regional workshops were under way to finalise the merger between Samwu, the National Education, Health and Allied Workers' Union and Post and Telecommunications Workers' Association.

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BD 5/11/95
JOHN DLUDLU

Minister without Portfolio Jay Naidoo would meet National Economic, Development and Labour Council executive director Jayendra Naidoo this week to discuss the appointment of Nedlac's development constituency, Naidoo's special adviser Howard Gabriels said yesterday.

Naidoo was expected to announce names of the development representatives within days, he said.

Gabriels headed a selection committee which made recommendations to Minister Naidoo.

The committee recommended three organisations — the SA National Civics Organisation, the National Youth Development Forum and the National Women's Coalition — as immediate qualifiers. Other organisations, among them the SA Congress for Early Childhood Development, were still being investigated for final recommendation.

Explosive year ahead, labour expert warns

CT (BR) 7/4/95 (132)

By CLAIRE GEBHARDT
ECONOMICS EDITOR

The 1995 wage bargaining season will probably be characterised by the same conditions which led to largely spontaneous and undisciplined strikes between April and July last year

This is the warning from industrial relations consultancy Gavin Brown & Associates in its latest Collective Bargaining Survey.

The survey also forecasts

- Wage increases above the inflation rate — probably averaging 11,5 percent,

- High levels of industrial action, probably highest in the public sector,

- Strike action characterised by rank-and-file tactics, with union leadership hard-pressed to exercise influence; and

- A further erosion of trade union resources as a result of the local government elections

The survey also notes that the New Labour Relations Bill has rendered the current Labour Relations Act "something of a lame duck" just as the current annual wage round begins

Statutory institutions such as the industrial court are no longer functioning effectively as personnel are quitting in anticipation of their demise

It asserts that uncertainty over the final content of the bill to emerge from the National Economic Development and Labour Advisory Council (Nedlac) is

promoting an "institutional vacuum" across a range of major labour relations questions.

The survey warns that major structural adjustments are pending in collective bargaining

"The next two to four months will reveal whether or not this can occur without crippling and divisive confrontations that will retard the pace of economic recovery and RDP delivery," it says.

Union demands reveal a return to long "shopping lists" — clear evidence of the primacy of the rank and file in formulating wage demands

Also absent, it says, is any evidence of a coherent Cosatu campaign in formulating union demands, such as its "living wage" campaign of a few years ago. This is seen as confirmation of Cosatu's absence in devising or co-ordinating a coherent national wage negotiation campaign

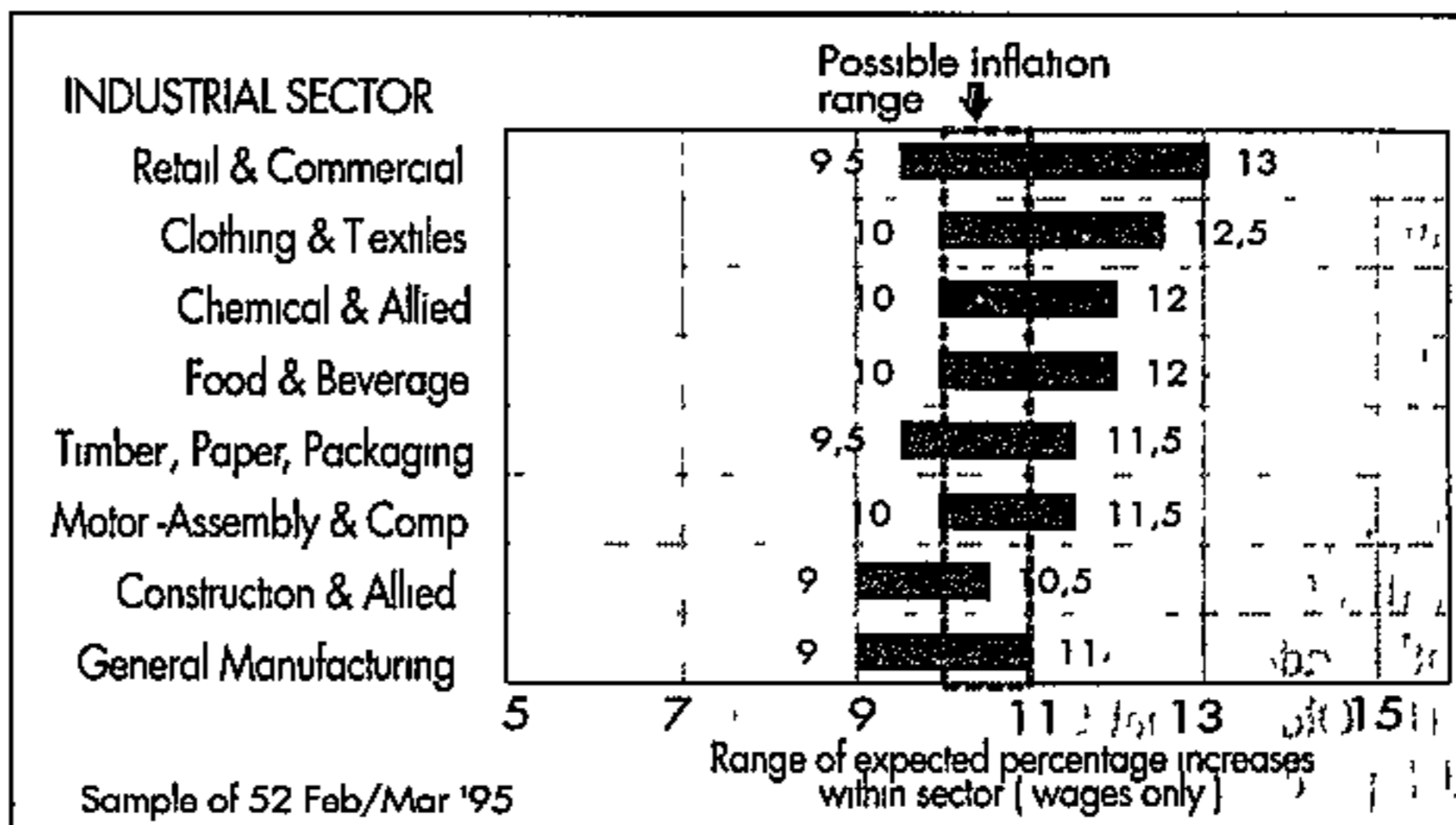
Organised labour is seen as struggling under a variety of erosive influences, the survey says

The defection of large numbers of prominent unionists to national and regional political positions has emaciated union leadership structures, and the problem will be aggravated by the pending local government elections

"Large numbers of key shop stewards and local union officials have always played a key role in civic and community structures, and are almost certain to leave private sector employment for positions in local government," the survey notes. This could, it believes, aggravate the current wage talks

Constant changes in union officials within companies — resulting in younger, inexperienced and comparatively less influential officials — leave union members increasingly less receptive to union guidance or instruction, it says

Estimated Wage Settlements 1995 (Expectations of Employers)



Meeting called to settle row

~~(77)~~ JOHN DLUDLU ~~(36)~~

THE National African Federated Chamber of Commerce (Nafcoc) and Business SA (BSA) are expected to meet on Monday in a bid to resolve their dispute over business representation on the National Economic, Development and Labour Council (Nedlac).

Nafcoc president Joe Hlongwane confirmed that a meeting was planned for next week, but declined to give details. (132)

The dispute between the two parties arose when Nafcoc demanded half of the 18 seats allocated to the business constituency in Nedlac's executive council — as the main voice for black business. *BD 7/4/95*

Business SA countered that giving more seats to Nafcoc would "dilute" sectoral representation on the executive council.

An interim arrangement giving Nafcoc five of the 18 seats was reached for the first executive council meeting last month.

It is reliably understood Nafcoc has lowered its demand from seven seats to six in what is believed to be its final compromise.

Trade unions are losing experienced leaders to politics

'Explosive' year for wage negotiations

(132) star 7/4/95

BY CLAIRE GEBHARDT
ECONOMICS EDITOR

The 1995 "season" of wage bargaining is likely to be characterised by the same conditions which promoted largely spontaneous and undisciplined strike action between April and July last year, warn industrial relations consultants Gavin Brown & Associates

Their latest Collective Bargaining Survey also forecasts

- Wage increases above the inflation rate — probably averaging 11,5%

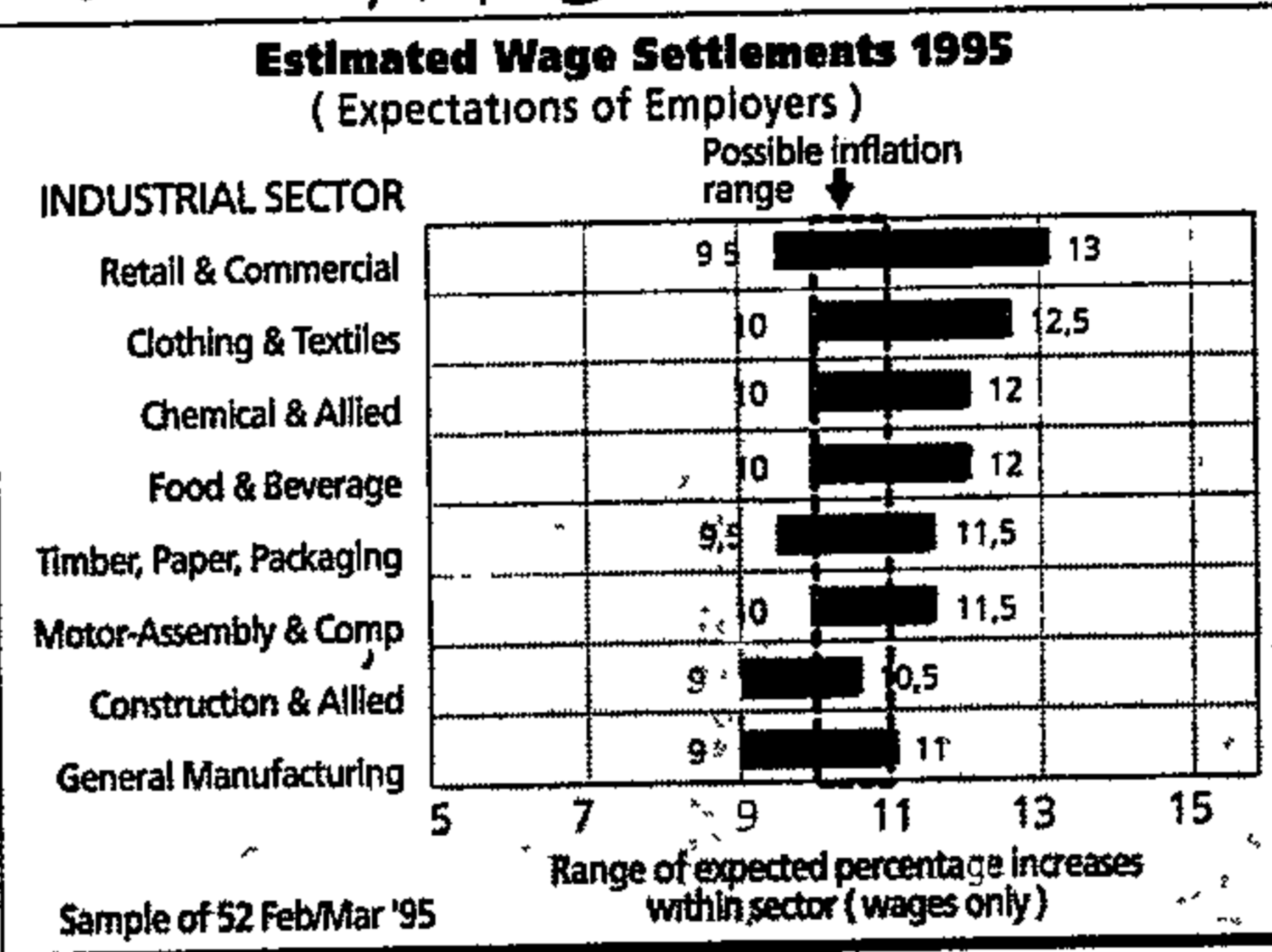
- High levels of industrial action, probably highest in the public sector.

- Strike action characterised by rank and file tactics with union leadership hard-pressed to exercise influence.

- Further erosion of trade union resources and capacity as a result of the local government election process.

The Survey also notes that the New Labour Relations Bill has rendered the current Labour Relations Act "something of a lame duck" just as the current annual wage round commences.

Statutory institutions such as the Industrial Court are ceasing to function effectively as officers and staff quit in an-



icipation of their imminent demise

Pending labour litigation has been rendered academic where the issues in dispute are either differently or more clearly addressed in the draft Bill, the survey found.

Uncertainty over the final content of the Bill was promoting an institutional vacuum across a range of major labour relations questions

The Survey warns that major structural adjustments are pending in the collective bargaining environment

"The next two-to-four months will reveal whether or not this can occur without cri-

pling and divisive confrontations that will retard the pace of economic recovery and RDP delivery'

Union demands reveal a clear return to long "shopping lists" — clear evidence of the primacy of the rank and file in formulating wage demands.

"Strong and experienced union officials had, over the last few years, largely dissuaded members from this approach because of the delays and confusion attendant on having to deal with large numbers of individual cost and procedural items in a single negotiation."

Also absent is any evidence of a coherent Cosatu campaign

in demand proposals such as "The Living Wage" etc

This is seen as confirmation of Cosatu's absence in devising or co-ordinating a coherent national wage negotiation campaign.

Organised labour is seen as struggling under a variety of erosive influences

The defection of large numbers of prominent unionists to national and regional political positions has emaciated union leadership structures and the problem will be aggravated by the pending local government elections

"Large numbers of key shop stewards and local union officials have always played a key role in civic and community structures and are almost certain to leave private sector employment for positions in local government.

"This could aggravate the current wage round.

"Constant changes in union officials within companies resulting in younger, inexperienced and comparatively less influential officials leaves union members increasingly less receptive to union guidance or instruction," it says.

"The result is a potentially explosive industrial relations mix in many sectors during the year ahead."

Mboweni stays out of Nedlac dispute

BD 18/4/95

(132)
JOHN DLUDLU

THE Labour Department would not interfere in the running dispute between Business SA and the National African Federated Chamber of Commerce (Nafcoc) over business representation on the executive council of the National Economic, Development and Labour Council (Nedlac), Labour Minister Tito Mboweni said yesterday.

The two-month old dispute arose over the allocation of the 18 seats set aside for business in Nedlac's executive council.

Nafcoc, saying it was the main representative of black business, initially demanded nine of the seats for its members. Then an interim arrangement for the executive council's first sitting on March 18 gave Nafcoc five seats and BSA the remaining 13.

Mboweni said yesterday his Ministry recognised the the 5-13 arrangement as still in force and would continue to do so until informed otherwise by the parties.

"At the next meeting of the council, as chairman, I am expecting five representatives from Nafcoc and 13

from BSA."

The Ministry was not involved in the current discussions between the parties, he said.

"Whatever arrangement they arrive at, as long as business has 18 representatives, we don't have a problem. But if they come with more than 18 representatives to the next meeting, they won't be allowed to take part. They'll have to go and sort it out among themselves."

The two organisations have said the March 18 arrangement was temporary, and have since appointed Nafcoc president Joe Hlongwane and BSA leader Bobby Godsell to find a permanent solution.

Godsell and Hlongwane have been reluctant to give details of any progress made so far.

Nafcoc, which recently lowered its demand to seven seats was now asking for six of the allotted 18 seats, it is understood.

BSA has said that giving more seats to Nafcoc would result in a "diluting" of the sectoral representation of its members.

Affirmative action is on wrong path — researcher

BD 19/4/95



AFFIRMATIVE action, as defined by those advocating such a strategy, would target a few educated, middle-class blacks, whereas a policy aimed at uplifting economically disadvantaged people would have a far greater positive effect, Centre for Policy Studies researcher Khehla Shubane says.

In a centre document, 'The Wrong Cure' Affirmative action and SA's search for racial equality, Shubane suggests instead a policy of encouraging a culture of learning to ensure recruitment based on merit, while bending the rules for the very poor and disadvantaged to enable their economic participation. This would be based on earning capacity, not race, and would be a short-term strategy to uplift people to a level at which they could help themselves. Shubane attacks affirmative ac-

ERICA JANKOWITZ

tion for its implied judging of different race groups by different standards, when it was "imperative for SA to proceed speedily to a point where there is one standard by which all people are judged".

He criticises affirmative action policy documents by Saeob and the Black Management Forum for targeting groups rather than individuals in righting the past's wrongs.

After all, not all black individuals suffered in the same way and to the same degree under apartheid and, by the same token, not all whites benefited from the system.

In an era in which SA was trying to discard its racial bias, the selection of people for jobs on racial lines was anathema, as it would probably achieve the outcomes from which affirmative action strove to distance itself, he said.

"Apart from all else, racially derived standards will once again give power to the wrong people, the bureaucrats who would have to administer the system."

In addition, it would be demeaning for those blacks who succeeded despite apartheid to be lumped together with others who were kept back and judged by the same standards, Shubane argues.

Affirmative action was also limited as it did nothing to address the real issue of blacks not owning or controlling corporations and so not being considered indispensable participants. A measure to increase equity ownership by blacks was an important component of changing structural relations and so ensuring equal opportunity and participation. Shubane concludes by calling on advocates of affirmative action "to reorient their focus on blacks to a focus on the poor".

Northwest education proposals being studied

INGRID SALVADO BD 19/4/95



THE Northwest education department was finalising its position on provincialisation and had already submitted its recommendations on new legislation to the state legal adviser, a department spokesman said last week.

The province's recommendations on organisational structures in education were being studied by the Public Service Commission, and finance experts and teachers' unions were scrutinising the department's budget, he said.

The department had established facilitation teams, to examine, among others things:

- A personnel system to administer recruitment, employment and service conditions of staff;
- Education and information;
- A system for provision, maintenance and renovation of physical facilities;
- Infrastructural systems for providing books and conducting examinations; and
- Computerised systems.

The department would shortly appoint a senior staff, including the deputy director-general, a chief director of education and training and administrative, finance and facilities.

The province was aiming for a pupil-teacher ratio of 35:1 in secondary schools and 40:1 in primary schools. Provincial statistics on the influx of pupils into schools this year were being collated, the spokesman said.

Labour forums 'must still rid SA of workplace apartheid'

RENEE GRAWITZKY

REMNANTS of the "apartheid workplace regime" had to be removed and this could be achieved by the establishment of workplace forums, SA Labour Bulletin representative Karl von Holdt said at a recent workshop at Wits University.

Speaking on "ungovernability in the workplace, ungovernability in the union", he said initial research indicated that certain aspects characterising the nature of trade union struggles in the 1980s, had continued into the '90s.

In the '80s, trade union struggles had focused on establishing unions which engaged in collective bargaining as well as a political struggle of resistance and un-

governability. The political action could not be contained by institutional arrangements, as could the labour "struggle", Von Holdt said. **BD 19/4/95**

In this climate of resistance the unions themselves became ungovernable and divided on numerous issues. Division existed in any active trade union organisation in the world, however. In essence the 1980s style of ungovernability was created by politics of resistance where unions resisted any suggestions proposed by management. That style of politics tended to be coercive, he said.

By the end of the '80s, union organisation was not very stable.

The maintenance of a strong union movement entailed constant efforts to build unity, to ensure structures were in place and operating, and actively organising members.

Von Holdt said that by the start of the 1990s unions had attempted to begin restructuring the workplace in a highly technical manner, which failed to take into account the history of militancy and instability in the workplace.

Unions had found it extremely difficult to build strategic programmes as well as address worker divisions and "keep the

base together", he said.

Management, on the other hand, had refused in most cases to enter into discussions on restructuring. Instead initiatives were unilaterally implemented which actions attempted to further destabilise the union movement, union structures within the workplace and ultimately the industrial relations climate.

Management efforts to improve productivity, quality and morale had failed. Von Holdt said that against this background it was crucial to strengthen union structures and to ensure that worker rights — such as meeting facilities during working hours — were achieved.

Cost to mines and country runs to hundreds of millions

'Five-day weekend'

(132)

fury

Star 25/4/95

■ BY BRENDAN TEMPLETON

Big business and unions are at loggerheads over the coming "five-day weekend", with mining companies saying the Freedom Day break could cost them up to R276-million

SA Chamber of Business economist Bill Lacey says Friday as a national school holiday will encourage families to turn Thursday's new public holiday — officially Constitution Day — and Monday's other public holiday — the old May Day, now called Workers' Day — into a costly, long weekend

Business says this will set a "dangerous precedent"

But the Congress of SA Trade Unions (Cosatu) is adamant that the new holiday was fully justified and all employees deserved their days off

The response from employers is that this arrangement would exacerbate the losses in productivity which business already stands to suffer because of all the other April holidays.

Chamber of Mines economist William Houtman said the mining industry stood to lose up to R276-million in profits if production ceased on all five days

Individual mines were negotiating with their workers to try to minimise the effect.

The new Public Holidays Act had cancelled previous legislation which had regulated public holidays in the industry. The agreement that miners take five public holidays per year no longer existed and mines were now faced with the prospect of losing production on all 12 holidays.

This would cost the industry R829-million in lost profits, the Government would lose R208-million in taxes and SA would

BUSINESSMEN interested only in squeezing the last drop of profit, says Cosatu's Coleman

lose R1,5-billion in foreign exchange.

Lost production could not be made up because safety laws allowed blasting to take place only once a day on mines

But Cosatu's Neil Coleman accused businessmen of being interested only in squeezing "the last drop of profit".

He accused critics of the new holiday system of being "elitist and racist" — the debate had become a hot topic only because black, unskilled workers were now guaranteed their holidays by law.

Research by the National Labour and Economic Development Institute showed that SA's 12 paid public holidays were not excessive. Germany and Namibia celebrate 14, Japan and France 13 each, the US, Canada, Israel and Brazil 12 each, New Zealand and Northern Ireland 11, and Switzerland 10

Houtman said the problem was not the number of holidays, but their clustering in April and May

Lacey said public holidays which fell during the week had been celebrated on either the Monday or the Friday in previous years. This had discouraged the temptation of taking off a few days extra so that workers could enjoy an extra-long weekend.

It was difficult to calculate accurately the effect the long weekend would have on the economy because conditions were not uniform.

Dispute rejected as cause of economic body's slow progress

~~BY~~ JOHN DLUDLU ~~(132)~~

NATIONAL Economic Development and Labour Council (Nedlac) executive director Jayendra Naidoo has admitted that the council has proceeded slowly since its inception in February. *BD 25/4/95*

But he denied the delay had been caused by the ongoing dispute between Business SA (BSA) and the National African Federated Chamber of Commerce (Nafcoc) over business representation in the council.

"The three Nedlac chambers have taken time to finalise work programmes, but I don't think this is because of the delegates issue," said Naidoo.

The BSA/Nafcoc wrangle arose in February, with Nafcoc demanding half of the 18 seats allocated for the business constituency in Nedlac's executive council.

The matter was temporarily settled when it was agreed to give five seats to Nafcoc and the rest to BSA for the first sitting of the executive council last month. Discussions are continuing and business has been asked to table criteria to be used to determine representation.

"It is better for chambers to come up with relevant agendas rather than appear to be busy on issues of lower priority," Naidoo said about the work programmes.

NP warning on labour

(132)

By BRUCE CAMERON

CT(BK) 25/4/95

POLITICAL EDITOR

Labour issues, including the new draft labour legislation, must be resolved with minimal government interference, the National Party has announced in a policy statement.

Leon Wessels, the NP labour spokesman, said in the statement his party welcomed the government's referral of the labour legislation to the newly established National Economic Development and Labour Council (Nedlac)

Wessels said the legislation was a test of a social partnership between employers, employees and the government

If agreement could not be reached on the legislation, the best interests of a social contract would not be well served

Any breakdown in negotiations would result in the parliamentary committee on labour having to look at whatever Nedlac produced.

He warned that labour relations were "a delicate matter and should not become a political football" It was important for employer and employee organisations to reach agreement in Nedlac

Wessels also warned that any labour dispensation would only work if there was minimal government interference "The authorities should only create the framework for employers and employees within the substantial variety of undertakings and sectors to decide on their own relationships."

Legislation also had to take account of issues such as investor friendliness, the effect of economic development, the effect on small business development, job creation and productivity.

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Union seeks transformed workplace

BO 28/4/95
RENEE GRAWITZKY

TRANSFORMING the workplace and giving effect to the reconstruction and development programme through efficient services were key issues under discussion at National Education Health and Allied Workers' Union (Nehawu) fourth national congress, its general secretary said yesterday.

Nehawu general secretary Neal Thobejane said the formation of one public sector union, opposition to all forms of privatisation, the formation of a position on the public service negotiations, redrafting of the Public Service Act in accordance with the proposed Labour Relations Act, campaigning for a social wage policy and international solidarity were other issues under consideration.

A year after the election, the approximately 120 000-strong union was well placed to review its position and how it would relate to the new situation and the Minister for Public Service and Administration.

Public Service Ministry adviser John Erendsen said the rationalisation of the sector would have only a limited effect on Nehawu's membership.

He said rationalisation would be taken to its final conclusion only with the union's involvement.

Thobejane, in his secretariat report, said: "Clearly to date there has been a lack of political will on the side of the ANC to even implement the strategies developed together prior to elections.

"Trade unions need to become more aggressive in asserting the values of political and economic principles that should be coming through in the RDP."

Weaknesses in union structures were highlighted, with the union continuing to experience problems in servicing members in various regions, with structures in some regions collapsing as a result.

▼ Determined to strike a balance

span 27/4/98

(132)

LABOUR Reporter Justice Malala reviews the work of 'his' ministry and discovers how the man at the top feels about his performance

Since Labour Minister Tito Mboweni was appointed last May, the diminutive macro-economist has been steadily learning about his portfolio and implementing new structures and legislative proposals that signal a revolution in SA's labour relations

Mboweni's move into the Labour Ministry came as a surprise to many observers who expected the trained economist to take over Trade and Industry.

"The first thing was to understand how to run the ministry, but fortunately my experience as deputy head of the ANC Economic Planning Department came in handy, particularly in understanding the key areas of implementation," he says

Another challenge was implementing workers' concerns into a Government programme and structuring a relationship with workers and business "while keeping the lot of workers in mind", he says.

"One has to strike a balance, you know, but one also has to always remember that it is the lot of the workers that needs im-

proving at this stage, and not the employers," he says

He seems to have done that with some success, judging by the approving response of business and union leaders

The most important achievement of the ministry has been the release of "new era" labour legislation in February. The Labour Relations Bill seeks to break with conflict-ridden labour practices of the past and to build co-operative relations instead.

Drafted by veteran labour lawyer Halton Chesadle and a team of labour experts, the Bill has been hailed as a breakthrough by all but the labour fringes.

It has also garnered intense debates around new and bold concepts like workplace forums; strike and lock-out rights; and the non-enforcement of centralised bargaining. These issues will be ham-

pered out in the National Economic Development and Labour Council (Nedlac), another milestone in labour and economic relations. Launched in May and steered by the Labour Ministry, the body is made up of representatives from business, labour, Government and development bodies and will seek to reach consensus and make agreements on economic policy issues.

But it has not all been smooth sailing. Mboweni was forced to intervene in the long-running and costly Spar and motor industry strikes. He also had to trouble-shoot in the Mooi River truckers' blockade and the trend-setting hostage-taking incident at the Odi Manpower Centre north of Pretoria.

"We could not continue intervening in these disputes for ever. We then worked out a policy on

the ministry's intervention in labour and industrial disputes, which advocates that we follow a hands-off approach to disputes and instead encourage mediation and collective bargaining," says Mboweni.

Plans in the pipeline for the ministry include the introduction of a Basic Code of Employment Act, and a major focus on workplace health and safety.

Mboweni says his ministry, unlike others, will be judged differently as the changes that have been introduced are not tangible ones, but are legislative revolutions aimed at improving people's lives.

"Personally, I think the GNU has done a lot in many areas, but in others, like housing and energy provision, we could have moved faster," he says.

"It has been an interesting year. Not as intense as my previous job in the ANC. Now there are 6 000 people to work with and sometimes I feel a bit redundant," he says

Perhaps it is about time this son of a chef took a break. If anything, he deserves it



SOUTH AFRICA LAST NIGHT

SNW (132) 29/4/95

May Day big day for COSATU, too

LABOUR — or May Day 1995 — will kick off COSATU'S 10th anniversary celebrations and workers will be celebrating the day with a difference.

Not only is this the first year of the new democracy, it is also the first May Day since the inauguration of the first people's president and the installation of the first democratic government.

High on the bill of celebration is the past decade of COSATU's victories and achievements. Moreover the focus of this year's COSATU celebrations will be on family day.

Cultural activities and sports have been arranged. Among the subjects covered will be worker's rights, solidarity and the major challenges that lie ahead for workers in the country.

ANC secretary-general Cyril Ramaphosa and Gauteng Premier Tokyo Sexwale will address workers at the Rand Stadium.

Business not committed to development, says Ramaphosa

Sexwale slams poor May Day turnout

BY MICHAEL SPARKS and SAPA

The late start and poor attendance at yesterday's May Day rally at the Rand Stadium in Johannesburg was criticised by Gauteng Premier Tokyo Sexwale who said the stadium should have been filled.

Fewer than 1 000 people attended the rally.

Sexwale told the crowd it was their responsibility to make representation if they wanted changes to the new constitution.

"You have a representative in the Constitutional Assembly. He will hear you, he is one of you," Sexwale said, referring to Constitutional Assembly chairman Cyril Ramaphosa who was also on the podium.

CROWD at rally urged by Gauteng premier to take responsibility for shaping the new constitution

In his speech, Ramaphosa said business had not yet committed itself to the country's development. "The Oppenheimers, the Ruperts must get the message clear. Their interests can only be secured if they have a clear commitment to the future of this country. This year, the business community must commit itself to really developing this country," he said.

He also called on business to help create jobs in SA, rather

than allowing money to leave the country to create jobs for people elsewhere.

Congress of South African Trade Unions national treasurer Ronald Mofokeng explained the poor attendance before the meeting by saying it was the first year that workers were required to organise their own transport, while in the past, Cosatu had paid for buses.

In a statement, Cosatu general secretary Sam Shilowa criticised business for paying lip service to change. It was not prepared to create sustainable jobs, he said.

"We also call on the Government not to diverge from the approach of closing the apartheid wage gap. Low-paid workers must be given the highest increases. Highly paid bureaucrats

should have their salaries frozen or cut."

Shilowa accused the International Monetary Fund of "undermining the sovereignty of South Africa by attempting to impose policies which directly contradict the RDP."

"They are giving us advice, which we haven't asked for, to embark on wholesale privatisation, drop all tariff barriers, adopt a wage freeze and cut back social spending."

At a rally in Cape Town, SA Communist Party general secretary Jeremy Cronin said unions were bracing themselves for a battle to prevent the privatisation of parastatals, since there was no chance that free-market forces would provide electricity to rural areas.

SPW 2/5/95

(192)



RETRENCHED: Workers who were retrenched when Garlicks in Claremont closed down were at yesterday's May Day rally on the Parade. They are demanding a share of the R11 million surplus in the company's pension fund, they said.

PICTURE: BENNY GOOL

Cosatu: 'Lip service to change'

CT 2/5/95

(132)

JOHANNESBURG: Business is paying lip service to change and is unwilling to create sustainable jobs, Congress of South African Trade Unions general-secretary Mr Sam Shilowa said in a Workers' Day message yesterday.

"They see the role of the new government as creating a safe haven for them to exploit workers and to pay starvation wages."

Mr Shilowa went on to say Cosatu was concerned about the

way in which RDP projects were being dealt with

"While they (projects) may be to the benefit of society, we believe some consistency is necessary"

Criteria for identifying project areas should be uniform and justifiable, he said.

On pay talks, Mr Shilowa said a continuing deadlock in talks between the state and public servants gave the impression that the government had different

approaches to resolving labour problems in various sectors

"Teachers, nurses, doctors, police and the rest of the public sector are all equally important, and should be treated the same

"We also call on the government not to diverge from the approach of closing the apartheid wage gap. Low-paid workers must be given the highest increase. High-paid bureaucrats should have their salaries frozen or cut" — Sapa

Ramaphosa calls on Oppenheimers, Ruperts

(132)

CT 2/5/95

JOHANNESBURG The business community was not yet seen to be committed to the country's development, but would only secure its interests if this changed, ANC secretary-general and Constitutional Assembly chairman Mr Cyril Ramaphosa said yesterday.

He told a Congress of South African Trade Unions Workers' Day rally at the Rand Stadium here: "The Oppenheimers, the Ruperts must get the message clear. Their interests can only be secured if they have a clear commitment to the future of this country."

They should help create jobs and stop billions of rands leaving the country to create jobs for people elsewhere, Mr Ramaphosa said. A strong economy was needed to underpin democracy in SA.

The business community needed to become part of the Masakhane (build together) campaign, he said, referring to a government initiative for public involvement in its Reconstruction and Development Programme.

Mr Ramaphosa appealed to managers to show good faith in this year's pay nego-

tations and avoid strikes. It was time to rid the work place of racial discrimination and bad working conditions.

About 500 people arrived for the rally and huddled on one side of the almost empty stadium.

Mr Ramaphosa said. "This stadium is supposed to be full with workers coming to celebrate May Day. Our unions have become weak."

Gauteng Premier Mr Tokyo Sexwale urged workers to take part in the constitution-writing process and the local elections in November, otherwise last year's election victory would be "hollow".

Strike

Mr Sexwale said. "You elected a government and then strike at it. You want to protect this government so you can use it as your tool."

Earlier, Cosatu treasurer Mr Ronald Mofokeng pledged support to public servants whose pay talks with the state deadlocked recently, especially teachers who want an 18% pay rise. — Sapa

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Complete information regarding quota holders in the pelagic fishing industry as well as the applications of new applicants for pelagic quotas for 1995 may be obtained from the Secretary of the Quota Board

~~SWL 1332~~ Nationalisation of the gold mining industry: NUM
Mineral and Energy Affairs †

Whether his attention has been drawn to a decision that was recently taken at a meeting of members of the National Union of Mineworkers in which these members expressed themselves in favour of the nationalisation of the gold mining industry, if so, what was the Government's response to this decision?

Hansard 3/5/95 N356E
The MINISTER OF MINERAL AND ENERGY AFFAIRS

Yes, my attention has been drawn to the statement made by the National Union of Mineworkers of the nationalisation of certain gold mines. This statement seems to have been directed at specific mining houses which, according to the Union's perception, "were not conducting mining to the benefit of all South Africans and which continued to violate human and worker rights."

Problems in relationships between unions and employers should be addressed by negotiations between them. Nationalisation is entirely inappropriate, being a concept that has been discredited.

Let me name a few examples

One of the major reasons why the Russian Federation and the former republics of the Soviet Union find themselves in the difficulties they do today, is due to nationalisation. Many of Russia's ex-satellites find themselves in similar difficulties for the same reason. Almost without exception, states in Africa who followed the path of nationalisation, are returning to market orientated principles. By con-

trast the successful countries of the Asian Rim apply market driven policies

In the 1980s, Peru vigorously applied nationalisation. Even the banks were nationalised. The results were disastrous. Unemployment soared, inefficiency abounded and inflation went through the roof. In the late 1980s, at the end of Peru's love affair with nationalisation, the country's per capita Gross Domestic Product dropped by 10% annually, from US\$1 146 in 1988 to US\$926 two years later. During the same period, inflation ran wild, going up by 152% annually, from an already sky-high 1 722% in 1988 to 7 649% in 1990.

Since President Fujimori and his centre-left coalition came to power in Peru in 1990, there has been a reversal of this policy. Legislation passed in December 1990 and there is to this day an ongoing programme of carefully planned and executed privatisation. As a result, per capita GDP has grown by 11,7% annually, from US\$935 in 1991 to US\$1 263 in 1994. The effect of the new economic policies on inflation has been even more spectacular. It was slashed from 7 649% in the year President Fujimori took office to 20% last year—a reduction of over 7 000% in four years.

Mexico is another country that has skipped down the primrose path of nationalisation with disastrous results. But it, too, has seen the light and its divestment programme has reduced the state sector from 1 155 concerns in 1982 to less than 300 in 1992—the reduced by three quarters over 10 years.

And recently, even Tony Blair's Labour Party has scrapped the nationalisation clause out of its Programme of Principles. Every single major European political party which ever embraced nationalisation has long since done the same. The Dutch Social Democratic Labour Party abandoned nationalisation even before the Second World War and the German Social Democratic Party abandoned it in 1959.

Furthermore, the priorities of the RDP would preclude the use of scarce financial resources to compensate for the nationalisation of mines, as would be required by the Constitution.

The principle that mining operations should be conducted by private industry was reiterated, as recently as 28 March 1995, by Mr Cyril

Ramaphosa at the Sub-Saharan Oil and Minerals Conference, when he stated (and I quote) "Thus if one refers to the role of the private sector one is addressing the free market based mining industry. It will be the private sector that will take the lead in facing challenges and finding solutions in our market based economy. As a politician my area of influence is the institutional framework within which the mining industry operates and my task is to create the conditions conducive for the private sector to prosper in harmony with the goals identified by the political process." Unquote. I agree with the sentiments expressed by Mr Ramaphosa which in effect reject the concept of nationalisation of our mining industry.

Labour Market Commission and NEDLAC: connection (1332)

*33 Mr A WATSON asked the Minister of Labour † *Hansard 3/8/95*

(a) What is the aim of the Labour Market Commission, (b) what is the (i) connection and (ii) division of work between this commission and NEDLAC (National Economic, Development and Labour Council) and (c) in what respect does this commission integrate with his Department? N357E

The MINISTER OF LABOUR

(a) The Commission is charged with making proposals leading to the development of a new labour market policy. This government has inherited a labour market characterised by massive unemployment, systematic discrimination, low productivity and adversarial labour relations. This is largely a consequence of the labour market policies of apartheid, most notably the pass laws that sought to direct the movement of labour. The Labour Market Commission is charged with the development of policy directed at overcoming this legacy and at meeting the employment-related objectives of the RDP. This cannot be achieved by piecemeal, selective interventions in the labour market. It will be achieved by a labour market policy that complements, and is complemented by, key macro-economic

and industrial policies. Accordingly, the Commission's Terms of Reference task it with

- formulating an appropriate role for public policy in the determination of wages and other incomes,
- examining the relationship between labour market and industrial relations policies and productivity performance,
- developing a framework for dealing with the negative social implications of economic restructuring,
- the development of a policy framework designed to overcome labour market discrimination and ensure equality of opportunity, and
- establishing appropriate conditions for access by non-South African nationals to the South African labour market

(b) (i) The Commission is charged with making policy proposals and recommendations to the Minister of Labour. In the event that the Minister accepts certain of the recommendations of the Commission and wishes to include these into law or policy, they will be submitted for consideration by the social partners through the structures of NEDLAC. Although the Commission is comprised of labour and business leaders, as well as prominent academics, it is not a negotiating or consensus-seeking instrument. It advises the Minister.

(ii) NEDLAC is negotiating body through whose structures the social partners seek consensus. The Co-Chairpersons of the Commission have presented the Terms of Reference to the Labour Market Chamber of NEDLAC and have received valuable feedback. NEDLAC will be periodically informed of the progress of the Commission. However the Commission will not attempt to secure NEDLAC's agreement prior to the presentation of its report. This will be the task of the government delegation to NEDLAC in the event that the Commission's recommendations are accepted by the Minister of Labour.

The Commission will expect to take submissions from the constituent parties to NEDLAC

- (c) The Commission is funded by the Department of Labour. In all other aspects it is managed independently of the Department. However, the Commission's deliberations and recommendations will have an important bearing on the Department. Key programmes of the Department will come under the scrutiny of the Commission. In particular the concerns of certain recently created directorates and chief directorates interface strongly with the work of the Commission. These are the Chief Directorate of Labour Market Policy and the directorates responsible for research, labour market statistics, equal opportunities and minimum standards

Murder of White female teacher in Tembisa

*34 Dr M S APPELGRYN asked the Minister for Safety and Security †

- (1) Whether a White female teacher was murdered in Tembisa on or about 10 March 1995, if so, what are the relevant details,
- (2) whether he is contemplating any steps to prevent similar incidents in future, if not, why not, if so, what steps?

N358E

The MINISTER FOR SAFETY AND SECURITY

- (1) Yes On Friday, 10 March 1995 at approximately 14 30, Mrs Emmenentia Cornelia Scheepers, 49 years of age, left the Tersia King Learning Academy in Tembisa, in one of the school's Combis. At an intersection in Tembisa, the vehicle was approached by five unknown black males. All the occupants were forced out of the Combi, except Mrs Scheepers. After driving approximately 300 metres from the scene, Mrs Scheepers was thrown out of the vehicle, and the suspects drove off. It was later established that a handgun was used to shoot Mrs Scheepers in the chest.
- (2) Yes The following additional steps to the normal policing of Tembisa have been implemented

Radio communication between the control centre of the City Council and the police, emergency services, traffic services and other departments of the City Council have been established. The emergency number of the centre is displayed on information boards for persons who feel unsafe entering Tembisa and require to be escorted. Radio communication between schools and the control centre is also being implemented and personnel at schools are being made aware that such facilities exist.

Killing of AWB members outside Matfokeng: Attorney-General's decision

*35 Mr A J LEON asked the Minister of Justice

- (1) Whether the Attorney-General of the North-West has taken a decision regarding the prosecution of any persons alleged to have shot and killed three AWB members on the Vryburg road outside Matfokeng in or about March 1994, if not, (a) why not and (b) what are the reasons for the delay, if so, what was that decision,
- (2) whether he or any member of his Department has issued instructions or made recommendations to the (a) Attorney-General of the North-West and/or (b) South African Police Service in regard to this matter, if so, what specified instructions or recommendations?

N360E

The MINISTER OF JUSTICE

- (1) Yes The Attorney-General of the North-West has decided to arraign Phillemon Nare in the Supreme Court of the former Bophuthatswana on three counts of murder.
- (2) No In view of the fact that the Government is considering the establishment of a commission of inquiry with regard to all the deaths that took place when the AWB allegedly entered the former Bophuthatswana before the General Elections on 27 April 1994, the Attorney-General concerned has informed me that he has decided to withhold the execution of his decision pending the finding of the aforementioned commission of inquiry.

Economically active persons employed by the State/State-funded organisations

*36 Mr J A JORDAAN asked the Minister for the Public Service and Administration

- (1) Whether his Department has done any calculations as to the percentage of economically active persons in the Republic who are employed by the State or State-funded organisations at all levels of government, if not, why not, if so, (a) what percentage of economically active persons are so employed and (b) in respect of what date is this information furnished,
- (2) whether he intends approaching any of his colleagues in the Government of National Unity with a view to reducing this percentage, if not, why not, if so, (a) which colleagues and (b) what action does he intend recommending,
- (3) whether he will make a statement on the matter?

N361E

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

- (1) No, according to the Central Statistical Service's statistical releases No P0317 dated 30 March 1995, regarding economically active persons, and No P0251 dated 29 March 1995, regarding persons employed by the public sector, however, the percentage economically active persons in the Republic, who are employed by the State or State funded organisations at all levels of government, is (a) 13,17% as during (b) September/October 1994,
- (2) no, according to the White Paper on the RDP the Government at all levels will take steps to reduce consumption expenditure, while increasing capital expenditure. At present about 60% of consumption expenditure is for remuneration. Initially, the Government will keep the size of the Public Service constant, but without compromising affirmative action goals. At present, the rate of turnover of employees is about 8% per annum. It is the intention of the Government not to recruit new employees for all vacancies, but that only 5% of these vacancies should be filled, and
- (3) no

Births/deaths registered in 1994

*37 Mr M J ELLIS asked the Minister of Home Affairs

- How many (a) births and (b) deaths were registered in the Republic in 1994?

N362E

The MINISTER OF HOME AFFAIRS

The following figures do not include the statistics from the former TBVC-states and the former self-governing territories, as those statistics are not readily available.

- (a) 392 540
(b) 255 289

Social old-age pensioners in Republic: amount paid out

*38 Mr M J ELLIS asked the Minister for Welfare and Population Development

- (a) How many social old-age pensioners were there in the Republic as at the latest specified date for which figures are available and (b) what total amount was paid out to these pensioners in the latest specified calendar month for which information is available?

N363E

The MINISTER FOR WELFARE AND POPULATION DEVELOPMENT

- (a) 1 522 000 during October 1994, and
(b) R593 580 000 for October 1994

Quota Board: members appointed

*39 Mr C A WYNGAARD asked the Minister for Environmental Affairs and Tourism

- (1) Whether, with reference to his reply to Question No 12 on 31 August 1994, the members of the Quota Board have been appointed, if not, why not, if so, (a) what are their names, (b) from what date have they been appointed, (c) for what period and (d) what are their qualifications in each case,
- (2) whether it is still the intention to proceed with the introduction of amending legislation in the current parliamentary session, if not, why not, if so, what are the relevant details?

Mboweni unveils jobs boost plan

B0 3/5/95 (132)

CAPE TOWN — Labour Minister Tito Mboweni unveiled a five-year programme yesterday aimed at boosting job creation and the establishment of an economic and legislative climate conducive to investment and social justice.

Included in the programme is a radical overhaul of the Unemployment Insurance Fund, the development of comprehensive labour market and vocational guidance policies, the strengthening of civil society structures and a greater role for SA in international labour affairs.

Mboweni told a Press conference yesterday that while some aspects of the plan had already been put into operation, including the establishment of the National Economic Development Labour Council and the Comprehensive Labour Market Commission, the plan would clarify the role of the Labour Ministry and department over the next few years. A number of laws would be amended or introduced during the period.

The Labour Relations Bill would be finalised this year, even if this meant the Cabinet had to make rulings on undecided issues.

Processes setting up the Labour Court and the commission for conciliation, mediation and arbitration were under way.

Labour legislation to be amended included the Basic Conditions of Employment Act, the Unemployment Insurance Act, the Occupational Health and Safety Act, the Manpower Training Act, the Wage Act and the Integration of Labour Laws Act.

New legislation to be introduced included an Insolvency Amendment

ADRIAN HADLAND

Bill, a Pensions Amendment Bill and employment equity legislation.

Mboweni said the Comprehensive Labour Market Commission, chaired by ministerial special adviser David Lewis and Gencor Human Resources manager Moss Ngoasheng, would produce its first report by the end of the year and would finalise a White Paper on labour market policy by next year.

A discussion paper detailing proposals on affirmative action in the workplace would be completed by mid-year. The National Training Board would be restructured.

A national policy on vocational guidance would be developed to address perceptual and social barriers to the full participation of all in the labour market.

The "serious shortcomings" of the unemployment insurance fund would be dealt with. "This should include mechanisms to interlink training, re-training, career and placement services to the fund."

The plan also included provision for a much higher international labour profile, through the appointment of labour attaches and the ratification of International Labour Organisation conventions, as well as the framing of a national policy on occupational health and safety.

Sapa reports that Mboweni said at the news conference that SA would not back countries with primitive labour policies that produced goods under conditions like "slavery".

It would react against countries that had primitive policies on health and safety, among others, he said.

Nedlac unveils its work programme

BD 4/5/95

(13) (132)

THE National Economic, Development and Labour Council (Nedlac) last night unveiled its long-awaited working programme to enable its chambers to start economic and development policy talks.

At a news briefing in Braamfontein, Nedlac executive director Jayendra Naidoo said the council — which represented labour, business, community and government constituencies — had established the infrastructure to become operational.

Constituencies had approved a budget; total budgeted expenditure over 15 months was R6,2m.

The work programme set out key priorities, with processes and time frames for negotiation.

The work programme would kick off today with discussion in the labour market chamber of the draft Labour Relations Bill, Naidoo said.

Other issues on the agenda included International Labour Organisation conventions, amendments to the Unemployment Insurance Act and monitoring revision of labour laws.

Top on the trade and industry chamber's agenda were policy on international trade relations, competition, supply side measures, and minerals and energy policy.

The development chamber would hold its first meeting today.

Naidoo said the National Women's Coalition, the National Youth Development Forum and the SA National Civic Organisation had been admitted as representing community interest.

The current chairman of the execu-

JOHN DLUDLU

tive council and management committee was Cosatu secretary-general Sam Shilowa. The chairman's seat would be rotated on a quarterly basis.

On the dispute between Business SA and the National African Federated Chamber of Commerce (Nafcoc) over business representation on the council, Business SA leader Bobby Godsell said "substantial progress" had been made towards agreement on the criteria to be used.

However, he would not disclose how representation would be divided between Nafcoc and Business SA.

Naidoo said a proposal on media access to chamber proceedings was being considered.

Meanwhile, RENEE GRAWITZKY reports that representatives of the three constituencies believed that the process for reaching consensus on the draft Labour Relations Act could be evaluated only after their positions had been tabled in the labour chamber today.

Government co-ordinator Les Kettleidas said it was essential the legislation complied with the provisions of the constitution, the reconstruction and development programme and international standards.

Godsell said the goal was to ensure the new Act in its entirety inspired the confidence of all parties. Inevitably, not all clauses would be agreeable to everyone.

Labour co-ordinator Ebrahim Patel said any agreement covering such complex issues would be "a series of compromises".

● See Page 5

Govt to farm out labour disputes: The minister of labour, Tito Mboweni, is to introduce special measures to wipe out the backlog of disputes before the industrial court, up by 25 percent last year to 6 200 cases. He plans a special national settlement week in which all outstanding disputes will be settled by outside mediators.

~~(132)~~ (132) CT (BR) 5/5/95

LOU... ..

Labour satisfied with Budget deficit

(132)
(132)

WJM(BM) 5-11/5/95

Reg Rumney

LABOUR leaders seem satisfied about the Budget deficit, the figure symbolic of "fiscal discipline", according to a survey by the Community Agency for Social Enquiry of fifty-five union leaders.

This could signal that government leaders, principally Deputy Finance Minister Alec Erwin and Reconstruction and Development Programme Minister Jay Naidoo, have done a good job of selling the concept to union leaders.

The survey shows that many unionists are satisfied the deficit has been cut enough — and many think it could have been cut further.

Almost half of the union respondents thought more could have been done to cut the deficit, notably through reducing further the amount devoted to defence.

Otherwise, unionists were notably

less positive about the Budget than business (47 percent as opposed to 73 percent for business).

Those in favour mentioned similar factors to business, such as responsible government and higher social spending.

Of those against, equal proportions mentioned unaddressed problems, inadequate commitment to the RDP and high defence spending.

Forty percent of unionists were in favour of increased Value Added Tax. This was less than the business respondents, 56 percent of whom were in favour — but not as big a difference as one would have supposed, given the vociferous union opposition to the introduction of VAT.

Those against were concerned that it would exacerbate the plight of the destitute. In this they largely agreed with black business people, far fewer of whom thought more emphasis on indirect tax was a good idea than whites.

No to ANC's alliance with Cosatu

WM(BM) 5-11/5/95

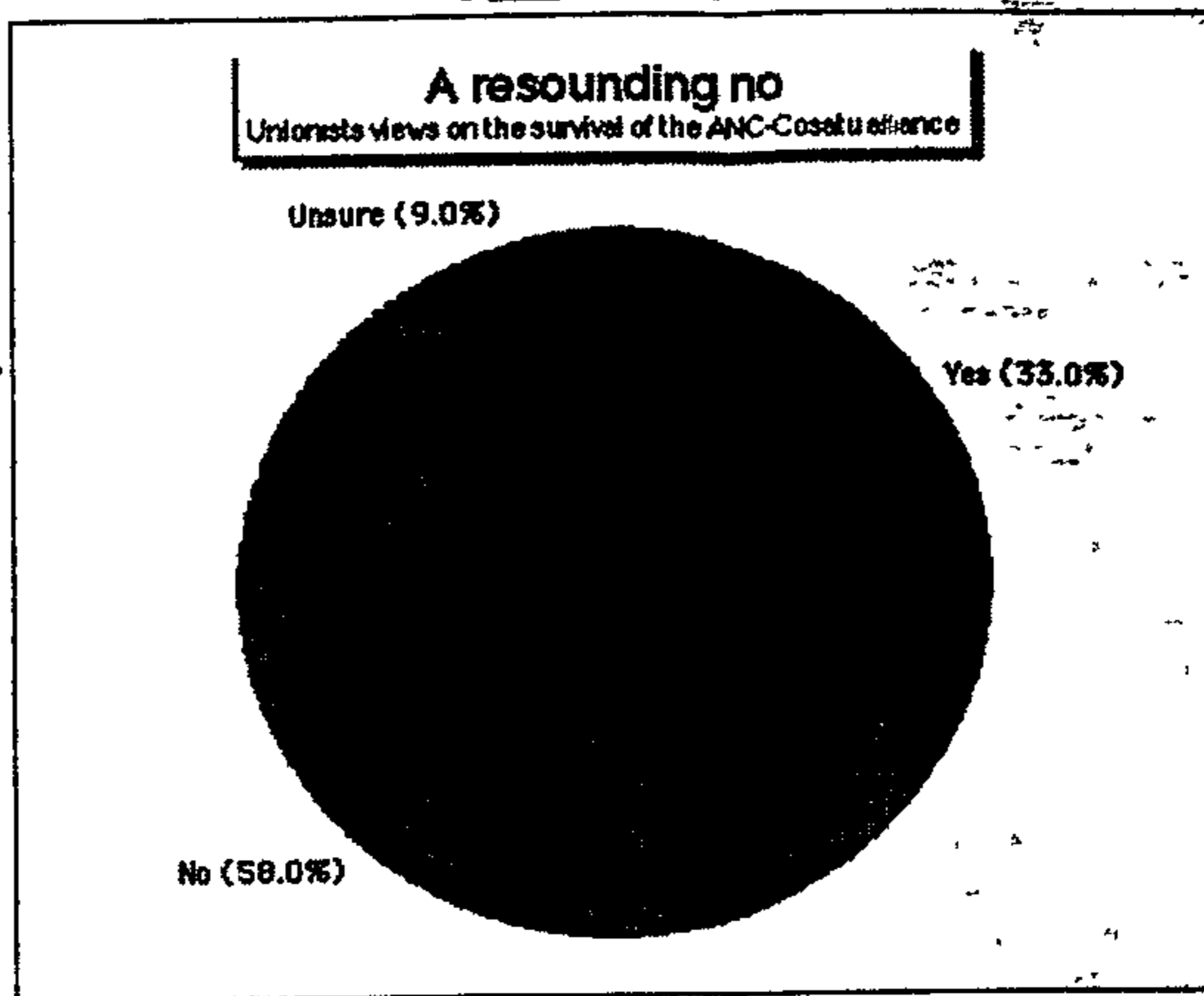
132

SOME 63 percent of business respondents to the survey vote "no" to the question, "Should the ANC/Cosatu alliance continue?"

Seventy-one percent of whites say no, and 39 percent of blacks. The contrast, says Case, mirrors the divisions between black and white business leaders on economic issues like redistribution, and contract quotas for small businesses.

Many black respondents (61 percent) and few whites (22 percent) claim to be very familiar with the Reconstruction and Development Programme.

Most whites (74 percent) are only "somewhat" familiar with the RDP. All agreed business should support it financially as well as increase their



Unpopular: Business would like to see the end of the ANC/Cosatu alliance

own social responsibility programmes.

"Whites tended to be more optimistic about the RDP's ultimate success (58 percent) while blacks (48 percent) were more tentative, with the majority expecting RDP success

only if it is implemented properly.

"Interviewees commented on the vagueness of the RDP, which they felt hinders involvement, and a discouraging lack of government commitment to actual implementation."

Softly, softly

FM 12/5/98

Judging by the tenor of remarks after they tabled their responses to the controversial draft Labour Relations Bill last week,

organised business and labour could, given enough time, reach consensus on a new labour statute.

The question is whether they can do so in time for it to be passed by the current session of parliament, which ends in September. Chances seem slight, despite the urging (to put it mildly) of Labour Minister Tito Mboweni, who wants the new Act to be in place before next year's wage round — and the first major piece of legislation to come out of the new government.

Kicking off the first meeting of the labour chamber of the National Economic Development & Labour Council (Nedlac), the parties, including government, appointed a tripartite negotiating team to take the process forward. The 16-man team includes four government representatives and six each from business and labour.

Cosatu general secretary Sam Shilowa says all parties will try to reach deadlines to fit in with the legislative process.

If issues remain on which consensus cannot be reached, provision exists in terms of Nedlac's constitution for these to be sent to Cabinet for a decision — a provision Mboweni appears to have threatened to invoke to impress upon labour and management the urgency of finding consensus.

Among the contentious issues to be negotiated are centralised bargaining; proposed workplace forums — or, rather, their form and content; law governing the right to strike; the duty to bargain; union representivity; dismissal procedure and the powers of the proposed commission for conciliation, mediation and arbitration.

On behalf of organised business, the Chamber of Mines' Adrian du Plessis describes the draft labour Bill as a competent piece of legislation which advances the debate on the kind of labour law SA needs for economic success.

Du Plessis says business has appealed for an approach that takes cognisance of economic realities and the crisis of unemployment. The success of the Bill will be judged by whether it stimulates such imperatives as investment, growth and jobs.

Business would also like "certainty and flexibility" in the new Act — not an unnecessary body of codes and prescriptions — and "appropriate levels of bargaining" rather than total deregulation.

Labour spokesman Ebrahim Patel, assistant general secretary of the SA Clothing & Textile Workers' Union (Sactwu), says the most important thing about Nedlac is

that it presents an opportunity to reshape SA labour law, which has been based on 70-year-old statutes.

In evaluating the Bill organised labour will apply the following tests. Does it represent a break with the past in terms of addressing huge disparities in skill and income levels? Does it advance basic worker rights, which should be consistent with the Bill of Rights? Does it empower workers at the shop floor (an issue labour sees as constituting a wider agenda for the Bill)? And will it provide job security?

The aim is "combining the need for social and industrial equity with economic growth," says Patel.

Centralised or national industrial-level bargaining is the unions' key aim. Patel says they "don't want a power play over this" and would prefer to see it put in place as the result of a structured approach.

Workplace forums, whose ambit business

wants to see narrowed especially on the question of financial disclosure, are viewed by labour as too limited.

Patel proposes worker representation on company boards (an aspect of the German system) "to transform corporate decision-making."

Du Plessis diplomatically says it would be premature to speculate on areas of disagreement (formal haggling only gets under way this week): "We also want to see a sustainable collective bargaining framework but one that is freely determined."

Business endorses the need to shift away from an adversarial to a co-

operative model and therefore "shares the logic" of workplace forums.

However, their establishment, agenda and administration should not be prescribed. Business appreciates the potential that forums could have in raising productivity, for instance, but would like their agendas to be determined by the parties themselves.

Spokesman Les Kettleidas (a former unionist) says government "will promote a sectoral, industry-level bargaining mechanism to devise plans to restructure industry as we enter the world economy" but this "is not prescribed or imposed."

Experience of participative structures elsewhere has shown their value in, for example, the major industrial restructuring SA has to undertake to ensure growth. Government consequently sees the need to provide a statutory framework for workplace forums, which it would like to see used as a co-operative mechanism between management and labour, promoting the aims of the RDP.



Labour Minister Mboweni . more haste, less speed?

(30) (132) (132)
NEDLAC FM 12/5/95

Off to a wobbly start

Realism is needed about what the National Economic Development & Labour Council can accomplish

It was launched in February, to forge consensus between major stakeholders in the economy. But its credibility has been undermined by reports that Labour Minister Tito Mboweni has threatened to act unilaterally on labour legislation if no agreement is reached soon between business and labour. Its viability is threatened by acrimony within constituencies and between them. And its role is not entirely clear.

The organisation has no power to implement proposals. It is an advisory body and, says its communications officer Lomun Saayman, "an agreement making body." He argues that, as government will be party to any agreement reached, it is unlikely to ignore proposals flowing from it. "Government's commitment to Nedlac is demonstrated by the number of its top officials,

mostly Cabinet Ministers, who lead its delegation on the executive council"

If the organisation proves influential, the question of transparency becomes critical. This is particularly important where a handful of negotiators are acting on behalf of a large and diverse constituency. As yet no decision has been made as to whether the meetings of Nedlac's four chambers will be open to press and public. "We are still considering this issue," says executive director Jayendra Naidoo. In its press release Nedlac says its goal will be "to inform its constituents and their membership, the public and the media."

However, it goes on to warn that "transparency does not necessarily lead to effective communication, and information generated by the negotiating process has to be packaged in such a targeted manner that it will meet the information requirements of all stakeholders"



WORK PROGRAMME FOR NEDLAC

Nedlac (see above) has published a list of work priorities.

The public finance and monetary policy chamber is examining exchange control and exchange rate policy, and its effect on trade, investment, employment and inflation.

A macro-policy framework for re-prioritising expenditure is being developed by the Central Economic Advisory Service. It will be fed into the budgeting process and the results will be considered by Cabinet in June.

It is also "aiming to achieve consensus on procurement policy." And a government investigation into the reorganisation of State assets will be tabled shortly.

The trade & industry chamber is

looking at international trade relations and trade policy, foreign and domestic investment policy, industrial policy and industrial restructuring, export marketing and technical assistance for medium, small and micro businesses, supply side measures, competition policy and mining minerals & energy policies.

The agenda for the labour market chamber is the draft Labour Relations Bill (see page 42), International Labour Organisation conventions, amendments to the Unemployment Insurance Act, harmonisation of labour laws and the Labour Market Commission whose report will be tabled in mid-August.

The fourth chamber, of the development constituency, is still embryonic. Its first meeting was on May 4

Roughly translated that means issues will be obscured by ambiguous policy statements issued when negotiations are over.

Another problem, still to be resolved, relates to the dissension in the business community over representation. There is a dispute between the two umbrella bodies, Nafcoc and Business SA (BSA), over how many seats Nafcoc is entitled to on the Nedlac's executive council and the four chambers (*Leaders* May 5).

This has also left the SA Chamber of Business, the biggest and most influential representative body in the country, unrepresented on the key trade and industry chamber.

The dispute has been referred to mediation. BSA and Nafcoc have appointed a task force to interact with mediators John Hall, chairman of the National Peace Committee, and advocate Dikgang Moseneke. The impasse must be resolved before the next meeting of the executive council.

This is only one aspect of the dissension in the business community on the issue of representation. There are those who question the need for a structure as formal as BSA, which duplicates the functions and roles of certain member organisations. They suggest it could operate more flexibly

Meanwhile, Nedlac has published a work programme for three of its four chambers

— dealing with public finance & monetary policy, trade & industry chamber and the labour market (see *Current Affairs*) The fourth chamber, home of the development constituency, is still embryonic and had its first meeting on May 4

Nedlac, which operates under the Nedlac Act of 1994, has absorbed two organisations. One is the National Economic Forum, the tripartite alliance between business, labour and government. The other is the National Manpower Commission. And it has acquired a new partner — the development constituency

It can be an important sounding board and think-tank and play an influential part in decision making. But, if its goals are too ambitious, it will ensure it falls short of

ST(BT)
Human rights

(132)
COUNTRIES which wanted to retain membership of the International Labour Organisation would have to prove their commitment to human and workers' rights, Department of Labour attache Aret van Heerden said on Friday. 14/5/95

Mr van Heerden was previewing the ILO conference scheduled for June 6 to 23 in Geneva.

Holiday fiasco faces employers

ET (BR) 19/5/95 (132)

The new Public Holidays Act could mean that workers are entitled to 14 paid public holidays this year

By JOHN SPIRA

GAUTENG BUSINESS EDITOR

The furore over the excessive number of public holidays on the South African calendar has assumed a new dimension.

Attorneys Webber Wentzel Bowers point out that in terms of the new Public Holidays Act of 1994 and the recent amendment to the Basic Conditions of Employment Act of 1983, all employees are entitled to 12 paid public holidays

Naturally employees would only be entitled to be paid for a public holiday if it fell on what would be a working day for them. Thus, for employees who work Monday to Friday, a public holiday falling on a Saturday or Sunday would not ordinarily be a paid public holiday

As the Public Holidays Act provides that when any public holiday falls on a Sunday the following Monday shall be a public holiday, it is arguable, says Webber Wentzel Bowers, that employees who work

both on the Sunday (being the actual public holiday) and on the Monday (which then becomes a public holiday) are entitled to be paid at public holiday rates for both days.

The legal firm notes that two public holidays fall on Sundays in 1995 — January 1 and September 24 "It could therefore be that some employees, namely those required to work on both the public holidays (that is, Sundays) and on the following Mondays, are entitled to 14 paid public holidays"

Webber Wentzel Bowers says certain employers have been reluctant to accept this interpretation, specifically because of the cost implications.

It adds "It is possible that the courts would regard the issue as an absurdity and would not require employers to pay holiday rates for both days.

"Employers should approach their employer associations and request them to make immediate representations on this matter to Nedlac and the minister of labour."

Nedlac 'may have to call in outside facilitators'

(132) (30) (17) BD 24/5/95

Renee Grawitzky

INFORMAL discussions had taken place to bring in outside facilitators to assist the parties in reaching consensus on labour legislation in the National Economic, Development and Labour Council.

Nedlac executive director Jayendra Naidoo said this may become necessary because of the complexity of the issues and the tough nature of the negotiations.

Labour attorney John Brand said

the process adopted in developing new labour legislation was flawed and had resulted in the parties adopting positions which under normal circumstances might not have been adopted. This had resulted in adversarial rather than constructive and creative negotiations.

Naidoo said a number of critical issues, such as centralised bargaining, had to be resolved.

Government had committed itself to centralised bargaining in terms of

the reconstruction and development programme, he said

Industrial relations consultant Gavin Brown said if government was committed to centralised bargaining then this should be given expression in legislation. He said employers would prefer some sort of compulsory centralised bargaining where the parameters and requirements were clearly specified in the legislation which created certainty over where the parties stood.

chools react to Cosas suggestions that they be closed down

The unions and productivity

By Josias Charle

Southern
25/5/95

(132) ~~134~~ (248) ~~249~~

SOUTH African trade unions have been urged to look beyond the issue of negotiating salaries for their members and venture into the area of helping to improve productivity as well.

Addressing the *Pretoria News-Seeff Properties Business Breakfast* in Pretoria this week, chief executive officer of the National Economic Development and Labour Council Mr Jayendra Naidoo said the labour movement had to realise

that negotiating salary increases for their members was not enough

"In a period of about a year, the negotiated salaries get eroded by the rising inflation anyway. We now need to have a situation where the unionists can look beyond this issue and get involved in issues of productivity and training as well," Naidoo said

He said this would lead to more goods and services being made available which would be to the benefit of the workers themselves and the country as a whole.

Naidoo said the business sector also had a role

to play in ensuring that their employees were partners in the workplace.

"Productivity also rests on management and workers sharing power and being united in action in order to strengthen their relationship. Workers should be allowed to have a stake in the company as well."

Naidoo also said South Africa needed a strategic agenda that would suit its needs.

"We cannot afford to deal with issues one at a time and then await a crisis before dealing with the next. We must ensure that our rate of success is much higher," Naidoo said.

Conflict over Labour Bill provisions

Cosatu threatens mass action

(132)

26/5/95

Renee Grawitzky

COSATU and employers could be on a collision course in negotiations over new labour legislation, with the labour federation's Witwatersrand region committing itself to a programme of mass action which could lead to a national strike.

Cosatu's views conflict with the provisions of the draft Labour Relations Bill published in February and business's response to it — most notably regarding its demands for compulsory centralised bargaining, an unlimited right to strike and the nature of workplace forums.

The region's acting secretary Dan Mohapi told a news conference yesterday that 1 200 Cosatu shop stewards from affiliates in the region endorsed this programme which would start with a march on June 6.

The shop stewards felt the issues at stake were the "life and death of the labour movement" and the proposed march could turn into a stayaway based "on the mood of the workers on the ground". The National Economic, Development and Labour Council's offices and employer associations would be targeted to protest against Business SA's stance and the employer confederation's "lack of commitment" to the Labour Relations Act (LRA) negotiations.

Business SA spokesman Adrian du Plessis said resorting to threats and mass action would not resolve differences. "Negotiations, still in a relatively early stage, must be allowed to run their course."

Mohapi said the federation's core demands — including the right to strike, centralised bargaining and union-based workplace forums to be established in

companies with 30 or more employees — would be supported at all costs. It could not abandon its core demands but was prepared to negotiate on them and attempt to reach some accommodation without betraying fundamental principles.

Union sources claimed that employer proposals on the draft negotiating document represented a backward step from the status quo. These views were unrealistic and if this continued the parties would move closer to a deadlock situation.

Mohapi said employers were not prepared to move on these issues or produce alternatives. If no common ground existed then there was nothing to negotiate on.

The union movement believed negotiations at Nedlac should deliver — unlike those at the National Economic Forum. Employers were expected to come into the negotiations with a clear mandate and serious proposals, union sources said.

On workplace forums and centralised bargaining, the union movement felt the employer position of voluntarism went against the spirit of the draft document. Employers favoured self-regulation but were not prepared to participate in forums which set minimum standards.

Du Plessis said the differences that had arisen were around the unions' proposals regarding the legal compulsion to bargain at sectoral level. The draft LRA, on the other hand provides a framework in which the parties are able to agree between themselves on what level bargaining should take place.

Mohapi said the region would try to get support from its allies in the alliance, other regions and Nactu and Fedal.

Row over Labour Relations Bill hots up

Trade unions are planning a major offensive against the new Labour Relations Bill, reports **Eddie Koch**

demands around the Bill.

"We are heading for a crisis and unless this week's round of talks can resolve major issues of conflict we could be in for a period of worker action," said a union source.

A critical meeting to resolve major differences between employers and labour was due to be held in Johannesburg yesterday. But the major union federations have already moved into protest gear as they anticipate an impasse.

Union sources said there was a wide gap between the parties on major issues relating to the new Bill. "It looks like there will be protracted conflict over these issues," said a source.

"Cosatu is planning a mass protest campaign for early June. The exact form this will take will be decided at a special executive meeting on Friday and Saturday this week," another source said.

It appears that shopsteward councils have already met around the country to discuss possible collective action — sit-ins, protest marches and stoppages — with most of the militancy centred on Gauteng.

The hottest dispute centres around the "workplace forums" that the Bill provides for. The unions want the forums to be union-based and mandatory structures. Employers say they are willing to "encourage" the

forums but are insisting that they be voluntary.

The draft Labour Relations Bill suggests the forums be set up to promote "worker participation in decision-making in the workplace" and would give a company's labour force extensive influence over key management and safety issues.

The talks are also likely to deadlock over centralised bargaining. Unions want it made obligatory that management enter into industry-wide negotiations over conditions of employment as well as measures to restructure the economy.

A third major point of contention is an insistence by employers that

management be allowed to use the lock-out as an offensive weapon to pressure workers into accepting management offers around employment conditions

Section 47 of the draft Bill gives workers the right to strike and employers the right to lock-out once all collective bargaining procedures outlined in the draft law have been exhausted.

Labour Minister Tlo Mboweni is putting pressure on the parties to reach consensus on his draft Bill so that it can be passed through Parliament before the end of the year. He has said that he will push it through anyway if agreement is not reached.

ORGANISED labour flexed its muscles this week as talks between trade unions and employers over the new Labour Relations Bill headed for deadlock.

The Congress of South African Trade Unions (Cosatu) will hold an emergency executive meeting at the weekend to discuss plans for a mass protest campaign that will bolster its

WM 26/5-1/6/95 (B2)

Tito's labour reform drive isn't working

ST(BT)28/5/95

132

By KEVIN DAVIE

NEGOTIATIONS to reform South Africa's labour market are close to collapse.

This week organised labour and small business began nationwide campaigns urging Labour Minister Tito Mboweni to redraft the Labour Relations Bill.

Organised labour, led by Cosatu, has threatened mass action and possibly a national strike if its demand for centralised bargaining is not met.

Small business, which says it employs half the workforce, says the draft law rides roughshod over small, micro and medium-sized enterprises (SMMES).

The Sunnyside Group, representing 300 000 small employers, has started a "postcard protest" asking SMMES to write to Mr Mboweni that the proposed law favours big business and organised labour.

Cosatu led a march on the JSE on Friday after labour leaders said negotiations with Business South Africa at the National Economic Development and Labour Council were nearing breakdown.

"We are at a crisis in negotiations," said Ebrahim Patel, labour's dele-



UNDER ATTACK Labour Minister Tito Mboweni

gate at Nedlac, reports Reuters.

"There are differences that are so fundamental, that put us so far apart, that even experienced negotiators could not see a chance of settlement."

Mr Patel expressed doubt that the law would be passed this year, the deadline set by Mr Mboweni.

BSA has made known its objections to the Bill and has expressed reservations over key proposals such as the proposed workings of workplace forums.

BSA said in its submission that the new law must

facilitate job creation, particularly by SMMES.

Chris Darroll, director of the Sunnyside group, says the group intends making representations to Parliament's standing committee on labour.

David Matthews of the Small Builders' Association says the Bill is premised solely on circumstances of big business.

"It remains the statutory empowerment of unorganised (big business and organised labour) who are granted monopoly powers (via the Industrial/Bargaining Councils) to the cost of the majority of citi-

zens," says Mr Matthews. Steve Nisane, director of the Centre for an Open Economy (Cope), says the proposed law reaffirms apartheid by continuing to sanction a non-representative minority controlling a majority.

Sunnyside says unemployment in South Africa is at a crisis level. It estimates 7.1-million people — 49% of the economically active population — are involved with SMMES.

"These figures are more startling when compared with the amount of people employed in large businesses, roughly 3.5-million people or 23% of the economically active population."

Sunnyside says "at least three times more people are involved in SMMES than there are members of trade unions."

The Sunnyside Group quotes 1990 figures to show that the vast majority of industrial council agreements were extended to non-parties.

"Extensions are used to prevent the undercutting of the wages of organised labour by unorganised labour. Thought should be given to automatic exemption for SMMES."

Approached for comment, a spokesman for Mr Mboweni said the Minister would discuss labour issues in detail at a media briefing early in the week.



PETITIONING THE MINISTER David Matthews of the Small Builders' Association

Mboweni urges labour pact

CT(BR) 29/5/95 (132) (15)

STAFF REPORTERS

Labour Minister Tito Mboweni, saying business and labour are "as far apart as Cape Town and Cairo" on their labour law negotiations, yesterday urged both sides to find common ground by June 30 or live with their consciences for failing to get a new law enacted this year.

Mboweni's comments came as Cosatu threatened widespread industrial action to achieve its demands in the talks and employers warned that the survival of small business was threatened.

Mboweni noted that business and labour both were now putting forward their opening — and most ambitious — bargaining positions. He added "There isn't a crisis in the process. Negotiations have not been suspended. I am sure an

accommodation will be found very soon."

He said if the parties did not reach agreement by June 30 in Nedlac's Labour Market Chamber, the Cabinet would be unable to ratify a draft bill in time for action this year, given the heavy queue of pending legislation.

"In my view it is quite urgent to get a new act on the books. I anticipate that the coming 30 days will see a lot of intense negotiations between the parties."

The disputes centre on the right to centralised bargaining and the role of workplace forums.

The unions have made the demand for centralised bargaining a key negotiating point, while employers are worried about the implications of possible mandatory workplace forums.

Cosatu, business disagree

(132) (132) (132)

■ STAFF REPORTERS

Labour Minister Tito Mboweni has urged business and labour to find common ground by June 30 or live with the consequences of failing to get new labour laws enacted this year.

His call yesterday came as Cosatu threatened rolling mass action from June 5, and city-centre marches during a half-day stayaway on June 19. The labour federation says the action is to achieve its demands for improvements of the draft Labour Relations Bill — a campaign that has caused uproar within the business community.

Mboweni noted that business and labour were now both putting forward their opening, and most ambitious bargaining positions, and that he felt an accommodation would be found soon.

But, he said, if the parties in the National Economic Development and Labour Council (Nedlac)'s Labour Market Chamber did not reach agreement by June 30, Cabinet would be unable to ratify a draft bill in time for action this year.

"In my view it is quite urgent to get a new act on the books... I anticipate that the coming 30 days will see a lot of intense negotiations," Mboweni said.

The disputes centre on the right to centralised bargaining the role of workplace forums.

► To Page 3

Cosatu and business clash

◀ From Page 1

Cosatu yesterday accused business of union bashing, and of deliberately attempting to prevent agreement on the draft Labour Relations Bill.

Business sources replied that loss of productivity could no longer be tolerated, and that Cosatu's threats were surprising, given that Nedlac was a forum to move away from militant action.

Business SA's representative on Nedlac, Bokkie Botha, said business was no longer prepared to tolerate "this type of behaviour as it has done in the past".

"The main problem with the proposed action is that it will only create conflict. Many businesses are not prepared to have workers walk off the shop floor to attend demonstrations," he said.

He added that some businesses would be badly affected by the action. The South African Chamber of Business (Sacob) said yesterday that Cosatu's actions were "damaging to the economy and to investor confidence".

Spokesman Janet Dickman said Sacob was concerned and surprised by Cosatu's call for mass action, especially as negotiations on the new Labour Relations Bill were still in progress.

Independent economist and consultant Edward Osborn said Cosatu's actions would stifle productivity in an economy already damaged by too many public holidays.

Mass action warning given

(HLEA) (132)

sowetan
29/5/95

By Abdul Milazi

JUST when most people thought Cosatu's hands were tied because of its close links with the ANC-led government, the giant federation has dropped a bombshell by announcing at the weekend its decision to embark on rolling mass action next week.

Cosatu's decision was taken by the national executive to pressure business into accepting its proposals for new labour legislation.

Cosatu's assistant general secretary

Mr Zwelinzima Vavi said the decision to embark on mass action was due to frustration because of the lack of progress being made between labour and business in the National Economic Development and Labour Council (Nedlac) negotiations.

The three main areas of concern are the federation's demands for centralised bargaining, organisational rights and the right to strike.

Vavi said the employers should know that despite Cosatu's close links with the Government of National Unity, it still had muscle

The rolling mass action starts on June 5 with a half-day national work stoppage and marches in city centres nationwide

Business South Africa's representative in Nedlac Mr Bokkie Botha said Cosatu's decision was unfortunate when negotiations around the issues were still at an early stage

However, Nedlac's labour convenor Mr Ebrahim Patel said the position of business placed the parties so far apart that chances of a settlement were remote

Mass action threat does not scare Mboweni

Renee Grawitzky

LABOUR Minister Tito Mboweni said yesterday that he was not alarmed at Cosatu's decision to embark on mass action as it was within each party's democratic right to flex its muscles if necessary.

He said it was natural that in the process of negotiating the first major labour relations system since the 1920s, parties would get "heated up" and it was "bound to ruffle some feathers". But he cautioned parties to ensure the June 30 deadline was adhered to despite any form of mass action.

From government's perspective, the speedy conclusion of negotiations was imperative to possible investment decisions in the country, he said.

At the weekend, Cosatu's executive committee adopted a two-week programme of mass action in an attempt to persuade employers to accept labour's position on the Labour Relations Act currently being negotiated within the labour chamber of the National Economic, Development and Labour Council (Nedlac).

Action would begin on June 5 with countrywide marches and lunchtime demonstrations and would culminate in a national day of protest on June 19.

Cosatu said business's position on lock-outs, dismissal during strikes, disclosure of information, majority unions and closed shops, scab labour and refusing to negotiate at industry level reinforced the view that business was not prepared to move into the democratic era.

Labour's negotiator Ebrahim Patel said agreement on collective bargaining and the right to strike was crucial to successful legislation.

Patel said the draft Bill did not go far enough to compel the establishment of bargaining councils nor maintain democratic closed shops.

Business SA negotiator Adrian du Plessis said parties should be left to decide where, how and on what they would bargain, "if the right balance between economic and social interests is to be reached. To this extent we support the principled approach in the Bill which permits bargaining at whatever level or levels the

Continued on Page 2

Mboweni

Continued from Page 1

parties may agree

The Bill states that an employee cannot be dismissed for striking but for a range of reasons including "fear of irreparable economic harm of damage".

Labour would like to see this clause tightened up so employers could not dismiss on grounds of fear of economic harm. Patel questioned why workers should face

dismissal when employers were under pressure during a strike.

Du Plessis said the right to strike was not absolute and could not be pursued to the detriment of other factors.

Nactu and Fedsal would be meeting this week to finalise their positions on whether they will participate in Cosatu's programme of action.

● Picture: Page 3

● Comment: Page 6

Small businesses get no concessions, says Nactu

CT(BR)30/5/95 (132) (166) (30)

By THABO LESHILO

STAFF WRITER

The National Council of Trade Unions (Nactu) has joined the acrimonious squabble over central bargaining within Nedlac, maintaining a no-compromise position on demands by small businesses for special concessions

"It's not going to work. We cannot give concessions. All working conditions must abide by International Labour Organisation standards," said Mahlomola Skhosana, the assistant secretary-general of Nactu

Nactu's position follows threats at the weekend of mass action by Cosatu over business' alleged ploy to block agreement on the draft labour relations bill.

Business bodies have expressed concern and surprise at Cosatu's attitude, saying it undermined the tripartite process in Nedlac.

Skhosana said there was no way labour could accommodate demands by small, medium and micro-enterprises to be excluded from minimum wage requirements

and other conditions of employment set by the industrial councils.

According to the Foundation for African Business and Consumer Services (Fabcos), industrial council agreements and other deals governing relations between "big business" and "big labour" were hostile to small businesses

David Moshapalo, secretary-general of Fabcos, said the agreements ignored uneven development in different sectors of South Africa, which made it impossible for small businesses to comply with the minimum conditions.

He suggested that a "sunset clause" be put in place to allow small businesses, "who have no record of dealing with organised labour", time to match labour's sophistication in this regard

"We need time to conduct workshops to teach our members about their obligations towards labour and to win their support," said Moshapalo

Skhosana said there was no way the labour movement would allow "exploitation" of workers to go on for the sake of small business.

'Mass action is the only way'

(132)

(132)

ET 30/5/95

15

JOHANNESBURG: The Congress of South African Trade Unions had concluded only mass action would force business to agree to changes in the labour relations bill, general secretary Mr Sam Shilowa said here yesterday.

He said Cosatu had not lost faith in negotiations on the bill in the National Economic Development and Labour Council.

"We simply came to the conclusion that short of pressuring business through mass action no decision will be reached before the current session of Parliament comes to a close."

After reaching a deadlock with business, Cosatu on Saturday said it would call a national half-day strike on June 19, preceded by two weeks of mass action starting on June 5, to force business to agree to including in the bill the right to strike and to centralised bargaining.

"We are committed to see the labour bill go through during the current session of Parliament," Mr Shilowa said yesterday.

Plans were also endorsed to celebrate Cosatu's 10th anniversary. — Sapa

Nactu joins central bargaining squabble

■ BY THABO LESHILO

The National Council of Trade Unions (Nactu) has joined in the acrimonious public squabble over central bargaining within Nedlac (National, Economic, Development and Labour Council), maintaining a no-compromise position on demands by small, micro and medium enterprises (SMMEs) for special concessions.

Nactu's position follows weekend threats of mass action by Cosatu.

Assistant secretary general Mahlomola Skhosana said International Labour Organisation standards had to be obeyed and labour could not accommodate demands by SMMEs to be excluded from minimum wage requirements, and other conditions of employment set.

According to the Foundation for African Business and Consumer Services (Fabcos), industrial council agreements and

other deals governing relations between big business and big labour were inimical to SMMEs.

Fabcos secretary general David Moshapalo said the agreements ignored the uneven development in the different sectors of South Africa.

He suggested that a "sunset clause" be put in place to allow SMMEs, who have no record of dealing with organised labour, time to match labour's sophistication.

"We need time to conduct workshops to teach our members about their obligations towards labour and to win their support," said Moshapalo.

Skhosana said there was no way the labour movement would allow exploitation of workers to go on for the sake of small business.

Despite this hardline position, Moshapalo shared Labour Minister Tito Mboweni's optimism that problems within Nedlac would be resolved.

(132) (130) (131) STAY 30/5/95

Peacemaker Mboweni summons business and labour to meeting

Renee Grawitzky
and Alan Fine

LABOUR Minister Tito Mboweni has summoned representatives of organised labour and business to a Cape Town meeting today to discuss conflict in negotiations over the draft Labour Relations Bill and to try to accelerate the process.

Mboweni said last night it had become clear that differences of opinion existed on some issues in the draft Bill — especially on centralised bargaining, the duty to bargain, industrial action, use of scab labour

and workplace forums.

The purpose of the meeting was to explore "possible mechanisms for reaching an understanding on the areas identified as well as other relevant issues," he said.

Cosatu's Neil Coleman said "as far as Cosatu is concerned no meetings have been scheduled between labour, business and government to deal with the Bill". The next negotiating meeting which would take place in the proper forum was scheduled for tomorrow and Friday.

Coleman said Cosatu's executive committee wanted meetings to continue with

Government Ministers and other organisations to outline the federation's position on the mass action programme of protest.

The labour delegation includes a representative from Fedsal, Nactu's general secretary, Cunningham Ngcukana and Cosatu's general secretary Sam Shilowa, Kgalema Motlanthe and Enoch Godongwana. The Business SA delegation consists of Dave Brink, Bobby Godsell and Bokkie Botha. The Minister's delegation will include members of his department and the ministerial task team, including Halton Chedle.

Yesterday Business SA spokesman Adrian du Plessis countered labour allegations that business was being intransigent. Declared unilaterally by one of the parties in labour", negotiations would continue.

Business SA also presented its position on some of the contentious clauses in the draft Bill in an attempt to rectify the "dishonest attempt to misportray" its position, by labour.

Du Plessis said business was not attempting to roll back the past. For example, business supported centralised bar-

gaining but was opposed to the compulsion to bargain at central level, proposed by labour. Business supported the draft Bill provisions which provided for organisational rights and a flexible bargaining arrangement which created a mixed collective bargaining system.

Business's approach was to evaluate the proposals tabled against whether they would help or hinder economic growth. Some flexibility was required, especially considering the interests of many small and medium size businesses.

● Picture: Page 3

STAR 31/5/95

Labour, business meet Mboweni

BY JUSTICE MALALA
LABOUR REPORTER

Labour Minister Tito Mboweni will meet business and labour leaders today in a bid to ease rising tensions between the two sectors, following threats of mass action by the Congress of SA Trade Unions to break the impasse in negotiations on new labour legislation.

Mboweni said in a statement last night that "it had become clear that differences of opinion existed around some issues

(132) (20) (H)

in the draft Labour Relations Bill" and the meeting would be held to accelerate negotiations in order to reach agreement on all the issues.

The announcement came as business representatives vowed they would not compromise on their position that the new Labour Relations Act should meet the country's "overriding economic objectives", leading to an increase in the Gross Domestic Product.

Commenting on the deadlock in negotiations,

Business South Africa representatives said yesterday that Cosatu's threat of mass action preempted current negotiations.

Cosatu's national executive committee last week decided to begin mass action on June 5 and organise marches for a half-day work stoppage on June 19.

Cosatu said last Friday, the differences between the two sectors were "so fundamental that it was not just a matter of rewording things"

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INDUSTRIAL RELATIONS - GENERAL

1995

JUNE - SEPT.

NEWS

Business and labour seek ways to reach consensus

Major union groups prepare joint action

Star 1/6/95

(132)

BY HELEN GRANGE

Three major labour federations are joining forces and bracing themselves for a joint mass action campaign to break the impasse in negotiations on the new labour legislation.

The Federation of SA Labour Unions (Fedsal) announced yesterday that its affiliates will participate in the campaign being spearheaded by Cosatu, which has said it will embark on a national half-day strike on June 19, which will be preceded by a two-week mass action campaign beginning on Monday.

The National Council of Trade Unions is also expected to announce its participation in the campaign to break the deadlock

LABOUR Minister Tito Mboweni says the Cabinet backs centralised bargaining

later this week.

Fedsal general secretary Dannhauser van der Merwe said this was the first time organised labour had united in a campaign to further trade union rights.

Labour Minister Tito Mboweni said last night the Cabinet supported centralised bargaining and he had received a mandate from the Cabinet to explore ways to achieve this.

He said it had become apparent that there were weaknesses in the structure of the ne-

gotiations in the National Economic Development and Labour Council (Nedlac) and both business and labour had agreed in discussions yesterday to find mechanisms "to accelerate negotiations and reach consensus".

"We are convinced that negotiations will show progress within the coming weeks."

Democratic Party labour spokesman James Selfe appealed to Mboweni to extend the deadline for the new Labour Relations Bill to next year's parliamentary session, saying Mboweni was establishing unrealistic deadlines "on extremely complex legislation".

However, Mboweni said last night the deadline was agreed upon by parties at Nedlac, and

not imposed by the ministry.

"I would appeal to all parties to support our endeavours to agree on a Labour Relations Act this year rather than opportunistically trying to postpone agreements."

Issues over which there are strong differences are centralised bargaining, the duty to bargain, industrial action, scab labour and workplace forums.

Selfe said Cosatu's proposed mass action was inappropriate and constituted an act of bad faith. "The message being sent to investors, both domestic and foreign, is that South Africa, despite all the positive changes that have taken place, is still not an economically stable environment in which to invest."

Boost for labour negotiations

Renee Grawitzky

BD 20/1/95
116/95

LABOUR and business felt proposals made in meetings yesterday with Labour Minister Tito Mboweni, if implemented, would constitute a step in the right direction and could put negotiations on the draft Labour Bill back on track.

This follows separate meetings held between the minister and labour and thereafter with business to try to find mechanisms to take the process forward.

The meetings were initiated by Mboweni after it became evident that major differences of opinion existed between labour and business on crucial areas of the draft Bill and after labour had resolved to em-

bark on mass action.

During discussions with labour, Mboweni said the deadlock between the parties was not good for the country.

He said that before the meetings the Cabinet had been briefed on the main areas of difference, especially centralised bargaining, industrial action and workplace forums, and had obtained a mandate on government's position. The Cabinet "fully supported centralised bargaining and the proposals by the minister on how to explore mechanisms to achieve this".

Mboweni said after the meetings that sufficient progress had been made in un-

Continued on Page 2

Labour

Continued from Page 1

locking some of the areas of difficulty.

The parties agreed that it was necessary to find mechanisms to "better manage the process in the National Economic, Development and Labour Council (Nedlac) in order to accelerate the negotiations and reach consensus".

- Labour and business representatives at the meetings agreed that the following proposals be submitted to the Labour Relations Act negotiating committee today:
- Suggestions by the minister on how to achieve centralised bargaining;
 - That Nedlac provide a backup technical team to assist the negotiating committee;
 - That Nedlac's secretariat be used in a more facilitative capacity to try to bring the parties closer together; and
 - That a permanent chairman, either

from the parties themselves or an independent outsider, be appointed.

Labour said Mboweni would also address its concern that business lacked a proper negotiating mandate.

Business South Africa spokesman Bokkie Botha said business was hopeful that the proposals would take the process forward, but was disappointed that yesterday's meetings were not tripartite in nature as "business was committed to tripartism".

Cosatu's Neil Coleman said labour did not feel it would have been appropriate to hold trilateral meetings which were reserved for negotiations within Nedlac. The meetings were not intended to be negotiating meetings.

Meanwhile, the 200 000-strong Federation of SA Labour Unions decided yesterday to join Cosatu's mass action programme in a bid to break the deadlock around negotiations on the Labour Bill.

Understanding 'breeds success'

~~112~~ (132)
Sylvia du Plessis

LOCAL business needed to achieve a greater level of transparency between management and workers before it could achieve international competitiveness, said Sibson & Company SA corporate consulting director Norman Smith.

"Employees' input is critical to achieving improved effectiveness, but it is essential that workers have a good understanding of the company and the part they play in its success," he said

BD 116195
"This understanding encourages a desire to grow and an enthusiasm to participate in the decision-making process. If treated correctly, employees quickly recognise that they are key to the business's success and they strive to boost standards of delivery."

However, such a programme had to be reinforced through a reward

system — pay often recognised status and attendance at work but not actual performance

"Where this is the case the onus rests firmly on management to ensure that employees work to a set standard."

Organisations were increasingly moving towards the more effective teamwork approach to enhance workers' levels of delivery, he said.

"A supportive team structure allows employees to develop new skills and to work in tandem to make decisions that will streamline operations

"Work groups also encourage a greater degree of effectiveness. But an individualised reward system must be retained. Don't abolish it in favour of a team approach.

"To assume that high performing individuals don't need recognition for individual efforts and results achieved can be dangerous."

New proposals on labour are tabled

Renee Grawitzky

~~11/11/95~~ (132)
BO 2/6/95
PROPOSALS by Labour Minister Tito Mboweni, stemming from separate discussions with labour and business, were tabled yesterday before the Labour Relations Act negotiating committee.

The negotiating committee within the labour chamber of the National Economic Development and Labour Council (Nedlac) continued negotiations, with the parties agreeing to continue discussion today.

Meanwhile, Cosatu reiterated labour's call for the continuation of the programme of mass action to lobby for the finalisation of the Bill.

It will start on Monday with lunch-time demonstrations.

The campaign itself will begin on Tuesday with a march to Chamber of Mines offices, where a memorandum will be presented to a representative of Business SA demanding centralised bargaining, union based workplace forums and an end to scab labour. Marchers plan to move on to the Gauteng legislature to protest against privatisation.

Cosatu assistant general secretary Zwelinzima Vavi said the fight "is on and the gloves are now off between ourselves and business.

"We want to show business that they cannot cling to the current labour legislation until 1996."

Joint Cosatu, Nactu and Fedal shop steward council meetings have been planned in all the regions at the weekend to discuss "how to take the campaign forward"

Sapa-Reuter reports Cosatu said earlier it planned two weeks of mass

action ending in a strike on June 19. Meanwhile, the SA Agricultural Union criticised trade unions for their "blackmailing" approach to talks on the Bill.

"They are trying our patience to the extreme," SAAU president Boet Fourie said in Pretoria. The SAAU remained in favour of a negotiated solution, but business "could never capitulate" to trade unions just for the sake of an agreement on the matter. Great circumspection by all parties was required to prevent new labour legislation from becoming "a monster capable of totally disrupting the economy".

The SAAU found the proposal on compulsory centralised bargaining unacceptable. Small business would particularly suffer if this was enacted. It would also not be practical in the agricultural sector.

In Durban, the United People's Union of SA came out strongly against Cosatu's centralised bargaining proposals.

"It infringes our right to operate and exist," union deputy general secretary S B Hlongwa said. Centralised or collective bargaining alienated workers from their unions.

"Cosatu can bear witness to this. Cosatu is losing membership daily. Apparently this is a desperate attempt to stem the tide."

Hlongwa said it appeared that Cosatu had undermined the most crucial factors surrounding the matter.

Most successful First World countries, he said, were practising decentralised bargaining. Britain had been doing so since 1979 — Sapa-Reuter.

● Comment: Page 14

Unions plan massive marches

■ BY HELEN GRANGE

Labour federations are preparing for huge marches country-wide on Tuesday, day two of a mass action programme aimed at forcing concessions from business in the deadlocked labour legislation negotiations.

The Congress of South African Trade Unions (Cosatu) released details of the programme yesterday, an hour before labour and business representatives met to consider Labour Minister Tito Mboweni's proposals on breaking the impasse.

Mboweni said last night the negotiations on new labour legislation were "on track" despite the mass action threat.

"We do not believe that this is

a crisis at all. I am positive all parties will have reached agreement on the contentious issues by the June 30 deadline," he said.

The mass action programme, which was spearheaded by Cosatu and joined this week by the Federation of SA Labour Unions and the National Council of Trade Unions, begins on Monday with meetings by shop stewards to finalise activities.

On Tuesday, workers will meet at 9am on the corner of Wanderers and Plein streets in Johannesburg to march to the Chamber of Mines in Sauer Street and then to the Gauteng Legislature in Simmonds Street.

The campaign is to reach a peak on June 19, when marches

will be held in all major cities, followed by a half-day strike.

Cosatu spokesman Neil Coleman said yesterday the campaign was an attempt to accelerate the negotiations.

Other issues tabled were

■ Mboweni's suggestions on how to achieve centralised bargaining

■ The proposal that Nedlac provide a backup technical team to assist the Labour Relations Act negotiating committee

■ The proposal that Nedlac's secretariat be used in a more facilitative capacity

The SA Agricultural Union criticised the trade unions yesterday for their "blackmailing" approach. The SAAU said it favoured a negotiated solution.

Star 2/6/95

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Cosatu to go ahead with protest

ET 2/6/95

(132)

JOHANNESBURG. Cosatu said yesterday it would go ahead with protests to persuade business to let go of apartheid labour laws

"The fight is on. The gloves are now off between us and business. We want to show business they can't cling to the current labour legislation till 1996," Cosatu's assistant general secretary Mr Zwelinzima Vavi said here

Cosatu announced last week there was a crisis between labour and business in the National Eco-

conomic Development and Labour Council talks on new labour laws

Cosatu publicity officer Mr Neil Coleman said the federation would press ahead with plans for lunch-hour protests and marches from Monday, culminating with a half-day strike on June 19

On Tuesday there will be a march to the Chamber of Mines offices to demand centralised bargaining, increased rights of unions to organise workplace forums and an end to scab labour. — Reuter

Cosatu, business square up over

The country needs a new dispensation for workers, and employers' attempts to delay change are creating massive tension, says Cosatu, which launches its mass action campaign on Tuesday. KURT SWART speaks to the parties at the centre of the dispute

Rising tension on factory floors, caused by the alleged reluctance of business to "enter the new South Africa", was cited by labour federation Cosatu yesterday as the driving force behind its proposed mass action programme.

Cosatu said it was committed to mass action to break the deadlock in negotiations on the draft Labour Relations Bill.

"The gloves are off and the fight with business is on," Cosatu said this week of its attempt

to pressure business to agree to include in the Bill centralised bargaining and the right to strike.

The decision to launch mass action has been sharply criticised by the South African Chamber of Business, the Democratic Party and Business South Africa (BSA).

Yesterday, BSA negotiator Adrian du Plessis said: "The resort to mass disruption is not reconcilable with the search for negotiated solutions; the new

labour relations system has to emerge out of reasoned debate and not economic attrition."

Du Plessis said BSA was not opposed to collective bargaining but was opposed to the "compulsion" to bargain at central level. BSA accepted the right to strike, but did not accept that it could be pursued to the detriment of economic activity.

Cosatu spokesman Neil Coleman accused business of deliberately stalling to postpone

legislation until next year "or even further".

"Negotiations must be finalised by the end of June to enable legislation to be passed this year. Their attempt at delay has been confirmed by the Democratic Party, which has blatantly come out in support of employers postponing until 1986. That is a completely uninformed and dangerous position to take," said Coleman.

He said millions of workers were governed by fragmented

labour legislation in the public, farming, domestic and police sectors.

"We have seen the problems this has created — turmoil in the police force and on the factory floor. The apartheid labour legislation is still in place. Employers' attempts to delay change are creating massive tension.

"They have to come into the new South Africa. Negotiations are not about amending the old labour dispensation. The whole

Labour Bill

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SWAN 3/6/95

country wants a completely new dispensation.

"Mass action is to focus (employers') minds and to get them to understand the seriousness of the situation."

Coleman said Cosatu welcomed the decision by the 200 000-strong Federation of South African Labour Unions "to come on board" the mass action programme: "This is a historic first time for a largely white-collar union with a large percentage of white workers.

"This should send a clear message to employers that they are not only facing Cosatu, but a broad range of unions representing workers from unskilled to professional."

Coleman said mass action would start with a march in Gauteng on Tuesday and would "roll" until June 19 when workers would stage a national half-day strike

This could mean more than 1.5-million workers on strike

1,5 million workers to strike over Labour Bill

KURT SWART (B2)
Weekend Argus Correspondent

JOHANNESBURG — Massive tension on the factory floor caused by business reluctance to enter the new South Africa was the driving force behind the Congress of South African Trade Union's (Cosatu's) mass action programme, the labour federation said.

Cosatu was committed to its decision to undertake mass action to break the deadlock in negotiations on the draft Labour Relations Bill "The gloves are off and the fight with business is on," it said yesterday of its attempt to pressure business to agree to include in the bill centralised bargaining and the right to strike

The move has been sharply criticised by the SA Chamber of Business, the Democratic Party and Business South Africa

Cosatu spokesman Neil Coleman said negotiations were in a serious time crisis. He accused business of deliberately stalling to postpone legislation until next year "or even further".

"Negotiations must be finalised by the end of June to enable legislation to be passed this year. Their attempt at delay has been confirmed by the Democratic Party, which has blatantly come out in support of employers postponing matters until 1996. That is a completely uninformed and dangerous position to take," said Mr Coleman

He said millions of workers were governed by fragmented labour legislation in the public, farming, domestic and police sectors

"We have seen the problems this has created — turmoil in the police force and on the factory floor. The apartheid labour legislation is still in place. Employers' attempts to delay change is creating massive tension

"They have to come into the new South Africa. Negotiations are not about amending the old labour dispensation. The whole country wants a completely new dispensation

"Employers are so removed from labour and government that would take Henry Kissinger five years to negotiate a solution. Mass action is there to focus their minds and to get them to understand the seriousness of the situation"

Mr Coleman said Cosatu welcomed the decision by the 200 000-strong Federation of South African Labour Unions "to come on board" the mass action programme

"This is an historic first time for a largely white-collar union with a large percentage of white workers. This should send a clear message to employers that they are not only facing Cosatu, but a broad range of unions representing workers from the unskilled to the professional"

Mr Coleman said mass action would start with a march in Gauteng on Tuesday and would "roll" until June 19 when workers would stage "massive national action" in the form of a half-day strike

Even without the National Council of Trade Union's (Nactu's) participation — the organisation has not yet decided whether to participate or not — this could mean more than 1,5 million workers going on strike, although Mr Coleman would not be drawn on an estimate of worker participation

Business South Africa this week criticised unions for embarking on mass action while talks were still in progress.

BSA negotiators said business had not created deadlocks and were prepared to return to their constituents to review the issues under dispute

Negotiator Adrian du Plessis said BSA was not opposed to collective bargaining, but was opposed to "compulsion" collective bargaining. BSA accepted the right to strike, but did not accept that it could be pursued to the detriment of economic activity.

He said business was not seeking to reverse labour law regulations, but he said a balance had to be found between the right to strike and the right to economic activity

The DP called on Labour Minister Tito Mboweni to extend the deadline for the bill to next year's parliamentary session and said unrealistic deadlines by the minister had precipitated the crisis

Cosatu's proposed mass action was inappropriate and constituted an act of bad faith, and, while it would have been preferable to have a new bill this year, this was not a matter of life or death, DP labour spokesman James Selfe said

Mr Mboweni has rejected the DP's call to extend the deadline

Cosatu: 'Gloves are off'

off

Business threatens to pull out of talks on Labour Bill

By EDYTH BULBRING
Political
Correspondent

BUSINESS South Africa has threatened to withdraw from negotiations on new labour legislation following a decision by trade unions to go ahead with mass action from tomorrow.

A Business South Africa negotiator, Adrian du Plessis, said business had appealed to labour to reconsider its programme of mass action after progress was made in talks this week.

However, the union federations — consisting of the Congress of South African Trade Unions (Cosatu), the Federation of South African Labour Unions and the National Council of Trade Unions (Nactu) — stated their intention to proceed with mass action from tomorrow.

Part of their campaign will include a half-day work stoppage on June 19.

The mass action is an attempt by labour to pressurise business into accepting its proposals for changes to the new Labour Relations Bill.

The Bill is under consideration by business, labour and government in the National Economic Development and Labour Council (Nedlac).

Mr du Plessis said yesterday that Business South Africa condemned the union federations' decision to proceed with mass action next week despite the progress in the process of reaching consensus on the Labour Relations Bill at the Nedlac meeting on Friday.

"You cannot talk and fight at the same time.

"Business South Africa will clearly need to review its role in these negotiations in the light of events over the next couple of days," he said.

The next scheduled meetings for negotiations in Nedlac are on June 12 and 13.

Asked whether Business South Africa would attend this meeting, Mr du Plessis said the organisation would consider its position in the next couple of days.

"We can't continue talking if we are going to fight this out in the street," Mr du Plessis said.

Central bargaining tops unions' agenda

Sowetan 5/6/95

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Labour Reporter **Abdul Milazi** looks at the issues behind today's rolling mass action called by Cosatu.

IN NOVEMBER LAST YEAR, when many South Africans were still celebrating the birth of a new democratic dispensation, about 3 000 South African Commercial, Catering and Allied Workers Union members went on strike at more than 200 Spar outlets in Gauteng.

Central to the action was the union's demand for centralised bargaining, which the trade union movement in general regards as vital to the future of negotiations with employers.

Management wanted the workers to negotiate wages with individual stores, while the union wanted to secure an umbrella agreement on minimum wages and other conditions of employment.

Daggers were drawn and workers defied court interdicts in their determination to achieve their demands. This led to fierce confrontations between strikers and the police. At least 2 500 workers were dismissed, while another 68 were arrested for defying court interdicts, intimidating customers and damaging property.

The case against the 68 was thrown out of court last week after Johannesburg Regional Court magistrate Mr LJ van der Schyff refused to give the State more time to draw up charge sheets.

However, the battle is not yet over. The union wants all the workers reinstated, while management wants to employ only those it selects.

Conciliation Board

Saccawu spokesman Mr Sthembele Tshwete said the union had referred the matter to the Conciliation Board, and added that the retail chain store would face a national strike if the board could not resolve the matter.

The anger that led to serious confrontations between Spar owners and Saccawu, and Cosatu's call for mass action today, indicate the urgency around the issue of centralised bargaining.

Cosatu's decision to embark on rolling mass action from today stems from its dissatisfaction with the lack of progress at National Economic and Labour Council negotiations.

Cosatu is demanding that centralised bargaining, the right to strike, a ban on scab labour and the establishment of workplace forums be enshrined in the new Labour Relations Bill.

The federation has accused business in Nedlac of refusing to move into the democratic era.

According to Cosatu, the employers are demanding to have the right to lock out workers, to force them to accept lower wages, dismiss workers on legal strikes, ban the close shop, employ scab labour and refuse to negotiate with unions at industry level.

Cosatu secretary-general Mr Sam Shilowa told a Press conference last week that, while labour



FLASHBACK: A meeting between Cosatu and Saccawu. The federation is now accusing business in Nedlac of refusing to move into the democratic era.

attempted to accommodate the concerns of other parties, business had rejected labour's proposals and many aspects of the draft bill.

Cosatu and its allies in Nedlac, the National Council of Trade Unions and the Federation of South African Labour, want the new Labour Relations Act finalised this year.

Tshwete said Saccawu believed bargaining was at the heart of the industrial relations system, and that centralised bargaining was far more efficient for both employers and unions than the current collective bargaining system.

He said the present bargaining arrangement in different sectors encouraged segmentation and inequality in conditions of employment and wages. Tshwete also said collective bargaining encouraged employers to compete on the basis of cheap labour because each sector negotiated their own wage agreements individually.

Despite this, the number of strikes has dropped considerably compared to previous years, according to a Andrew Levy and Associates quarterly report, which singled out the Spar strike as the major industrial action so far this

year. According to the Department of Labour's annual report, the number of strikes increased from 790 in 1993 to 804 in 1994 — and workers lost R148 million in wages. The greatest number of man-days lost were in the manufacturing sector (50,55 percent), followed by mining (23,55 percent).

The highest number of strikes were in the Witwatersrand, accounting for 26,24 percent, while Pretoria registered 10,3 percent and Port Elizabeth 3,23 percent, the lowest rate recorded.

Better wages

Strikes over wages accounted for 27,11 percent, while 36,37 percent were over better conditions of employment, including better wages.

The Food and Allied Workers' Union was responsible for 51 percent of all industrial action, followed by Saccawu (17 percent), the Chemical Workers' Union (six percent) and the National Union of Mineworkers (4,6 percent).

The deadlock on centralised bargaining could see an upsurge in these figures for 1995 if this issue is not resolved speedily.

Central bargaining tops unions' agenda

Sowetan 5/6/95 (132) (30) (177A)

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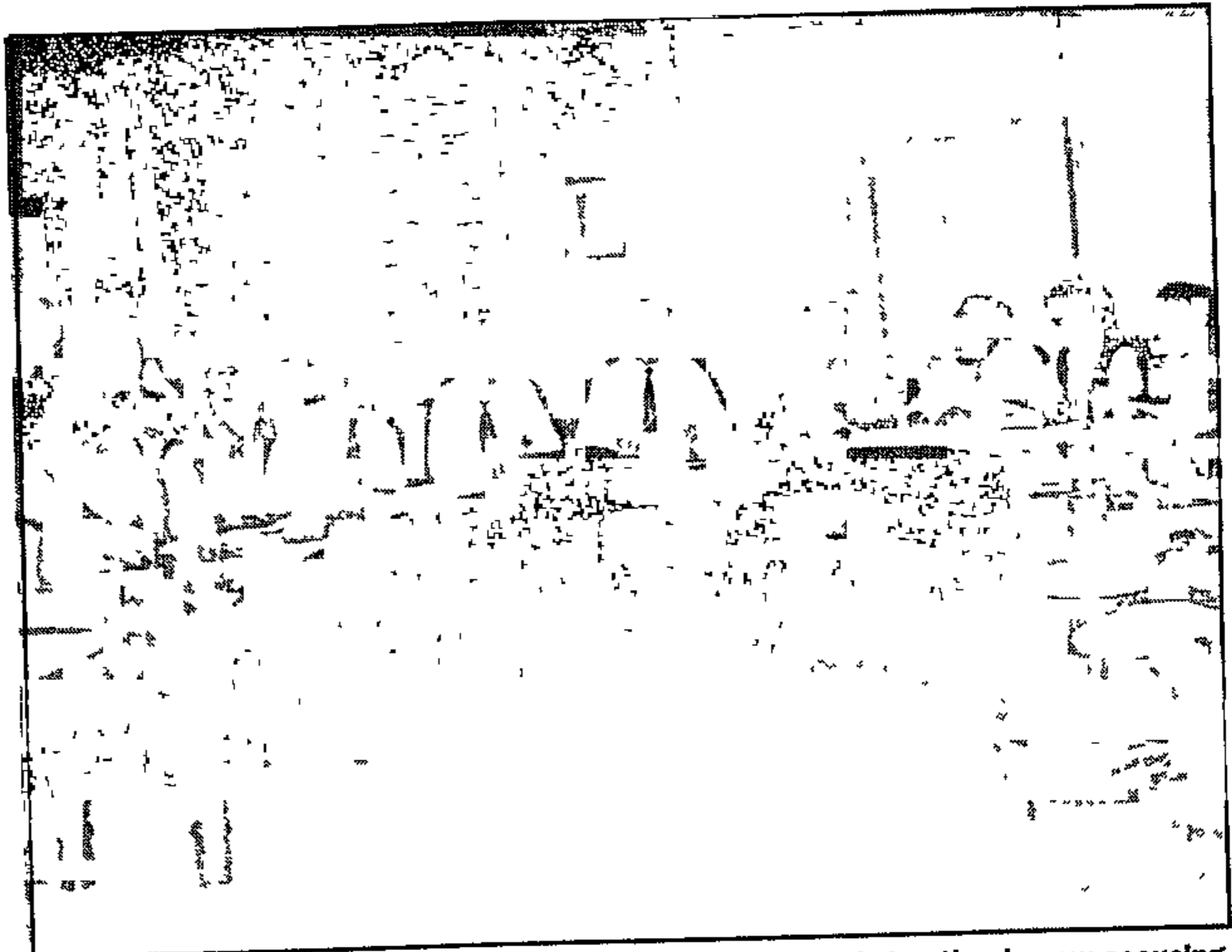
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The deadlock on centralised bargaining could see an upsurge in these figures for 1995 if this issue is not resolved speedily.

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Union mass action over Bill

BY JUSTICE MALALA

More than 1,5 million workers start a mass action campaign today in an attempt to persuade employers to agree to demands on the new Labour Relations Bill.

The unions' mass action will culminate in a half-day work stoppage on June 19.

Employers said over the weekend their continued participation in the month-long negotiations on the Bill with the National

Violence

The campaign was decided upon by the Congress of SA Trade Unions (Cosatu) two weeks ago and later endorsed by the Federation of SA Labour Unions and the National Council of Trade Unions.

In KwaZulu-Natal yesterday - the Inkatha Freedom Party repeated its fears that the campaign would lead to an increase in violence.

IFP MP Philip Powell said the party had asked for more security in Umhazi when a joint ANC/Cosatu march takes place. The march is part of the labour campaign but is also intended to back demands for the closure of a hostel said to harbour people implicated in the on-going political violence within the province.

March

Powell said he feared agents provocateurs among the marchers could cause the violence.

In Johannesburg the campaign starts with a march to the Chamber of Mines offices and then to the offices of the Gauteng legislature.

Workers will take part in placard demonstrations at lunch time today.

► SA can't afford new Labour Bill - Page 11

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Rights bill 'could lay basis for equality'

(132)

(202)

JOHANNESBURG: The Bill of Rights could lay a foundation for equality in SA, especially between workers and business, Cosatu general secretary Mr Sam Shilowa said at the weekend.

Mr Shilowa and other labour delegates from across the country made submissions on the draft constitution at the World Trade Centre in Kempton Park.

He said although the constitution was a watershed document, it would not erase apartheid's wrongs. "Just because we now have Mr Mandela as President and a draft constitution, doesn't mean I had a right to an education when I was growing up or that a woman wasn't denied a position because of her gender."

Mr Shilowa said the draft constitution should include clauses on the right to strike, freedom of association, freedom of religion, the right to picket and the right to information.

He said the right to strike should be unlimited, except where health or lives were at stake.

Cosatu was against including a

clause that would protect ownership of private property. Mr Shilowa said this right had often embraced colonialism and racial discrimination — and could undermine basic human rights.

Opposing Cosatu's view, Federation of South African Labour representative Mr James Abraham said the provision for protection of private property was critical for the smooth running of economies.

Workplace

"The right to own private property is critical in a democratic modern economy. Property includes rights of assets and, if the economy is to function, we need this protection," Mr Abraham said.

National Council of Trade Unions general secretary Mr Cunningham Ngcukana said a safe and healthy workplace, as well as the right to health care, should be guaranteed in the constitution.

"If health is left to profiteers, poor people, including workers, won't have access to health care," Mr Ngcukana said — Sapa

40 000 join Cosatu march to demand Labour Act changes

ARG 6/6/95

The Argus Correspondent

JOHANNESBURG — The city centre ground to a halt today as an estimated 40 000 workers took part in the biggest post-election march by the labour movement to press home demands for changes to the draft Labour Relations Act.

The marchers, most of them members of the Congress of SA Trade Unions (Cosatu) and joined by Federation of SA Labour Unions and National Council of Trade Unions members, would present memoranda to Gauteng Premier Tokyo Sexwale, the Johannesburg Stock Exchange and the Chamber of Mines later today

African National Congress deputy secretary-general Cheryl Carolus told the crowd the party supported their demands for the draft Bill to be changed, saying it had to be a worker-friendly piece of legislation

"The ANC supports laws which will lead to the growth of the country, and that growth must be seen in the wealth going to the workers. If the workers are unhappy with the Act then it must be changed," she said.

She said the ANC had consulted all its MPs and when the Bill was debated in parliament they would all support inclusion in the new Act of workers' demands

The march is part of the labour movement's mass action campaign to force business to accept its proposals on the draft Bill

Cosatu spokesman Nigel Coleman said the march was one of

several planned across the country as part of the rolling mass action campaign to culminate on June 19 with a half-day general strike. Other marches were in progress in Durban, Maritzburg and East London, he said.

In the wake of the protests, business has threatened to review its participation in the negotiating forum on the Bill, saying the mass action showed labour did not take the negotiations seriously.

Negotiators will meet for another round of talks on June 12 and 13.

At the heart of the dispute are differences between labour and business negotiators in the National Economic, Development and Labour Council (Nedlac) on centralised bargaining, industrial action and workplace forums

Labour wants the new Act to compel all parties to bargain at central level. Business believes "a compulsion to bargain at central level is unworkable".

Another issue is the employee's right to strike, which business feels is not balanced with the employers' right to lock-out, which it says is circumscribed in the current draft of the Bill.

The third major obstacle is the proposal in the Bill that a union should be the sole agent which can call for the formation of a workplace forum. Business believes the formation of workplace forums should be more inclusive, with all workers, including those not belonging to a union, being able to propose that it be formed.

Troubled labour times are foreseen

(132) (132) scan 6/6/95

**ANALYSIS BY
JUSTICE MALALA
LABOUR REPORTER**

The Cosatu-led (Congress of SA Trade Unions) mass action which starts in earnest today to pressure business over some clauses of the Labour Relations Bill heralds what many analysts believe will be the beginning of labour's winter of discontent

The mass action, for the first time also involving the largely white Federation of SA Labour Unions and the PAC-aligned National Council of Trade Unions, will end with marches across the country and a half-day work stoppage on June 19

At the heart of the dispute



Tito Mboweni . . . centralised bargaining.

are differences between labour and business negotiators in the National Economic, Development and Labour Council (Nedlac) on centralised bargaining, industrial action and workplace forums

Business SA negotiator Adrian du Plessis says labour wants the new Act to compel all parties to bargain centrally. Business believes that "a compulsion to bargain at that level is unworkable"

Labour Minister Tito Mboweni and the Cabinet last week threw their weight behind the demand for centralised bargaining

Another issue is the employee's right to strike, which business felt was not balanced with the employers' right to lock-out, which it said was circumscribed in the current draft of the Bill.

The third major obstacle had been around the proposal in the Bill that a union

should be the sole agent which could call for the formation of a workplace forum. Business felt that the formation of workplace forums should be more inclusive, with all workers being able to propose that it be formed

A factor at play in the current dispute is that labour, steeped in the militant traditions of the '80s and concerned at perceptions that it has lost its teeth, is using differences in negotiations as a reason for re-grouping

As wage negotiations in various industries reach a stage where unions are considering industrial action to press home their demands, the mass action may be the trigger which will see workers hardening their attitudes

No disruption as mass action starts

THE FIRST DAY OF THE ROLLING mass action campaign led by the Congress of South African Trade Unions ended peacefully yesterday, with no disruptions reported from around the country.

Cosatu assistant general secretary Mr Zwelinzima Vavi said shop steward councils devoted yesterday's lunch hour to reporting back to workers their decisions on the type of action to be undertaken during the campaign in the various regions.

Thousands of workers will march to the Gauteng Legislature and to the offices of the Chamber of Mines today, while in KwaZulu-Natal two mass marches will be held in Durban and Maritzburg.

The Northern Cape began picketing the busiest streets in the local towns as part of the build up to the national day of protest on June 19.

The Federation of South African Labour Unions and Cosatu will hold joint shop steward councils tomorrow

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Labour Reporter **Abdul Milazi** reports on Cosatu's first day of national mass action, with more marches planned today

to assess the progress and build-up of the mass action.

On the same day the Eastern Transvaal region will hold marches throughout the area while the Eastern Cape will begin lunch hour demonstrations and also conduct television and radio interviews to publicise the campaign.

The South African Chamber of Business and the Afrikaanse Handelsinstituut yesterday said no disruptions to business were reported.

Sacob spokesman Mr Gerrie Bezuidenhout said, however, that if the mass action demonstrations were confined to the lunch hour, business would not be affected.

Meanwhile in KwaZulu-Natal, security forces fired teargas at hostel residents in Umlazi near Durban yesterday and the situation remained tense during an ANC-Cosatu march in the township.

Hostel residents of Unit 17 in T Section, an Inkatha Freedom Party stronghold, rushed at razor wire surrounding the hostel. Police and members of the SA National Defence Force fired teargas to disperse them.

A shot was fired at the Umlazi magistrates court, increasing tension as several hundred marchers rushed towards the direction of the shot. Security forces patrolled the area while marshals supervised ANC supporters.

Mandela being

PAC supports mass action

~~11/11~~ ~~11/11~~ (132) Sowetan 6/6/98

THE Pan Africanist Congress yesterday threw its weight behind the labour movement in its confrontation with the business sector over new labour legislation.

In a statement issued by PAC national executive member Mr !Khoisan X, the organisation blamed business for the impasse over the Labour Relations Bill currently being negotiated in the National Economic Development and Labour Council. X said rolling mass action that began yesterday to highlight demands by labour, was the last resort in the process and was justified.

"Some of the issues in question enforced centralised bargaining, sympathy strikes and socio-economic strikes have been negotiated before. The

mass action by workers as a last resort is justified," X said.

"We are calling on employers not to adopt a laager mentality in the wake of the worker protests but to continue with meaningful negotiations."

He said the PAC believed the solution to the impasse should be based on certain principles. These include:

- The recognition of labour as crucial partners in the productive process;
- The establishment and maintenance of investor-friendly laws which do not trample on the rights of the workers; and
- The establishment and maintenance of the South African economy's global competitiveness.

"We believe a balance can be found in

accommodating these concerns in the new Labour Relations Act and that the concerns are not mutually exclusive," he said. He appealed to workers to stage disciplined and peaceful protests. The marches and other demonstrations end on June 19 with a partial general strike

— Sapa.

‘ We are calling on employers not to adopt a laager mentality in the wake of the worker protests ’

Mass action casts doubt on Nedlac

CT(BR) 6/6/95

(132) (30) (1108)

By THABO LESHILO

STAFF WRITER

Business has questioned the ability of the National Economic Development and Labour Advisory Council (Nedlac) to foster a common vision between labour and capital on the eve of today's mass action by tens of thousands of workers.

The workers are putting pressure on organised business to accept centralised bargaining and the unfettered right to strike in the labour relations bill.

Janet Dickman, Sacob manager for labour affairs and social policy, said it appeared labour was not mature enough for processes like Nedlac.

By disrupting the economy, organised labour was acting contrary to the spirit of Nedlac as a consensus-seeking body, she said.

Dickman challenged labour to recognise that times had changed in South Africa. "Mass action cannot be justified when we have a legitimate and union-friendly government."

She said although it was impossible to quantify the expected loss in production and wages, today's protest would cause "considerable" damage to the economy.

Union leaders, however, blamed business for slowing down the process to reach agreement before the June 30 deadline imposed by the labour minister, Tito Mboweni, on the parties.

Zwelanzima Vavi, Cosatu secretary general, said "The deadline has to be reached. Mass action will ensure that we speed up the negotiations and defeat the agenda of the bosses, (which is) to prolong negotiations in Nedlac until 1996."

He said a sizeable number of Cosatu's 1,5 million members would join the protests. So would affiliates of the 200 000-strong Federation of Labour Unions of SA (Fedsal). However, workers in essential services were exempt from the action.

The series of protests would culminate in a national half-day strike on June 19. Vavi warned that unless the deadlock was broken on that day, Cosatu would consider taking even harsher action — possibly a stayaway — to support its demands.

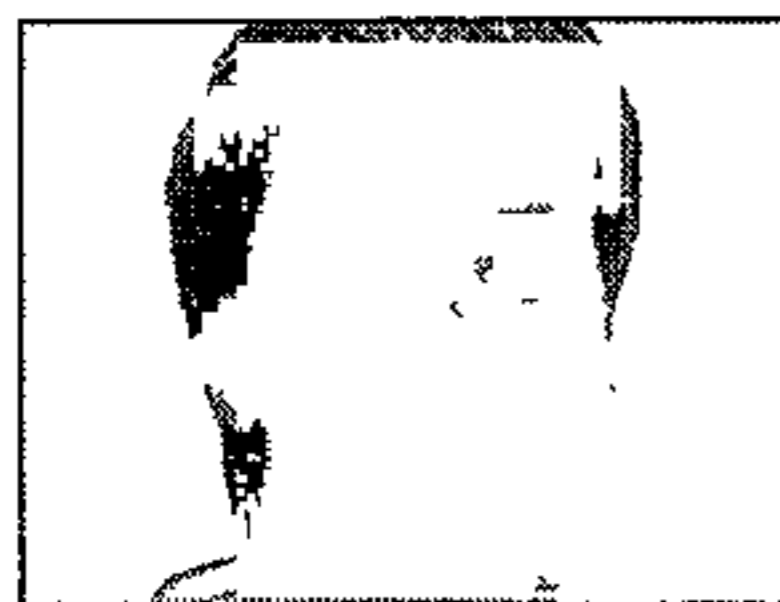
Although the National Council of Trade Unions (Nactu) meets tomorrow to discuss what action to take in the light of the deadlock in Nedlac, the organisation supports the position taken by both Cosatu and Fedsal.

Unions and the limits of consensus

(132)

CT(BR)6/6/95

SHOP FLOOR



The alternative to strong, centralised bargaining is the sham talkshop with very little power

BY KARL VON HOLDT

Underlying the difference between the labour movement and employers in the negotiations over a new labour relations bill at Nedlac are deeply differing views on the place of trade unions in our future

Essentially, the trade unions want to entrench their role as the collective voice of employees. They want to ensure that collective bargaining will set wages and conditions for all workers. They want the right to influence the way industries develop and restructure, how employees are trained and gain skills, and how small business is encouraged.

They want to protect their members from the negative consequences of industrial restructuring, such as retrenchments. They can only do these things through centralised bargaining.

At the company level the trade unions want a democratic right to participate in decision-making about how work is to be done, and about the strategic direction of the company. This means making inroads into managerial preroga-

tives in these areas. Hence labour support for strong workplace forums.

In order to facilitate the emergence of a smaller number of large and well-resourced unions, the labour caucus supports majoritarianism. And to back up their organisational strength, the unions want to extend the right to strike beyond what is set out in the draft bill.

The employer proposals at Nedlac, in contrast, suggest a desire to limit the power of trade unions. They seek to preserve or enlarge the space within which they can make business and production decisions without interference from unions, whether at industry level or at the level of the workplace.

Thus they do through proposing that the principle of "voluntarism" apply to centralised bargaining forums and to workplace forums. This means that such forums should only be established through the mutual agreement of the parties concerned, rather than imposed by legislation.

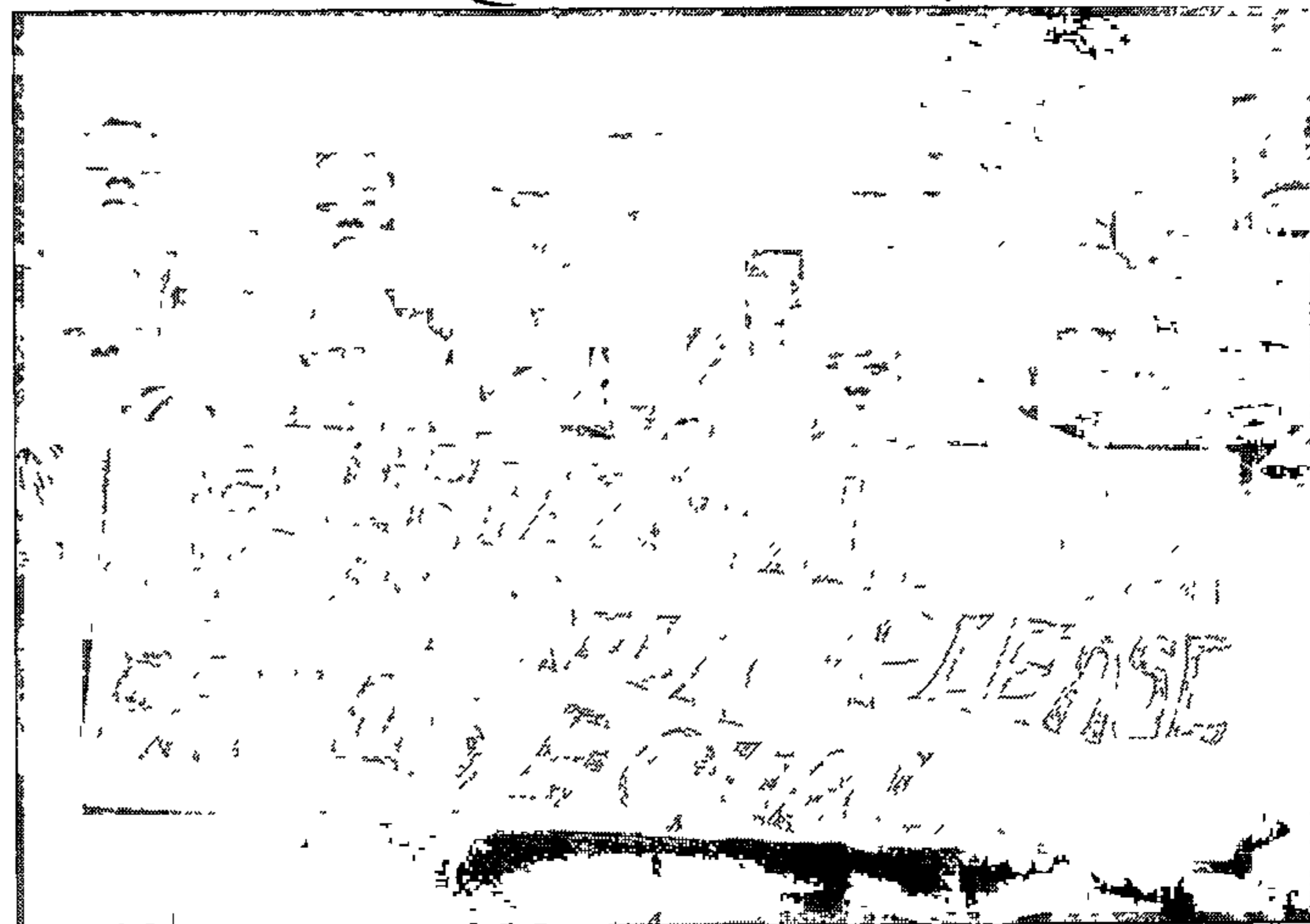
At the same time, employers

tional standards) contract like this was so poorly administered by the ANC-led government. It leaves one to ponder whether they can effectively govern. Is this not why crime and violence still "rule"?

Isn't the true reason for our economic chaos the fact that the ANC cannot come to grips with governing this country? If this turns out to be the case we won't have the Olympic games here, nor revive our tourist industry!

I submit further that this country will receive no more IMF funding or world-class investments should this trend continue. The ANC must learn the basic rules of international business, politics and economics, otherwise we are doomed!

Dave Verster, Armament Research and Intelligence Agency



FUTURE DANGER A weaker union movement, shut out of co-operative forums, would be driven to militant, plant-based oppositional unionism

argue that the right to strike should be subject to more limitations than it is in the draft bill. They also oppose the principle of majoritarianism, which tends to favour a smaller number of large unions, and argue for the principle of "sufficient representivity", which tends to favour a greater number of smaller unions.

"Voluntarism" sounds mutually beneficial, but since trade unions and workers in a free enterprise economy are structurally far weaker than employers, it means employers will generally be able to reject union demands for centralised bargaining or workplace co-operation.

The package of employer proposals at Nedlac would tend to produce a weaker, more fragmented labour movement with limited powers to influence industrial policy or workplace change.

The long-run trend would probably be a declining and defensive trade union movement. Such a union movement, shut out of co-operative forums based on union power, would be driven to militant, plant-based oppositional unionism.

The labour movement proposals, on the other hand, are designed to facilitate the emergence of big, centralised unions with a high level of social and economic involvement.

It is no coincidence that the three biggest and most sophisticated unions — Num, Numsa and Sactwu — have emerged in the sec-

tors with strong centralised bargaining institutions. These are also the unions with the greatest internal educational, research and policy formulation capacity. They are able to contemplate more co-operative relations with employers because they have the resources and capacities to do so.

The rapidity with which the negotiations have reached dispute stage at Nedlac is partly due to the deep difference between the two perspectives outlined above. But an additional factor also comes into play.

The union proposals add up to a call for far-reaching reform of the current industrial relations system. The employer proposals are much more cautious, and do not move very far from the current system. (The unions suspect that employers are not too concerned if negotiations are drawn out, since that will leave the current system intact for longer.)

Hence Cosatu's call for action supported by Fedsal, "to drive the process forward".

The labour ministry has, through the draft bill and through other policy statements, made clear its preference for a strong trade union movement along the lines proposed by labour.

The labour minister, Tito Mboweni, has also signalled government's concern over the urgency of reform. At the same time, it would prefer to persuade rather than coerce employers, and

it is mindful of developmental needs such as the concerns of small business.

But we may be seeing the limits of the consensus that tripartism can deliver in South Africa. The mass action that Cosatu has called for may be interpreted as a normal part of the bargaining process, and indeed there is room for compromise on both sides.

However, it may also be the first signal of the limits to the ability of employers and labour to reach consensus on the issue of fundamental reform. If that is the case, the ball will be firmly back in government's court.

Such an outcome should not be regarded as the end of tripartism. Ironically, if tripartism is to work it will have to rest on the very foundations proposed by labour — strong, big centralised unions. Without such foundations tripartism can only be a sham talkshop with no power to make far-reaching agreements.

My own view is that it is important to move in the general direction outlined by labour, despite some weaknesses in the details. It is the only way to shape a socially acceptable development of our economy.

The alternative is increased social conflict, disaffection and fragmentation. Our new and fragile democracy cannot afford this.

□ Karl von Holdt is consulting editor at the SA Labour Bulletin.

Letters to the

Business Report welcomes letters from readers. Please fax your letters to

Battle of the Corvettes

Your report on the controversy was excellent, in fact the only up-to-date and factual one to be published. I cannot fault the facts, instead wish to comment only on this.

We do need the Corvettes, and yes — more than four, but four will do for now. What is however very clear is that the inner-workings of the government aren't synchronised and/or even functioning properly yet. It also bears ill-omens that a small (by interna-

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6/6/95

Trade unions warn of SA standstill as protests begin

Staff Reporter

TRADE unions have launched a programme of protest action which they warn could bring the country to a standstill on June 19.

Two major unions — the Food and Allied Workers Union and the South African Clothing and Textile Workers Union — held rallies yesterday in the Western Cape to tell their members of the intended programme.

Cosatu Western Cape chief Boss Nxul warned this was only a taste of what could be expected unless negotiators for the labour movement and big business could reach consensus at their next round of meetings on Thursday.

Mr Nxul said the labour movement — Cosatu, the National Council of Trade Unions (Nactu) and the Federation of South African Labour (Fedsal) — was working on regional and national programmes of action to try to persuade the business sector to see the urgency of getting a new labour relations bill tabled in parliament.

He said that since the beginning of May, when negotiations began, employers had not budged from their position, saying they needed more time to discuss the draft labour bill.

"This is totally unacceptable as we have been negotiating with big business since 1988 about changes to the Labour Act, and they are very aware of our thinking," Mr Nxul said.

"They are just using this as another delaying tactic and the united labour

movement, and the country as a whole, cannot tolerate this as it is not in the interest of the country's economy to have uncertain labour relations."

Yesterday union organisers began laying the groundwork for the programme of action leading up to the big showdown in a fortnight.

Activities planned for this week included informing all workers of the unions' position and plans and lunch-time demonstrations at factories.

"On Friday we will assess the outcome of the meeting between our negotiators and the employers before finally deciding on what action to take on June 19," said Mr Nxul.

André Kriel, national education officer for the SA Clothing and Textile Workers' Union, said employees wanted finality on important issues raised in the draft bill, and the government had set the end of June as the cut-off date for final submissions.

"We believe this can be reached if business shows seriousness about finding solutions and comes forward with proposals that can be discussed.

"But thus far they have only listed their rejection to a number of important clauses listed in the draft bill."

Mr Kriel said some of these issues, like the need for centralised bargaining, amendments to closed shop agreements, the right to strike and protest in solidarity for social economic reasons, were fundamental workers' rights which could never be rejected.

"The employers want to drag us back to the dark days when workers had no rights and were entirely at the mercy of the bosses."

He said that in the past five years much economic restructuring had taken place with little or no consultation or input from the workers and that as a result rationalisation and retrenchments followed.

"Part of the draft bill allows for workers and union members to make an input at a national level but the bosses are rejecting this. They are against central bargaining whether it's for wages or other aspects which affect the workers."

Mr Kriel said they were fed up with all the delays and would show on June 19 how serious they were about getting the draft legislation into parliament so that it could become law.

The executive committee of the joint labour forum had already decided on a national half-day stayaway for June 19 — employees would work until noon then march through the different city centres.

"Depending on the outcome of the meeting on Thursday, we could decide to call for a full day of protests with massive marches across the country which would effectively shut down the economy."

"And if no agreement is reached, there will probably be lots of turmoil in the country as a result, and this could all be blamed on business's attitude to the situation," Mr Kriel said.

Arg. 6/16/95

132

Disabled poised for inclusion in Nedlac

John Dlodlu

(132)

BD 6/6/95
Nedlac's development chamber. Communities will negotiate with government, labour and business representatives on development issues.

THE National Economic Development and Labour Council (Nedlac) has decided in principle to include organisations representing disabled people's interests in the community development constituency.

However, the meeting failed to resolve the position of rural people and church interests.

The decision — taken at a weekend meeting of the selection committee — still needs Nedlac management committee approval.

In terms of guidelines of the selection committee, organisations seeking representation in the development chamber had to enjoy national representation and have a democratic constitution to qualify.

Minister without Portfolio Jay Naidoo's office confirmed the decision and said the minister would announce soon the name of the organisation selected.

The disabled will join the National Women's Coalition, the National Youth Development Forum and the SA National Civics Organisation in representing communities' interests in

A document submitted by business to the trade and industry department on government's move to link export benefits to the general export incentive scheme (GEIS) will be discussed at Thursday's meeting of the chamber.

Mandela backs Cosatu

CT 7/6/95

(132) (132) (132)

JOHANNESBURG President Nelson Mandela pledged his support yesterday to workers protesting against the business sector's position in negotiations for the draft Labour Relations Bill.

Traffic came to a halt when Mr Mandela made an unexpected appearance at the Cosatu-organised rally.

He told a cheering crowd of about 20 000 protesters "The ANC is fully behind you, but we want you to be disciplined."

The NP condemned Mr Mandela's pledge of support, saying his involvement in the march undermined the National Economic Development and Labour Council's efforts to resolve disputes between business and labour.

The party appealed to Mr Mandela "to encourage organised labour to return to negotiating structures."

Business sources also expressed dismay last night, saying they worried Mr Mandela's action would scare off potential foreign investors.

One source said the negotiations were "sensitive" and Mr Mandela's appearance "can be seen as intervention".

"The President is supposed to be impartial," the source said. "We don't think it's a good idea."

Business has threatened to review its participation in the negotiating forum discussing the new bill. The forum is set to meet



FLAGS FLYING: About 20 000 workers marched through the streets of Johannesburg yesterday in a Cosatu-organised march in favour of strengthening workers' rights.

PICTURE: AP

for another round of talks on June 12 and 13.

● Cosatu warned yesterday it would begin unprecedented mass action if the government privatised state-owned enterprises.

It expected a response from the government on its privatisation plans by June 19, the day the union federation plans to hold a protest march. — Sapa-Reuter

● See Page 15

IAL

ANC support for action

By Abdul Milazi
Labour Reporter

PRESIDENT NELSON MANDELA made an unexpected appearance at a Cosatu-led march in Johannesburg yesterday to pledge his solidarity with an estimated 100 000 strong crowd

The two-pronged march to the offices of the Chamber of Mines and the Gauteng Legislature marked the beginning of the labour movement's rolling mass action to break the deadlock in Nedlac negotiations and force the passage of a new Labour Relations Act during the current session of parliament

Other marches were held in Durban and Maritzburg in Natal

Sowetan 7/6/95 (132) (30) (132)
President Mandela says the right to strike is a fundamental right of every worker in a democratic country

Speaking outside the SA Mutual building in Commissioner Street, where he first worked when he came to Johannesburg in April 1941, Mandela said the ANC believed the right to strike was a fundamental right of every worker. He added "We have always believed that the right to strike was a weapon which is a fundamental right of every worker and it is practised in every democratic country around the world. "When we drafted the Interim Constitution, we made sure it was embod-

ied in the constitution despite objections from some political parties"

Mandela said the ANC was fully behind the mass action but warned the marchers to be disciplined

"I have to be in Cape Town this afternoon but I felt I had to come and pledge my solidarity to you. Therefore I bless this demonstration"

Cosatu deputy secretary-general, Zwelinzima Vavi told the cheering crowd that the labour movement wanted the right to strike, centralised bargam-

ing and organisational rights to be embodied in the Constitution

A memorandum outlining the demands of the three federations, Cosatu, the Federation of South African Labour Unions and the National Council of Trade Unions, was handed to the Chamber of Mines. A second memorandum demanding that the Government take a clear stand on privatisation was submitted at the Gauteng legislature

The Johannesburg Chamber of Commerce said employers would apply the "no work, no pay" rule and possible disciplinary action would be taken against workers

JCC spokesman Mr Ken Mason said no disruptions to business were reported. The South African Chamber of Business also reported no disruptions



Posters depicting President Nelson Mandela and Inkatha Freedom Party leader and Minister of Home Affairs Chief Mangosuthu Buthelezi were among placards displayed during a march led by the Congress of South African Trade Unions in Johannesburg yesterday.

PIC WILLIAM MALOPE

Advocate June Wilson, author of *Giles Files*, an employment law information service in Durban, discusses the changes in the new Act.

One labour Bill for all if all goes well

THE draft Labour Relations Bill proposes several far-reaching changes to the present system of labour law and industrial relations, although many proposals are based on the original framework of laws, structures and procedures which have been developed incrementally over the past 90 years

New Legislation. It is proposed to repeal all existing labour legislation, including the Labour Relations Act 28 of 1956, the Public Service Labour Relations Act 105 of 1994, the Education Labour Relations Act 146 of 1993 and Chapter I of the Agricultural Labour Act 147 of 1993, and to replace them with a single Act applicable to all employers and employees throughout the country

Employees in the public service and the educational, agricultural and domestic sectors will all be included within the same legislation, the only exceptions being members of the SA National Defence Force, agencies and services established by the Intelligence Services Act, and the SA Police Services

Certain special bargaining arrangements and agreements which are already in place, such as in the public service and the agricultural sector, will continue to be in force through the operation of transitional provisions in the Bill, and will only be phased out over a period of time

Freedom of Association: The basic rights of freedom of association for both employees and employers are spelt out in chapter two of the Bill.

They include the right to join and take part in the activities of a trade union or employers' organisation, and not to be victimised for so doing

The victimisation provisions extend to persons seeking employment

Collective Bargaining The Bill grants trade unions specific rights of access to the workplace to organise and to conduct union activities, and obliges employers, in some cases, to provide information to a union or its representative, and to allow representatives time off for union activities

The thresholds of representativeness at which these rights accrue to unions have been left for negotiation by Nedlac

As at present, registered unions and employers or employers' organisations will be able to conclude legally binding collective agreements, but these will be enforceable by arbitration rather than through criminal or civil action

The criminal sanction has been removed for nearly all breaches of the Bill's provisions, including engaging in illegal strike action

Agency shop agreements, which require the deduction of agency fees from employees who are not members of a representative

trade union, will be allowed, but the future of full-scale statutory closed shops remains clouded, as they may contravene the new Constitution.

Meanwhile, existing statutory closed shops will remain in force, but non-statutory closed shops will have to convert to agency shops.

The present industrial council system will be converted into a system of bargaining councils which will operate along similar lines, but with simplified procedures for registration, etc

Important changes include

- The inclusion of both public and private sector interests within a single council,
- Representation of small business interests on councils,

- An annual review of their representativeness,

- Additional protection before council agreements may be extended to non-parties

Bargaining at national level is facilitated through the new bargaining council system, but is not made compulsory

Industrial Action: The procedural steps which employees or their union must follow before embarking on a legal strike are greatly simplified and expedited. The need for prior balloting is dispensed with. The definition of a "strike" specifically includes partial stoppages and a refusal to work overtime.

Once on a legal strike, an employee is protected against civil actions for delict and for breach of contract, and enjoys a very high degree of protection against dismissal.

The full extent of this protection is, however, not entirely clear, and dismissal may be permissible for "operational requirements" after compliance with certain procedural requirements

Employees who strike illegally are not protected from dismissal by the Bill, but their dismissal is not automatically fair

An employer's right to embark on a legal lock-out is retained, but lock-out dismissals are prohibited

Secondary strikes and picketing are recognised and protected subject to certain restrictions, and protest action taken to promote or defend employees' socio-economic interests is also protected in limited circumstances

The right to strike or to lock-out is limited

- If the matter is regulated by collective agreement or wage determination

- If the collective agreement prohibits strikes or lock-outs

- Where the issue must be referred to arbitration by agreement

- Where the dispute is one of "right"

- In an "essential service, in which case the dispute must be referred to compulsory arbitration

Smuts chose the Canadian path

A proper understanding of "labour law", or employment and industrial relations law as it is also known, needs some understanding of the history and development of a system created at the beginning of this century. It is customary to stress the tripartite nature of the system and particularly the functions of the State, employers (including management) and employees (including trade unions).

In theory the State is expected to protect and foster the "public interest". This includes people who are unemployed, elderly and sick. In addition the State should protect the interests of all citizens by ensuring certain services cannot be disrupted because they are "essential".

Again, in theory, the State should have a clear vision of what objectives need to be attained and ensure that its industrial relations are the most suitable for attaining such goals.

Collective bargaining and "power-play" have generally been accepted in SA as the preferred way of resolving most disputes of "interest", like wage disputes. After exhausting collective bargaining and reaching an impasse, certain prescribed procedures must be followed before the trade union and employees may "strike", and employers "lock-out", but only to resolve the dispute.

In labour law the words "strike" and "lock-out" have special meanings and are defined in the Labour Relations Act 28 of 1956 (LRA) and must be read with sections 65 and 79 of the LRA.

Almost all modern economies accept that conciliation is a necessary step in the process of trying to resolve "interest" disputes.

Disputes in "essential services" must be resolved by some form of compulsory arbitration to avoid the adverse consequences of a power-play. However, upon the failure of parties to resolve a dispute in non-essential trades, industries or services, various options present themselves.

Some systems completely forbid power-play while others allow it. In the US the general rule is that an employer faced with an economic strike is allowed to replace the strikers.

Jan Smuts considered different systems before introducing laws in the Transvaal in 1909 in a bid to resolve serious conflict after the end of the South African War.

COMPLICATED laws governing conciliation in "interest" disputes. Graham Giles, Durban attorney and time law professor at RA analyses labour laws in S

He opted for the Canadian model, allowed for "power play" but only after conciliation, instead of the Australasian model of compulsory arbitration in all instances

Smuts and Louis Botha represented Africa at Versailles in 1919 at the Peace Treaty and were founder signatories of the International Labour Organisation (ILO)

During the "Rand Revolt" in 1922 the ILO intervened in the power-play on behalf of the employers with the might of the forces and "resolved" the dispute, but at the cost of hundreds in the process

Thereafter, Smuts tried to appease his supporters, many of whom had been involved in the Revolt, by introducing legislation to give effect to ILO principles. This was done in 1924 and South Africa became the first country to do so

However, Smuts was ousted by the government in 1925 which gratefully endorsed Smuts's new dispensation, the Industrial Conciliation Act, 1924 (ICA)

A mechanism was created in the ICA allowing for a high degree of "self-government" for employers and employees, mainly through voluntary industrial councils with equal representation of employers and trade unions

Agreements concluded by the parties to such councils were ratified by the Government and made binding on all to the council. Provision was also made for the establishment of conciliation boards for the unorganised sectors

In addition, the ICA recognised certain basic worker rights and repeated the principle of the 1909 Transvaal law by insisting on conciliation through a compulsory conciliation board before allowing a lock-out

■ Giles will continue his overview of the Star on Monday.

SPAR 16/6/95

Cosatu threatens further mass actions as march paralyses city centre

Renee Grawitzky

RD 7/6/95

A MARCH by more than 60 000 Cosatu members — which brought Johannesburg's CBD to a halt yesterday — was characterised by warnings that the economy would be brought to its knees with a half-day stayaway on June 19 if employers did not respond positively to labour's demands.

The march was given legitimacy by the arrival of President Nelson Mandela, who said the ANC was fully behind the protest action, but warned workers to act in a disciplined manner. He said the right "to de-

monstrate and strike was used throughout the history of the ANC" and this right was included in the constitution.

Cosatu assistant general secretary Zwelinzima Vavi said the rolling mass action would "roll and roll until employers agreed to our minimum demands".

Business SA spokesman Adrian du Plessis said that in view of the threat of continued mass action, BSA was considering its position in the National Economic, Development and Labour Council (Nedlac).

At the Chamber of Mines building a memorandum setting out labour's core de-

mands was presented to Du Plessis. He said business recognised the right of peaceful protest, but "sustainable solutions came out of negotiations around a table and not out of the streets."

Nedlac executive director Jayendra Naidoo told workers that deadlock had been reached quickly with the parties having presented only their first positions.

His statement that "where a person starts is not where they finish" was met with a stony silence by the crowd.

Labour Minister Tito Mboweni said he was confident of a settlement if a solution

was found on centralised bargaining, the closed shop issue and the right to strike.

NP labour spokesman Leon Wessels said "such one-sided action will not make SA appear as an investor-friendly country".

Naidoo said meetings between labour and business were scheduled to start today.

The march, which was supposed to be part of a united labour campaign, was led by Cosatu's Vavi, Ebrahim Patel, and George Nkadimeng, the ANC's Cheryl Carolus and the SACP's Jeremy Cronin. There was no Federation of SA Labour representation and the National Council of Trade

Unions is holding a meeting today to decide on participation in the campaign.

Farouk Choithia reports that at a rally in Durban, Cosatu president John Gomo said the union demanded the disbandment of provincial governments as they would lead to fragmentation and would bring about uneven development.

Addressing thousands of workers, he said the lifespan of provincial governments should not extend beyond 1999. "Political parties are deviating from the first declaration in the interim constitution — the sovereignty of central government."

150 000 march over labour Bill

BY JUSTICE MALALA
LABOUR REPORTER

The SA labour movement yesterday sent its most serious warning yet to business that it would not compromise on its demands for changes in the draft Labour Relations Act when an estimated 150 000 workers in four cities took part in marches around the country to back their negotiators.

But the deadlock at the National Economic, Development and Labour Council (Nedlac) on negotiations about the Bill, which led to the marches, could be resolved today. Business and labour representatives have agreed to meet to iron out their differences before they meet formally on June 12 and 13.

President Nelson Mandela appeared briefly at the Johannesburg march and gave his blessing to the 70 000 workers led by Congress of SA Trade Unions (Cosatu). He told them that the right to demonstrate and strike was used through-

out the history of the ANC.

The protest brought the city to a halt as workers marched on the legislative offices, the Chamber of Mines and the stock exchange in the biggest worker turnout since the anti-VAT campaign of 1990.

Nedlac executive director Jayendra Nandoo said yesterday he was optimistic a solution to the impasse could be found if "both parties showed their cards".

Workers desert patents - Page 2

But yesterday Cosatu leaders were unbending in their demands, saying if business failed to accede to them by June 19, when the mass action is set to culminate in marches and a half-day strike, further action, including a general strike, would be considered.

SA Chamber of Business spokesman Gerrie Bezuidenhout said it was still too early to say how much had been lost in production.



Worker power . . . Cosatu members march through Johannesburg yesterday demanding changes to labour law. PICTURE ETIENNE ROTHBART

Labour bill tussle takes a nasty turn

CT(BE) 7/6/95
BY THABO LESHILO

(132) STAFF WRITER

The tensions between organised labour and business over the Labour Relations Bill heightened yesterday as Business South Africa threatened to pull out of Nedlac and Cosatu warned that it would use the ANC to impose the Act

"BSA has to ask itself whether mass protest action is reconcilable with the search for negotiated solutions and we will be reconsidering our role in these negotiations in the light of the unions' persistence to pursue mass action strategies," said Adrian du Plessis, BSA negotiator at Nedlac (National Economic Development and Labour Advisory Council)

Cosatu assistant secretary general Zwelinzima Vavi reacted angrily to the BSA position, calling it "blackmail, extremely arrogant and meant to put pressure on labour, not exercise its right to protest"

Said Vavi "They are in for a rude shock if they pull out. It will be left to the politicians alone to decide labour law and we want to remind him that we have powerful allies in the parliament."

Du Plessis said although business recognised the right of organised labour to take part in peaceful protest, this should not be a substitute for reasoned debate and negotiation

"Sustainable solutions to the differences between us will need to be found through negotiations. Our first prize remains a negotiated settlement, said du Plessis.

Sacob labour affairs director Gerrie Bezuidenhout said 40 000 people took part in the protest in Gauteng, while Cosatu put the numbers at no less than 100 000

Bezuidenhout said it was difficult to assess the impact of the protest on the economy, but investors' perceptions of South Africa would be negatively affected

Cosatu not fazed by walkout threat

(132) Star 8/6/95

BY JUSTICE MALALA
LABOUR REPORTER

The Congress of SA Trade Unions has threatened to use its parliamentary allies to ram draft labour laws through Parliament while big business said it would review its participation in negotiations on the laws

Cosatu spokesman Neil Coleman said yesterday if business carried out its threat to walk out of negotiations in the National Economic, Development and Labour Council (Nedlac), the labour movement would have no option but to let the legislation be passed through Parliament without business' input.

He said the threat was "certainly not constructive", adding that business was undermining the tripartite negotiating process in Nedlac.

SA Chamber of Business (Sacob) spokesman Gerrie Bezuidenhout yesterday called for a review of the deadline date for negotiations on the Bill.

The June 30 deadline for the conclusion of talks between organised business and labour movements were "unrealistic", he said.

Bezuidenhout reiterated that the Cosatu protest action on Tuesday had placed current negotiations under unnecessary pressure.

Business would review its participation in Nedlac if mass action continued, he said.

Cosatu has said that business' demand for an extension of the deadline is a "delaying tactic" aimed at ensuring that the draft Labour Relations Act only becomes law next year

Unfortunate

Yesterday, workers in various centres around the country held lunch-time meetings as part of the two-week mass action campaign organised by Cosatu and joined by the Federation of SA Labour Unions (Fedsal)

The campaign, initiated to force business to accept worker

demands on central bargaining, industrial action and workplace forums, started in earnest with marches on Tuesday and will end with a half-day strike on June 19

Business and labour negotiators could not be reached yesterday to confirm whether planned bilateral meetings would be continuing

Fedsal assistant general-secretary James Abraham said the threat by business to withdraw from negotiations was "unfortunate"

He said the labour movement had put its demands and proposals forward and was waiting for business to respond.

"Business still has not presented us with anything tangible," he said.

Sapa reports that the Conservative Party yesterday slammed President Nelson Mandela's support for trade union demands during Tuesday's march in Johannesburg, saying this proved he was not a responsible and just leader.

Nedlac progress despite crisis

(11/11/95) CT(BR)8/6/95
(10) (132)

Labour, business and government are making progress on a wide range of issues at the National Economic Development and Labour Advisory Council (Nedlac) even though the council faces a crisis over labour reform legislation with Business South Africa threatening a pull-out if labour goes ahead with mass strike action.

Department of trade and industry officials told a parliamentary committee yesterday progress was being made over a wide range of policy issues from trade to industrial restructuring, with Nedlac members providing important contributions. And at least 12 double taxation agreements signed with other countries recently have not been put into effect because of confusion over parliamentary procedures. However, Chris Liebenberg, the minister of finance, had taken up the issue in Cabinet last week and movement was expected soon. — Bruce Cameron

Labour law dispute reaches crisis point

Staff Reporters

A CONFRONTATION between business and trade unions over proposed new labour laws is reaching crisis proportions, with warnings that it could soon threaten economic recovery.

As Cosatu's "rolling mass action" in support of the new laws gets under way, the business confidence index has plummeted to its lowest level since last year's elections.

And organised business has announced it will "review its participation" in negotiations on the laws if rolling mass action continues.

This drew a sharp response from Cosatu, which threatened to use its sup-

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port in parliament to push through the legislation.

As the war of words raged on, the South African Chamber of Business (Sacob) called for a review of the deadline date for negotiations, saying June 30 was "unrealistic".

But Cosatu claimed the demand for a deadline extension was a "delaying tactic" aimed at ensuring that legislation came into effect only next year.

Yesterday, workers in various centres held lunch-time meetings as part of the two-week campaign organised by Cosatu and joined by the Federation of SA Labour Unions. The campaign starts in

earnest with a half-day national strike planned for June 19.

Sacob has warned that the economic upswing may be running out of steam, reporting that its monthly business confidence index fell in May to its lowest level since the elections.

Yesterday the National Party accused Minister of Labour Tito Mboweni of "silenently condemning" union attempts to "hijack" talks on labour legislation.

NP labour spokesman Leon Wessels said the threatened strikes could damage seriously the National Economic Development and Labour Council — formed late last year of government, business and labour representatives.

NEWS IN BRIEF

IEC may be dissolved

CABINET had in principle approved the dissolution of the Independent Electoral Commission, Home Affairs Minister Mangosuthu Buthelezi said in the National Assembly yesterday.

The commission would then be replaced by a transitional electoral administration.

R2,2m still unclaimed

MORE than R2,2m in benefits remained unclaimed for the 1993/94 financial year, according to the Compensation Commissioner for Occupational Diseases' annual report released yesterday.

The amount represented one-sum benefit payments to beneficiaries of which the cheques were either returned as stale or because the beneficiaries were no longer employed and their present addresses were unknown.

Cape bid 'ridiculous'

CAPE TOWN's bid for the 2004 Olympics was dismissed yesterday as "ridiculous" by Britain's most acclaimed sports journalist

Daily Mail columnist Ian Woolridge said there had been much sincere comment on the racial unifying power of the Rugby World Cup, but the harsh facts showed that SA still had "a long way to go".

Woolridge said SA had coped "superbly" with the World Cup so far but the housing needs alone made the Olympics bid absurd.

Industry as a whole

BUSINESS Day yesterday reported that Edey Rogers economist Edward Osborn said most of the recent surge in manufacturing output came from expansion of Sasol's synthetic fuel business. Osborn points out the Central Statistical Service category of synthetic fuel industry refers to the whole petroleum industry.

REPORTS. Business Day Reporter. Sapa. Own Correspondent.

'Unreal' Labour Bill deadline

Renee Grawitzky

THE SA Chamber of Business (Sacob) — a member of Business SA (BSA) — said yesterday the "unrealistic" June 30 deadline for the completion of negotiations over the draft Labour Relations Bill should be reviewed.

This call is not in line with the general position presented by BSA to date which has regularly committed itself to the deadline.

Sacob's Gerrie Bezuidenhout said unless the climate surrounding the negotiations improved, in light of mass action and the possible escalation of strikes, business might have to review its participation in the National Economic Development and Labour Council (Nedlac).

Cosatu spokesman Neil Coleman said it was not constructive for employers to threaten to walk out of the Nedlac negotiations "These are precisely the bad faith Inkatha negotiating tactics which business has been quick to condemn in the past."

He said if business withdrew, they would have sabotaged the negotiations and leave labour with no option but to "go the parliamentary route of getting a new Act passed without the participation of employers"

Labour Minister Tito Mboweni warned the international community it should not be alarmed by differences of opinion expressed by politi-

cal, social and business sectors in SA as this was part of democratisation.

Addressing the 82nd International Labour Organisation conference in Geneva yesterday, Mboweni said "Major challenges remain to be tackled in pursuit of reconstruction and development."

He said despite "what may look like a breakdown in negotiations", the process was still on track and indications were that all parties were determined to reach an agreement.

Meetings between labour and business on the Labour Relations Bill continued yesterday.

The National Council of Trade Unions (Nactu) central committee resolved yesterday that labour should direct its fight against business and government to ensure the urgent enactment of the Labour Relations Bill.

Nactu's assistant general secretary Mahlomola Skhosana said government should "stop paying lip service by claiming to support labour" and ensure that the bill in the form presented at Nedlac was enacted

Skhosana said the government was "responsible for the draft bill in the first place".

If this demand was not met by government by June 18 "without valid reason", mass action would continue beyond June 19.

● Comment: Page 16

Crude oil companies slate Sasol report

Mungo Soggo

CRUDE oil refining companies yesterday lashed out at the investigation into Sasol's tariff protection in their first official reaction to the controversial report by consultants Arthur Andersen.

The SA Petroleum Industry Association said it was reviewing its position, but warned "the report and its

recommendations as they stand will be an entirely inappropriate basis on which to formulate future policy on a number of issues affecting the oil industry, including Sasol's subsidies".

Acrimony has delayed presentation of the report to the National Economic, Development and Labour Council's liquid fuels task force. However, sources said debate by the full task force would happen next week.

CSS boss 'to help monitor quality of life'

Greta Steyn

MINISTER without Portfolio Jay Naidoo yesterday explained his decision to axe Central Statistical Service (CSS) head Treurnicht du Toit and replace him with sociologist Mark Orkin as necessary for proper monitoring of the reconstruction and development programme

"The decisive factor had nothing to do with politics. It had everything to do with the role of an independent statistical service in guiding resource allocations and monitoring the impact of government spending on the

quality of life of our people," he said.

A panel including himself, Deputy Finance Minister Alec Erwin and a representative from business, Bokkie Botha, had to make a decision. "Both candidates were qualified to do the job. I decided Orkin has a better perspective," he said. He emphasised that Du Toit's technical and managerial capabilities were not in question.

He said the CSS had a vital role to play, and denied the move would lessen the CSS's independence. The plan was to strengthen the organisation's autonomy. Naidoo dismissed suggestions that he might have appointed

Orkin to ensure CSS figures would serve political ends.

Statistics would drive the strategic planning underpinning the Budget.

Asked whether more radical moves were in the pipeline, he said government's economic policy capacity was being reviewed. The capacity was dispersed between the finance department, trade and industry, central economic advisory services and in the Development Bank of Southern Africa. "Rationalisation will have to take place."

● Comment: Page 16

Send Labour Bill back to drawing board

WIM (BM) 9-14/6/95
(132)

Frans Raubenbach argues that the new Labour Relations Bill should be scrapped

THE problem with the Labour Relations Bill is that, in the best possible scenario, such a system would be a disaster for the South African economy, growth, jobs, the Reconstruction and Development Programme and everything that goes with it.

The Bill is largely based on an adjusted version of the German model. Briefly, both systems provide for:

- The encouragement of centralised regional and sectional collective bargaining. This includes the power of the state to extend collective agreements to non-participating, non-consenting parties
- The right to strike on matters of collective bargaining, free from dismissal
- Legal protection of trade unions
- Compulsory conciliation and failing that, arbitration mechanisms
- Workplace forums

One major difference is that Germany has a largely homogenous society in terms of educational levels and cultural values, such as respect for authority agreement, and co-operation — all qualities South Africa lacks, with its rolling mass action, high crime rates, school boycotts, hostage dramas and road blocks.

In other words South Africa comes out of the starting blocks at a huge

disadvantage given a proposed system that depends for its success (such as it may be) on a disciplined pursuit of co-operation

In any case, how successful is the German system? Between 1970 and now German unemployment has climbed from 200 000 to six million (one million to two million of that being from East Germany) German labour productivity and unit labour costs lag behind those of America and the Far East.

True, Germany has few strikes But so what? The United States has more, but it also has more growth, more jobs and better productivity. Why is this? In a nutshell, any system that makes it more expensive to employ people, must expect to have fewer employed people.

The German system of centralised bargaining coupled with the huge legal strike threat leads to one of two outcomes: more strikes or greater concessions being made by employers in order to buy labour peace. The latter has mostly happened in Germany. This is nowhere better illustrated than in the recent metal strike in that country.

German metal union IG Metall went on strike in Bavaria. When they threatened to take the strike countrywide employers started making concessions. Eventually a nation-



wide strike was warded off by a series of compromises, including pay hikes and a shorter work week, resulting in an effective wage increase of 10 percent being phased in over a year. That effectively wiped out the increase in productivity that German manufacturers had achieved over the past year.

Results like that unfortunately matter because, by failing to reduce unit labour costs while more competitive countries like the US, Hong Kong, Taiwan and Singapore manage to do so, Germany has weakened its position as a global competitor. It just falls further and further behind in the race. The price paid can be seen in the unemployment figures.

South Africa is much weaker than Germany in terms of education and skills levels co-operation and productivity.

The new system is hailed as being "flexible", presumably more so than its now discredited predecessor. What on earth are the commentators who say this talking about? One can only

assume they have not read the Bill.

The proposed system of centralised bargaining makes provision for exemptions based on hardship, so does the present system. Strike protection is, if anything, more extensive under the new system and trade union protection will undoubtedly be beefed up. The system of workplace forums introduces no flexibility. On the contrary, employers have to consult, and must reach agreement on, various lists of operational topics before any such decision may be implemented, a dispute about any such matter must be referred to conciliation and that failing, to an arbitrator, the arbitrator (a third party civil servant) will then decide on commercial matters about which the parties themselves should have decided in the first place. What is flexible about that?

The system is, sadly, even more legastic than its predecessor. South African unemployment stands at an effective 33 percent, excluding the informal sector. The present growth rate of some three percent is hardly enough to absorb the growth in the population of some 2.5 percent.

Because South African exports remain uncompetitive, and will as long as we follow a labour system that will at best have the kind of effects that the German system had on its competitiveness, our balance of payments will remain under threat. Whenever the South African economy "heats up", the amount of imports will exceed the amount of exports. As seems now imminent, sooner or later that leads to increased interest rates, which does nothing for the export performance of the country, but dampens domestic demand. In short, before long, our fragile three percent boom will turn into a zero percent bust or worse. And up goes our unemployment.

That is the reality of the new Labour Relations Bill. A compromise around its terms simply won't do. We need to go back to the drawing board.

Frans Raubenbach is a labour consultant and author of two books which argue for deregulation of industrial relations

the statutory negotiating forum, could have a dramatic effect on the small to medium enterprise (SME) sector

Opinion within this largely unorganised but hugely productive wedge of the economy is that the provisions of the Labour Relations Bill — including centralised bargaining and the creation of mandatory workplace forums — will discriminate against it, leading to closures, unemployment and an unfavourable investment climate (see *In My Opinion*)

Thus Steve Ntsane, executive director of the Cape-based Centre for an Open Economy (Cope), feels that the Bill "is a retrogressive step [that] will have a disastrous impact on all SMEs, who have no say or vote (in Nedlac) but employ the vast majority of workers and create the bulk of new job opportunities"

Accordingly, Cope was scheduled to host a seminar on the Bill this week, at the end of which it was expected to consider a motion to constitute a formal lobby for the SME sector. Such a lobby would then seek a place within Nedlac or at least be in a position to petition Labour Minister Tito Mboweni based on its strong representativeness.

According to Cope's Robbie Klemot — a frequent employer of casual workers, a use-

action under way and a half-day national strike mooted for June 19 — has become highly politicised

The result has been "antagonism rather than partnership"

And, he says, the organised unions' militancy is aimed as much at the ANC as at big business — a demonstration of where power really lies after a year in which, for workers, little has changed. In all this, the SME sector's belief in, and reliance on, "competition in labour" becomes increasingly relegated

Mboweni should attend to criticisms emanating from the SME sector. His attempts to juggle the interests of the big unions and organised business have not worked well. His department needs to consider more carefully what would benefit the economic well-being of SA. ■



Mboweni *should listen to small enterprise*

fully neglected category — the small-medium sector has been too mute on labour matters. "The Minister has to listen to the biggest voice — and the only loud voice is Cosatu. Complacency (on the part of the SMEs) is part of the problem. The Minister can only listen to those who speak to him"

In essence, Cope's position is that the new Bill would damage it in two ways. First, the outcome of a Cosatu "victory" could be a minimum wage, second, pressure on workers to unionise would bring conflict within the doors of SME "workshops," a fate the sector has hitherto avoided

Klemot believes the issue — with mass

BUSINESS AND LABOUR

The enemy of jobs

(132) ~~134~~ ~~136~~
Looming conflict in the labour arena — focused on the differences between organised business and the unions within Nedlac,
FM 9/6/95



WORKERS MARCH: Some of the 6 000 workers who marched to Parliament to deliver a memorandum demanding a new labour relations bill. Drenched with rain, the workers recited the union's slogan, "Centralised bargaining means a better life for all".

PICTURE: NIC BOTHMA

Workers' demands taken to Parliament

STAFF REPORTER

(132)

THOUSANDS of members of the Chemical Workers Industrial Union, marching in the driving rain, took their demand for centralised bargaining, a minimum wage and a new labour relations bill to Parliament yesterday.

Mr C Rani, branch secretary for the union, said the march was called as part of the Cosatu campaign of mass action to force business leaders to accede to the union's demand for centralised bargaining. Thus far, according to the union official, chemical companies have only been willing to agree to sectoral bargaining.

Mr Rani also said the workers of his union demanded government intervention through legislation. He said the failure of the bosses to agree to union demands by June 15 would force his union to take more intense action, including calling for a general strike.

CT 9/6/95

Labour, business grapple to find common ground

Star 10/6/95 (132) (10/6)

Business and the trade union movement will move into quieter waters on Monday after labour-capital conflicts over the draft Labour Relations Bill this week produced mass marches through the streets and a sharp exchange of words

Attempts to break the deadlock over key issues shift from the public forum of the National Economic Development and Labour Council (Nedlac) to a process of "informal discussions" in Johannesburg

Adrian du Plessis, chief negotiator for Business South Africa, said the parties would be engaged in an "exploratory exchange of positions. These discussions are smaller, private and we will not be talking publicly about progress made," he said.

"The advantage is that we can explore opportunities for settlement which might not arise in the context of formal negotiations. However, I must stress that informal talks are not a substitute for negotiations, but a supplement. You can't make deals in the informal discussions," he said.

Du Plessis said the debate over the Bill was "not about good guys and bad guys, about

Workers throughout the country made their intentions clear this week: their grievances need to be addressed. It is with this in mind that the two parties get down to some serious talking in Johannesburg next week in a bid to break the deadlock and, hopefully, arrive at some sort of consensus, writes Chief Reporter JOHN PERLMAN

centralised or decentralised bargaining or even, as alleged, about apartheid or post-apartheid protagonists.

"It is about the stakeholders trying to balance their interests in a piece of legislation that is going to frame our labour system and our economy for many years to come"

He said business's position was "informed by the economic imperatives of the market. Put very bluntly, our labour relations system has to meet the needs of the economy, the de-



ADRIAN DU PLESSIS

mands of competition and the expectations of investors.

"The system has to be based on individual and collective freedom — not on deregulation, but freedom to engage and not to engage.

"It has to be based on flexibility to the extent that parties can alter arrangements by agreement to meet changes in a dynamic market economy. And third, it needs to recognise diversity, that no two industries are the same and that within industries there is differentia-

tion," he said.

Du Plessis said legally imposed central bargaining over wages and conditions of employment would "lift the rate paid to the lowest-paid worker to somewhere close to the rate of the highest-paid worker. But you also have to look at what that would do to the entry costs for new investors in that industry. If the effect is to raise the entry costs, you are going to diminish the employment-creating potential of that industry. We argue that the union proposals are not going to create growth."

Du Plessis repeated BSA's earlier criticism of this week's union marches. "Peaceful protest, as opposed to economic disruption, is a weapon of last resort. It should be used when negotiations break down, not when negotiations get tough," he said.

Regarding the Government's role, Du Plessis said laws needed to have "the broadest possible support of the stakeholders".

"We are here talking about a piece of legislation which holds a very important key to the economic kingdom and there are very important interests that have to be accommodated," he said.

Business, labour haggle over best way to bargain

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MASS action once again became part of the political landscape this week as labour inflated a campaign to ensure that its concerns are addressed in the Labour Relations Bill due to be passed later this year.

A key disagreement between business and labour concerns centralised bargaining. While bargaining arrangements in most industrial sectors have already been centralised, labour wants centralised bargaining to be compul-

During the heightening of tensions between workers and employers over the Labour Relations Bill this week, Nedlac negotiators Ebrahim Patel and Adrian du Plessis found time to talk to **KEVIN DAVIE.**

sory in the new Act.

Business, on the other hand, says there should be no compulsion to bargain centrally. Some sectors may opt for centralised bargaining, others for decentralised or plant-level bargaining.

Ebrahim Patel, labour convener at Nedlac, says

bargaining councils should be set up for all sectors.

Employer and employee representatives can then decide at these councils which matters will be negotiated at industry- and which at plant-level.

Adrian du Plessis, Mr Patel's business counter-

part at Nedlac, says la-

bour's proposal would introduce a compulsion to bargain. While a body of employers favours centralised bargaining, Business South Africa wants a flexible system so that bargaining arrangements can reflect differences among industries. Contrary to reports

which suggest that business is dragging its heels on the Bill, BSA is in broad support, says Mr du Plessis.

"We support the Bill's collective bargaining proposals," he says, adding that business wants to alter some of the clauses covering industrial action.

"But while we support the architecture of the Bill, while taking issue with some of the detail, business does not perceive labour to support even the architecture of the Bill."

Mr du Plessis says that while the preamble of the Bill promotes centralised bargaining, the Bill does not make centralised bargaining compulsory.

Mr Patel says labour does not want an uneven system which will bring centralised bargaining in some sectors and plant-level bargaining in others.

He says the media statements issued by Labour Minister Tito Mboweni after last week's Cabinet meeting were "very significant. The Cabinet has endorsed the principle of centralised bargaining."

Mr du Plessis, indicating that business views Mr Mboweni's statement with concern, says he understood Mr Mboweni to stop short of saying that government supported compulsory centralised bargaining.

Most sectors of the economy are already covered by centralised bargaining of one form or another.

Only three sectors — paper, chemicals and retail — do not yet have centralised bargaining forums.

There are moves in paper and chemicals to establish centralised bargaining while the retail sector worldwide typically is not centralised.

Mr Patel rejects suggestions that workers are unlikely to support strike action over the centralisation issue as most already are covered by centralised bargaining agreements. Mass action protest is not only for centralised bargaining.

Trade unions also have concerns over provisions in the Bill regarding organi-

sational and industrial action rights, he says.

Mr du Plessis says the industrial relations structure must reflect the diversity and heterogeneity of South Africa's labour market.

"There has to be a balance between the protection of the worker and the needs of the market. The Bill strikes the right balance."

Mr Patel says deregulation of the labour market which allows lower wages to be paid will simply result in conditions of a static market with employed workers being paid off to make way for the formerly unemployed.

He sees the potential to increase domestic demand through such means as "carefully thought out wage policies."

Other reforms which will boost the economy include management moving from a production to a consumer focus, proper human resource development through better training and education, a new export focus and more efficient government in the areas of customs, education, public transport and support for research and development.

"Lomé alone could boost clothing employment by 5% to 10%," says Mr Patel.

Mr Patel says labour is sympathetic to the needs of small business and is keen for small business to be represented by its associations on bargaining councils.

Business is hostile to labour's position because it "wants to dismantle centralised institutions."

Notwithstanding the marked differences of principle between business and labour on the Bill, Mr Patel believes a compromise is possible before the end of the month, the deadline set by Nedlac so that the Bill can pass into law this year.

The Bill is the most important labour legislation since the early 1920s. It could set the tone of labour relations for decades to come. It is unlikely that the parties will agree to support it unless totally satisfied they can live with it.



BIG FIST President Nelson Mandela at the Cosatu led rally in Johannesburg this week, where he gave demonstrators his blessing. Picture **NICKY DE BLOIS**

Captains of industry stick to their guns

ST(BT)11/6/95

(132) (B)

BUSINESS South Africa emerged on Thursday night after a crisis meeting with new and unified resolve that "voluntarism" would be its bottom line in negotiations on a new dispensation for labour.

BSA did not issue a statement after the meeting, but it is understood its bottom line is "voluntarism" — meaning that there should be no legal compulsion to bargain with trade unions.

The meeting was attended by 40 of the country's top businessmen, including Julian Ogilvie Thompson, Marinus Daling, Basil Hersov, David Brink, Leslie Boyd, Dikgang Mosenke, Pat Retief, Paul Kruger and Johan Rupert.

"The captains of industry and their lieutenants were there," one participant said.

The countrywide

By KEVIN DAVIE

marches on Tuesday, further planned mass action this week leading to a half-day stoppage next Monday and violent incidents on two gold mines have led to a hardening of attitudes in some sections of business.

There has been widespread concern in business circles over Labour Minister Tito Mboweni's support for centralised bargaining and President Mandela's unexpected appearance at the march by 40 000 workers in Johannesburg on Tuesday.

"I bless your demonstration," Mr Mandela said.

While government has stopped short of supporting the Cosatu-led campaign for compulsory centralised bargaining, business is concerned that the high-profile support for mass action is sending the wrong signal to investors.

There are also concerns that Cosatu has been winning the propaganda war over the Labour Relations Bill.

Cosatu's position is that bargaining with trade unions should both be compulsory and take place in centralised forums which cover an entire industry.

Business negotiators say while they quibble on some of the detail of the Bill, they agree with its broad approach.

Labour spokesmen counter that it is labour which supports the broad thrust of the Bill.

"Business' proposals are way out of the architecture of the Bill. Ours complement the objectives of the Bill," says Ebrahim Patel, labour's man at Nedlac.

Anglo American this week reported two separate incidents at Anglo gold mines where picketers turned violent, leading to injuries, stonings and damage to vehicles.

Anglo spokesman Michael Spicer says the incidents "belle claims by Cosatu that its mass action campaign is not meant to be coercive and is peaceful".

Mine security officials responded to stonings at one incident with tear gas and rubber bullets.

Mr Spicer says the national leadership of NUM and Cosatu must immediately and condemn this undemocratic, unprocedural and thugish behaviour.

"Failure to do so will sharpen the perception that the Cosatu campaign is designed to promote unacceptable ends — the introduction of further

labour rigidities which will inhibit job creation in the interests of the privileged few unionised insiders — through unacceptable means, violence and coercion."

Cosatu's Neil Coleman says Cosatu condemns violence. He says Cosatu's proposals aim to protect workers' right to picket to lessen the likelihood of conflict and violence.

A NUM spokesman says the union does not condone violence. It says it is unaware of the incidents at the two Anglo gold mines.

Informal meetings between business and labour were held this week and more discussions are planned for the coming week.

Mr Patel says it is possible to meet the end-June deadline to conclude negotiations so that the Bill can go to Parliament before the end of the year.

Mr Patel says labour will not be brow-beaten by suggestions its protests are deterring investors.

"We don't construct labour laws every year," he says, adding that the present laws date back to 1924. Investors want certainty. "We're looking to bring a high level of certainty to labour policies."

Mr Patel says first prize is to get agreement on the new labour law with business at Nedlac. He says if final deadlock occurs Cosatu will pursue the option of a national strike and call on the majority party in Parliament to back its labour proposals.

BSA plans a follow-up meeting on Tuesday, whereafter media announcements may follow,



STANDING FIRM... union leader Ebrahim Patel, 'seeking a high level of certainty over labour policies'

Crisis week for labour negotiations

SPAN 12/6/95

(132)

BY JOHN VILJOEN

This week's round of negotiations between employers and labour over the draft Labour Relations Act will be a last-ditch effort to prevent what Cosatu has threatened will be "the biggest national worker action the country has ever seen" on June 19.

Representatives of business and trade unions meet today and tomorrow in the National Economic Development and Labour Council (Nedlac) to discuss the contentious document

Last week, while workers took to the streets — Cosatu claimed 100 000 protestors — in support of demands to have the bill passed this year, critics attacked the draft law for being "anti investment and anti-RDP"

University of Cape Town economist Hugh High said the bill, if it became law, would lower the rates of return for foreign investment in South Africa.

Investment

"If this bill gets passed, I would be utterly amazed if there is anything but the most casual investment in South Africa," he told a Centre for an Open Economy Conference.

The bill would cause an increase in labour activity and was full of "incredibly bad provisions", he said, pin-pointing the right to strike in sympathy over any socio-economic issue in the interest of workers and workplace forums as particularly dangerous.

The International Labour Organisation, which had recommended socio-economic strikes and workplace forums, was merely "a talk-shop" South Africa did not need to carry out its mandates, Professor High said

Wits University business economist Tembisa Sono slammed the bill for being "anti-RDP, anti-employment and workers, but pro-trade union aristocracy"

Minority

The bill viewed the unions as the only vehicle for furthering workers' rights, yet unionised labour represented a minority of workers

Professor Sono told the conference the bill could be unconstitutional. A passage in the draft instructed Nedlac to curtail the right of employers or owners to dispense of the busi-

ness or make acquisitions without consulting the workplace forum.

"This is authoritarianism," Labour consultant Michael Bagrain said the bill would create "a paradise for lawyers" and was riddled with vague terminology which would lead to "decades of litigation"

The word "reasonable" was used more than 50 times in the draft "You can imagine how many cases we are going to have about that"

Free Market Foundation executive director Leon Louw called for an action group to be formed to stop the bill from becoming law

Responding to these attacks, Cosatu spokesman Neil Coleman said he found the anti-investment objections "difficult to understand".

The countries South Africa looked to for investment spent large amounts of money in democracies which had strong trade union rights, he said.

"We are now living in a democracy which is undergoing a period of reconstruction

"Unless these people are suggesting that we revert to a repressive union-bashing dictatorship, it is difficult to understand their point of view

"Trade union rights and a stable industrial relations framework are critical to the RDP"

"The RDP calls for collective bargaining, the right to strike, no lock-outs and a number of principles which are contained in the draft LRA."

Dreamworld

Critics like Professor High, Professor Sono and Leon Louw were living in "some kind of economic dreamworld".

"We have a constituency of 1,5 million members and these people are talking from their text books"

"We are basing what we are saying on our day-to-day experience on the factory floor"

Referring to the Asian Tigers as free-market successes, as was often done by critics of the bill, was misguided, he said

"These were no free-market utopias. There was state intervention in the form of massive investment in human resource development

"We need to develop a framework which is acceptable to the trade unions, management and the other stakeholders in our economy

Govt's hopes for social pact at stake

By BRUCE CAMERON

POLITICAL EDITOR

ET(BR) 12/6/93

Government faces a major crisis this week that could sink its pre-election hopes for a social contract between business, labour and government and set back new capital investment

The country's business leaders are lining up in what is becoming a test of strength between labour and capital, as trade unions threaten to take to the streets to enforce demands for compulsory centralised bargaining.

The proposed labour legislation and an imminent policy statement on privatisation are straining the ANC-labour alliance in Parliament, with the unions threatening obdurate opposition on both issues.

The confrontation between business and labour could see the National Economic Development and Labour Council (Nedlac) come apart. Nedlac was set up to resolve major disputes and construct a social contract.

Nedlac convenes today and tomorrow on the legislation.

The unions have already started a mass action campaign, with major protest marches planned for tomorrow to demand centralised bargaining. Further mass action is planned in the weeks ahead.

Business has been trying to avoid a public confrontation, but labour's determination to push ahead with mass action and signals

from government that it is wavering on initial neutrality, have brought hardened resolve.

Business leaders are expected to start speaking out publicly this week after a top-level meeting of the country's senior businessmen last week.

The confrontation is likely to have major consequences for investment, both local and foreign.

Last-ditch attempts by Tito Mboweni, the labour minister, to get agreement between labour and business 10 days ago came to nothing, with talks between the two parties falling apart on discussions of "process", without dealing with their fundamental differences.

Mboweni is still committed to getting the legislation through parliament this year, but this seems unlikely.

Labour, however, has been threatening to use its support in parliament to force through its views.

Business, which already has a number of negotiated central bargaining agreements in place, is opposed to a blanket enforcement of the principle.

Small business is seen as the main victim of such a policy.

It is understood that business leaders are particularly concerned about the way Mboweni has increasingly sided with labour and about President Nelson Mandela's decision to join a labour protest march last week.

Nedlac making progress on new policy delivery

CT (BA) 12/6/95

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By BRUCE CAMERON

POLITICAL EDITOR

While all around seem to be losing their heads, one chamber of the National Economic Development and Labour Council (Nedlac) is moving ahead on issues affecting trade and industry.

However, concern has been expressed in parliament that Nedlac could slow down delivery of new policies

Zavereh Rustomjee, director-general of trade and industry, told the parliamentary committee on trade and industry this week that Nedlac could become an impediment. At the moment, however, it was proving very useful in developing new ideas.

Priority

Alan Hirsch, chief director of industry technology and strategy in the trade and industry department, said a range of issues had been referred to Nedlac.

Hirsch said the overall objective of Nedlac's trade and industry chamber was to develop policies to promote growth, employment and an increased income and standard of living for all South Africans in line with the objectives of the reconstruction and development programme

He said a number of priority areas were being considered by the trade and industry chamber. These included:

International trade relations and trade policy.

This section included the submission of a social clause by the labour delegation, which would set employment standards in multilateral and bilateral trade and investment agreements

The development of foreign

investment policy. The discussions are based on investigations funded by the Japanese Grant Fund of the World Bank.

Issues under investigation include the pre-shipment finance for small and medium business attempting to access the export market, the appointment of consultants (paid for by government and benefiting businesses) to advise small and medium business on how to become internationally competitive and the development of competitive downstream industrial clusters, such as the electronics industry and stainless steel

The development of domestic investment policy, including regional industrial development and export processing zones.

Hirsch said there were problems with export processing zones. Labour was concerned that there would be an absence of regulations protecting labour, while established business was concerned that there would be unfair competition from foreign competitors, for example in the manufacture of motor vehicle components.

The development of industrial policy and industrial restructuring

Export assistance measures.

This included discussion of export marketing, technical assistance for micro, small and medium business and the development of a competitiveness programme,

The stimulation of supply side measures to encourage economic growth including human resource development, technology use and development, promotion of domestic and foreign investment, and improved work organisation, practice and productivity

Competition policy, and

The development of mining, mineral and energy policies

Labour and business to continue meetings on Act

Renee Grawitzky

MEETINGS between labour and business continue today and tomorrow following a decision taken by the governing body of Business SA and its board of trustees on how to take the process forward.

Amid claims by labour that business was divided and had no proper mandate from its constituency, close to 70 chairman and CEOs of leading companies affirmed their confidence in the negotiating team and agreed on future action.

The delegates, including Julian Ogilvie Thompson, Johan Rupert, Leslie Boyd and Basil Hersov, endorsed the broad principles of voluntarism, flexibility and diversity which formed the basis of Business SA's position on the draft Labour Relations Act.

Since the start of bilateral meetings outside the formal negotiating committee under the auspices of the National Economic Development and Labour Council (Nedlac), both parties have attempted to move on their original positions on an unmandated basis in order to take the process forward.

Both have remained silent on how far they have moved on their original positions on the core areas in dispute such as the compulsion to bargain at central level and the protected right to strike.

Business sources claim that although the principles have remained the same, positions "may be moving in furtherance of exploring areas of settlement".

Mass action continues this week with June 16 rallies which will focus on the LRA campaign.

New union federation proposed

(132) CT 13/6/95

DURBAN. The IFP has entered the fray over the controversial labour relations bill, vowing to head the formation of a new union federation to oppose Cosatu.

The party has slammed Cosatu's plans for mass action to persuade business to support the legislation.

IFP labour relations spokesman Mr Velaphi Ndlovu said Cosatu should work within the National Economic Development and Labour Council.

The IFP would convene a workshop later this year of unions which are pathetic to its position to form a strong federation to oppose Cosatu.

Mr Ndlovu described the new labour bill as a "pre-fab" that is a betrayal of its support of the ANC government.

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Unions 'value SA's First World infrastructure'

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

(132) CT(BR) 13/6/95

Investors should take note that, in spite of the present labour troubles, the trade unions are far too conscious of the value of South Africa's First World infrastructure to damage it, says Peter Bartholomew, a partner in the Cape Town office of stockbrokers Mathison and Hollidge

In an upbeat look at the economy, Bartholomew says in his

newsletter to clients that doubts are being expressed in American and European boardrooms about the effect of black empowerment

"Long-term erosion as a result of unrealistic wage demands, ballooning public sector deficits resulting from undisciplined government expenditure and general mismanagement by inexperienced officials are viewed as major risks in investments"

But, says Bartholomew, foreign investors underestimate the

strength of the infrastructure and the experience of the people who manage it — and the fact that the new government understands this

"This pragmatic approach has avoided much of the power grabbing and wildly expensive experiments of other African countries — and the plethora of training programmes for senior and middle-level government officials, brought in by overseas agencies, is passing thus approach down the ranks

"If there is to be upheaval, the

risks come from the militant leaders of the grassroots population who may tire of waiting for the promises they were given

"Current strikes and unrest are more a protest to the government than to private enterprise and a great deal depends on the government of national unity both to deliver the process and to ensure that radical factions do not hijack the process

Cyril Ramaphosa's influence will be important in reaching com-

promise, he said

Admitting that "plenty could still go wrong", Bartholomew continues "Investors should take note that there is a much stronger philosophy of reconciliation at all levels of society than was once thought possible

"This is a uniquely South African phenomenon. It sends a clear message that South Africa plans to resolve its internal differences and maintain its First World economy"

The good news: parties are still talking

■ BY THABO LESHILO

Nedlac executive director Jayendra Naidoo would say no more last night than "the parties are still talking. That is a good sign", following the meeting on the dispute around proposed changes to the Labour Relations Bill.

Les Kettleidas, deputy director general of the Department

of Labour, said both parties appeared committed to reaching agreement in time so that the new Labour Relations Bill could be passed into law during the current parliamentary session which ends on September 15.

He denied that the Labour Ministry had given the parties up to June 30 to find common ground. "The June 30 thing is

just a red herring, and it does not really matter if the negotiations carry on for a day or two thereafter."

Labour negotiator Ebrahim Patel said the meeting had identified the core concerns and areas of difference between labour and capital.

The parties agreed to meet again next week after consulting their principals. Patel said

the labour unions desperately wanted to reach agreement on forums, lockouts, and workplace bargaining before June 30.

Labour Minister Tito Mboweni said from London before returning to Johannesburg following an International Labour Organisation conference "he was in touch with both parties".

Star 14/16/95

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Unions press on with plans for mass action and strike

Business, labour

Showdown looms

BY JUSTICE MALALA
LABOUR REPORTER

Business and labour are headed for a major confrontation after formal negotiations on new labour laws failed to reach agreement yesterday. Union federations are going ahead with further mass action as well as a half-day strike on Monday.

Business South Africa (BSA) leaders said last night they were committed to the continuation of negotiations on the draft Labour Relations Act but reaffirmed their positions on the three main issues that led to the impasse, vowing they would not compromise. And the Congress of SA Trade Unions, which is leading the mass action campaign and

commands a membership of more than 1.5-million, was meeting last night to assess progress in the talks and to chart a way forward for its ongoing campaign.

Speaking after a meeting of business leaders including Anglo American chief Juhani Oglivie, Thompson and JCI head Pat Retief in Sandton last night, BSA representative Bobby Godsell said the business community would intensify negotiations on the Bill and would start a campaign to better inform South Africans about its positions. Cosatu has said that if business does not accede to its demands for legal compulsion of centralised bargaining, work-place forums and the balance between the right to strike and

EMPLOYERS VOW NOT TO COMPROMISE ON THREE CRUCIAL ISSUES CAUSING BREAKDOWN IN TALKS

to lock workers out, it will continue its mass action.

The campaign began last week with marches in several cities and placard demonstrations at workplaces since then. A source within Cosatu yesterday said the meeting, involving leaders from all over the country, was in his view a "war council aimed at bringing business to its senses". Meanwhile, Econometric economist, analyst Tony Twine said yesterday the country

stood to lose about R685-million as a result of the National Youth Day holiday on Friday, and Monday's half-day strike, although hard to calculate, would cause the country to lose millions more.

SA Chamber of Business spokesman Gerrie Bezunderhout said a full day's work would be lost in the march despite Cosatu saying it was a half-day strike.

Cosatu spokesman Neil Coleman said last night the federation would unveil a full programme of action today following the deadlock. Talks between the two sectors will continue in a bid to meet the June 30 deadline set for completion of negotiations on the Bill. Business negotiator Adrian du Plessis said new

structures to negotiate in labour and business would be discussed between Godsell and the business community supported the new Act but regarded the labour movement's insistence on centralised bargaining being made compulsory as "nonsense". Business wants centralised bargaining to be an issue which should be determined by unions and employers as they wished and says it should not be compelled by law.

Business also feels the new legislation is weighted in favour of striking workers and does not protect a business that might close down because of strike action.

Tough talk on strikes - Page 15

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(132)

MAKING PROGRESS



Jayendra Naidoo, the executive director of Nedlac (left), with the deputy director general of the department of labour, Les Kettleidas (centre) and Business South Africa negotiator Adrian du Plessis after yesterday's meeting to discuss labour legislation.

PHOTO JOHN WOODROOF

Labour and business 'still talking'

CT(BA) 14/6/95

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BY THABO LESHILO

STAFF WRITER

"The parties are still talking. That is a good sign," was all Jayendra Naidoo, National Economic Development and Labour Council (Nedlac) executive director said after yesterday's negotiating committee meeting on the disputed labour legislation.

Representatives of organised labour and business briefed the Nedlac committee on the progress made in informal meetings held to try to resolve their differences.

Les Kettleidas, deputy director general of the labour department said he had been encouraged by the process

Kettleidas said both parties appeared committed to reaching an agreement to ensure the new labour relations bill could be passed during the current parliamentary session which ends on September 15

He denied that the labour ministry had given the parties up to June 30 to find common ground

"The June 30 thing is just a red herring, and it does not really mat-

ter if the negotiations carry on for a day or two thereafter," said Kettleidas

Labour negotiator Ebrahim Patel said the meeting had identified the core concerns and points of contention between labour and capital on the labour relations bill.

The parties agreed to meet again next week after consulting their principals Patel said the unions wanted to reach agreement on workplace forums, lockouts, central bargaining and the organising rights of trade unions before June 30

Tito Mboweni, Labour Minister said he was in touch with the parties and "my sense is we're making progress" He was speaking in a telephone interview from London after attending the International Labour Organisation conference

"But, quite clearly, this is a situation of negotiations and people need to understand that," Mboweni said.

Given the demonstrations of strength by both sides in recent days, he said "I think both parties now are willing to bargain, and to bargain seriously"

Business SA throws down the gauntlet

BY BRUCE CAMERON

POLITICAL EDITOR

Organised business declared yesterday it would "take a six-month strike" rather than be forced by industrial action into accepting changes to proposed labour legislation that could inflict severe damage to the economy

The stark warning came from David Brink, the chairman of the powerful Business South Africa organisation, during an interview with Business Report.

To back up the warning, Business South Africa launched a nationwide advertising campaign today to take its argument to the public to counter the campaign being waged by the trade unions

The dispute is over changes to the draft labour relations bill, which is being debated by the National Economic Development and Labour Council (Nedlac)

"The captains of industry have decided that they will take a six-months strike if necessary," Brink declared.

But he said business would keep negotiating and would not pull out of Nedlac.

"It is one thing for labour to behave badly. It is another thing for business to behave badly," he said.

No one had the right to sabotage the economy through industrial action when negotiations were still under way, he said.

The Nedlac talks are aimed at reaching consensus on the draft legislation by June 30.

Brink predicted it would be difficult to close the gap between labour and business and that Tito Mboweni, whom he described as

"the best minister of labour we have had in a very long time," would have "to front up against labour".

Brink said that a crucial principle was involved: whether there should be "voluntarism or compulsion" on the issue of centralised bargaining. He warned that compulsory central bargaining across all industries would be a disaster for the country

"South Africa's single biggest problem is unemployment. There are only two ways to improve employment. The first is from large South African and foreign companies. The other is to create an environment for small business development," said Brink, who is also the chairman of Absa, the country's largest banking group.

Compulsory central bargaining would frighten off big investors and make the growth of small business impossible, he said. Big companies could afford to pay a sweeper R2 500 a month, but if small business were forced to pay the same it "would wipe out any competition to big companies", he said.

He said Cosatu and its associated unions represented only 20 percent of economically active people in the country. On top of this, unemployment was about 50 percent.

"The unemployed are being abused by the unions because they want to raise the entry costs of employment," Brink said.

He rejected as a "monumental lie" claims by labour that business was trying to alter the legislation on central bargaining, saying: "The bill provides for voluntarism."

□ Continues next page

Business warns it will sit out a Cosatu strike

□ From previous page

Business was not opposed to centralised bargaining, and many agreements were already in existence. The issue for business was to avoid making it compulsory as it was not suitable to many fields

An example was in the pulp and paper industry, which did not have a central bargaining agreement and which operated on three levels. At the first level were large and small tree growers, including many small growers in KwaZulu. On the second level were large and small tree cutters and at the third level were capital-intensive pulp and paper mills.

This made it virtually impossible to have one agreement for the whole industry, with small growers most adversely affected, Brink said.

He said another major issue was the use of so-called scab labour. Business could not accept that it should not employ other people in the event of a strike. It could not afford to stop production and lose markets. Firms would be "wiped out" if they could not keep operating. This, in turn, would push up unemployment.

Brink said there had been a positive and negative side to President Nelson Mandela joining union members in a march on the issue in Johannesburg last week.

It had probably kept the march peaceful but would also have been shown on television screens across the world — and perceived by international investors as encouraging labour unrest.

Brink said it was his view that the unions had foolishly got themselves in a tight corner. "It is now a question of finding some realistic compromise."

Business, labour talks progress

Renee Grawitzky

BUSINESS South Africa and labour have been exploring proposals which will accommodate labour's demand for centralised bargaining

One proposal under consideration — which permits centralised bargaining at industry level — is the suggestion that social policy issues be negotiated at industry level. Wages would then be negotiated at a level agreeable to the parties outside that forum

It is understood that labour opposes the removal of wage negotiations from central-level bargaining

Business SA has strongly opposed the compulsion to bargain at central level.

Business SA spokesman Bobby Godsell said last night at a briefing that many sectors did have central bargaining structures, without the legal compulsion to enter into such forums.

He said this was achieved largely through attaining organisational rights. The debate was not about centralised bargaining but whether people should be compelled by law to bargain at a certain level

Labour in its memorandum presented to business during the protest march on June

Continued on Page 2

Labour

Continued from Page 1

6 said each industry should "be covered by a national bargaining council and that employers and labour negotiate at national industrial level. We propose that the content or bargaining be left to the parties to resolve."

The draft Bill promotes but does not

compel bargaining at a central or industry level

Business SA said last night negotiations should continue and that bilateral meetings had helped the parties clarify their positions on core issues. Godsell said the parties had discussed proposals on promoting the process and in what forum the negotiations should continue.

Business prepared to 'sit out strikes'

BY BRUCE CAMERON

Organised business yesterday declared it would "take a six-month strike" rather than be forced by industrial action into accepting changes to proposed labour legislation that could inflict severe damage on the economy.

The stark warning came from David Brink, chairman of the powerful Business South Africa organisation, in an interview BSA also today launched a nation-wide advertising campaign to take its argument to the public.

The dispute is over changes to the draft Labour Relations Bill, which is now being debated by the National Economic, Development and Labour Council (Nedlac).

Brink declared: "The captains of industry have decided that they will take a six months strike if necessary." He said the Government would have to choose between the interests of the unemployed and those of organised labour.

Brink said business would keep negotiating and would not pull out of Nedlac, adding: "It is one thing for labour to behave badly. It is another thing for business to behave badly."

SPAN 14/6/95
INDUSTRIAL action won't force business to accept changes to the draft LRA Bill, it has vowed

"No one had the right to sabotage the economy through industrial action when negotiations were still under way"

The Nedlac talks are aimed at reaching consensus on the draft legislation by June 30.

Brink predicted it would be difficult to close the gap between labour and business and that Tito Mboweni, who is "the best Minister of Labour we have had in a very long time", will have to front up against labour.

Brink said an absolutely crucial principle was involved: "Whether there should be voluntarism or compulsion" on the issue of centralised bargaining. He warned if central bargaining was made compulsory across all industries, it would be a disaster.

Acceptance of compulsory central bargaining would frighten off big investors and make it impossible for the growth of small business

Brink, who is also chairman

of ABSA, said big companies could pay a sweeper R2 500 a month. If this was enforced on small business, it would wipe out any competition with big companies and strengthen monopolies.

He said the trade union federation Cosatu and its associated unions only represented 20% of economically active people in the country. On top of this there was unemployment of about 50%, South Africa's single biggest problem

Brink rejected as "a monumental lie" claims by labour that business was attempting to alter the legislation on central bargaining, saying: "The bill provides for voluntarism."

Business was not opposed to centralised bargaining. The issue was to avoid making it compulsory as it was not suitable to many fields

An example was the pulp and paper industry, which did not have a central bargaining agreement and which operated on three levels. At the first level were tree growers, who were both large and small, including many small growers in KwaZulu Natal. On the second were tree cutters, some large and some small, and at the third were the capital-intensive pulp and paper mills

Unions, business in deadlock over Labour Bill

NO PROGRESS was made in talks with business on Monday and Tuesday on the Labour Relations Bill, trade union federations said yesterday

At a joint Press briefing in Johannesburg by the Congress of SA Trade Unions, the Federation of South African Labour Unions and the National Council of Trade Unions, Cosatu general-secretary Mr Zwelinzima Vavi said: "The velvet glove of reasonableness has been taken off to reveal the iron fist with which they (employers) run their companies."

He said employers could not come to terms with the core issues of centralised bargaining, the right to strike without dismissal and organisational rights

Progress on centralised bargaining was being prevented by the chemical, retail and paper sectors which refused to make concessions, he said. Labour would not budge from its stance that centralised bargaining should be compulsory

Employers insisted on the right to fire strikers if they put a company's viability in jeopardy, Vavi said. Strikes meant employees lost wages and companies were destabilised, two factors essential to effective negotiations, he added

On organisational rights, Vavi said business supported allowing more than one union at any firm, to divide the trade union movement. Instead unions having the most members at a firm should be protected

He said there was no charge to plans

for a half-day strike on June 19 to pressure business to make concessions. If business refused to budge, additional mass action would be considered

Cosatu, Nactu and Fedsal called on the Government to "not give in to the blackmailing tactics of business" such as newspaper advertisements detailing business' views on the Bill

Earlier yesterday Minister of Labour Mr Tito Mboweni said the Government could not detail its position on the Bill until negotiations between business and labour were over

Mboweni also said he saw progress being made between labour, business and the Government in talks on the Labour Relations Bill

"Some bubbles are beginning to emerge in the negotiation process which I think is a very good sign," he told a Press briefing in Johannesburg after returning from an International Labour Organisation conference in Geneva, Switzerland

"The issue of centralised bargaining is, as far as I can read, acceptable to all three parties," Mboweni said. "The problem lies in its compulsion"

Labour convenor Mr Ebrahim Patel said business had to make the leap to democracy in the work-place just as whites had made the leap to political democracy in last year's general elections

Labour and business are to continue their talks on June 20 and 21 —
Sapa

Libel suit against Jomo Sono

By S'Busiso Mseleku

KAIZER Chiefs coach Augusto Palacios has demanded R50 000 in damages from National Soccer League executive member Jomo Sono. Sono, who also owns Jomo Cosmos Football Club, was yesterday served with a letter of demand from lawyers representing Palacios

A spokesman for Wertheim Becker, attorneys acting on behalf of the Chiefs coach, yesterday confirmed they had demanded R50 000 from Sono who had failed to apologise for an alleged defamatory statement against Palacios. The statement was attributed to Sono in a weekly newspaper

Responding to allegations that he (Sono) had sold Chiefs an injured player in Henry Gondwe, Sono was quoted as having said "That is a South American lie."

Palacios' lawyers demanded payment of the amount within three days and said failure to do so would result in "action instituted" against Sono for recovery of the damages. In a letter sent to Sono yesterday, Palacios' attorneys said their client's reputation was harmed as a result of Sono's alleged remarks

Speaking to *Sowetan* from his central Johannesburg office, Sono said "I won't pay or retract my statement. I'm prepared to face him in court and repeat those words." Sono said it was strange that Gondwe had a sterling performance against Mamelodi Sundowns at Odé Stadium on Sunday

"If Mr Palacios wants a fight with me I'll give him one," he said

Mboweni confident of eventual settlement between labour

Renee Grawitzky

LABOUR Minister Tito Mboweni said yesterday he was confident that a settlement between labour and business was in the making on core issues in their dispute, despite utterances to the contrary.

Meanwhile, labour negotiator Ebrahim Patel said the parties were "not at a point where we can see a deal in place".

Business South Africa spokesman Adrian du Plessis said "There are potential areas of agreement, fundamental areas of disagreement and many areas which have

not yet been canvassed."

Mboweni said, "Perhaps more has happened than the parties are prepared to disclose publicly", despite public positions presented by both parties — the continuation of mass action by labour and the intensive media campaign and the placing of advertisements by business. He said "each party is angling for an advantage".

National Economic Development and Labour Council (Nedlac) executive director Jayendra Naidoo said: "The informal discussions have been useful as the parties have explored their positions and their bot-

tom lines comprehensively. The challenge to all of us is to make that leap that will bring a solution."

Mboweni said movement towards centralised bargaining in sectors such as chemical and retail would go a long way to help the process.

Patel agreed, saying discussions had been taking place in sectors which did not have centralised bargaining structures. But the problem was the question of companies in the decentralised areas.

Liberty Life vice-chairman Dorian Wharton-Hood said it would be disastrous

for small employers to contemplate participation in a centralised bargaining forum. It was ironic that Business South Africa was fighting for the interests of small business and unemployed, as the draft Bill was more about the economy's survival.

Patel said if business was so concerned about small businesses and the compulsion to bargain at central level, "why did business not once raise the idea of compulsory centralised bargaining for large companies?" Cosatu said business's adverts were "a transparent ploy to draw attention

away from their failure to address substantive issues".

Labour has called on government not to "give in to the blackmailing tactics of business" and warned that it should stand firm on the mandate which brought it into office. The day of mass action on Monday would go ahead and labour said the programme of mass action was "the key to unlocking the deadlock".

After that the parties would re-evaluate their position and if the deadlock was not broken by the end of June, rolling mass action could continue.

business

Union bosses lash out at BSA, Sacob joins fray

(132) STAR 15/6/95
BY THABO LESHILO and DEREK TOMMEY

Business South Africa's (BSA) growing aggression in its acrimonious struggle with organised labour over the disputed Labour Relations Bill has angered the three union federations in Nedlac.

Yesterday, Cosatu, Nactu and Fedal slammed BSA's nationwide advertising campaign this week outlining the position of organised business on centralised bargaining, workplace forums, trade union organising rights and industrial action.

"The adverts are a transparent ploy to draw attention away from their (organised business) failure to address substantive issues," the federations said in Johannesburg.

Meanwhile, the South African Chamber of Business (SACOB) last night called on

employers to follow a policy of "no work, no pay" for workers who do not attend work on Monday.

It also called for disciplinary action to be taken at the discretion of the company.

It said in a statement it was disappointed at Cosatu's failure to call off Monday's planned work stoppage. While it upheld the right to peaceful protest, this particular action was inappropriate while the issues in contention were being negotiated in Nedlac.

At the same time, Cosatu assistant general secretary Zwelinzima Vavi was saying: "The outbursts today reveal their (organised business) true colours, which workers know so well. The velvet glove of reasonableness has been taken off to reveal the iron fist of kragdadigheid with which they run their companies."

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CALL TO ACTION Nedlac labour negotiator Ebrahim Patel (right) at yesterday's press conference, urging workers to take part in a half-day strike and marches on Monday to force business to agree to labour demands for compulsory centralised bargaining. Looking on is Nactu assistant secretary-general Mahlomola Skhosana. PHOTO: JOHN WOODPOOF

Unions lambast business for advertising campaign

BY THABO LESHILO

STAFF WRITER

Business South Africa's (BSA) growing aggression in handling its acrimonious struggle with organised labour over the disputed labour relations bill has angered the three union federations in Nedlac.

Cosatu, Nactu and Fedsal yesterday slammed BSA's nationwide advertising campaign this week, which outlined the position of organised business on centralised bargaining, workplace forums, trade union organising rights and industrial action.

"The adverts are a transparent ploy to draw attention away from their (organised business's) failure to address substantive issues," the federations said at a press conference in Johannesburg.

The trade union bosses also crit-

icised BSA for saying that companies were prepared to "take a six-month strike" rather than accept the unions' demands for compulsory centralised bargaining, an unfettered right to strike and that workplace forums be enshrined in law.

"The outbursts today reveal their true colours, which workers know so well. The velvet glove of reasonableness has been taken off to reveal the iron fist of *kragdadigheid* with which they run their companies," Cosatu assistant secretary general, Zweluzima Vavi, told reporters.

According to BSA vice-president Bobby Godsell, the advertising campaign was part of the resolve by organised business to be "more aggressive and assertive" in countering the impression created by the unions that the business community was opposed to change

and favoured apartheid-style labour relations.

As attitudes continued to harden on both sides, the three union federations called on workers to take part in marches and a half-day strike on Monday, with a view to forcing business to agree to labour's demands in time for the new law to be passed this year.

Meanwhile, Liberty Life deputy chairman, Dorian Wharton-Hood, has warned that the compulsory central bargaining demanded by the unions would be disastrous for South Africa's economy.

He said "This is a survival issue for South Africa. Compulsory central bargaining will make it impossible for us to compete and will harm small businesses. Unemployment will rise and foreign investors' perceptions of the country will be negative."

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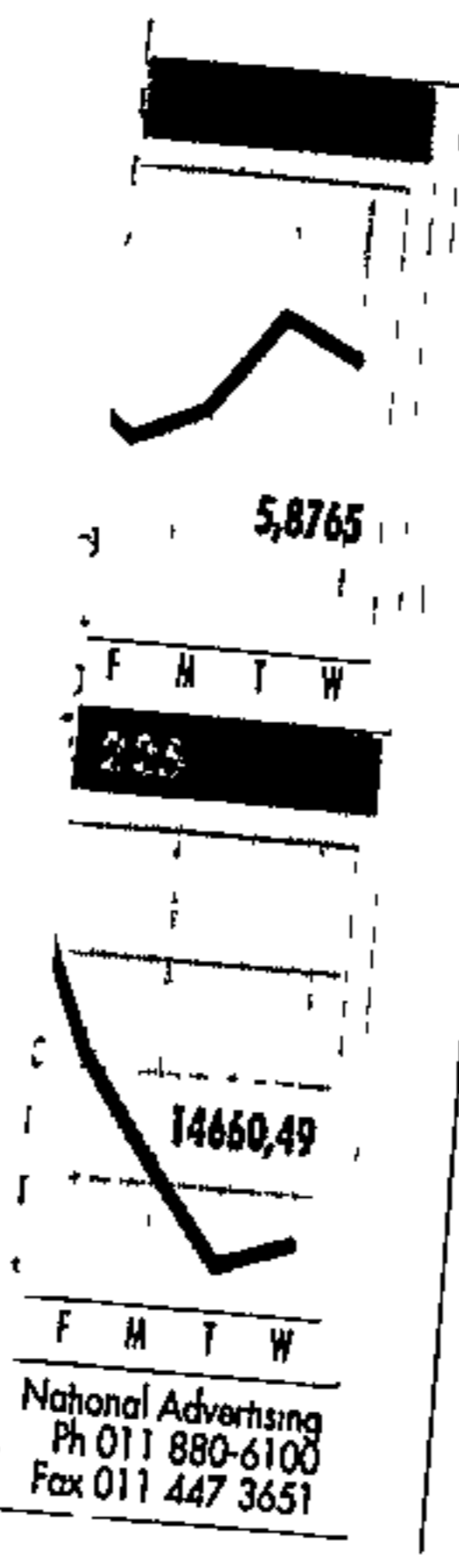
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CT(BR)15/6/95 No work, no pay urges Sacob (132)

BY DEREK TOMMEY

The South African Chamber of Business (Sacob) has called on employers to follow a policy of "no work, no pay" for workers who do not attend work on Monday. It also calls for disciplinary action to be taken at the discretion of the company.

It said in a statement last night that it was disappointed at Cosatu's failure to call off Monday's planned work stoppage.

While it upheld the right to peaceful protest, this particular action was inappropriate while the issues in contention were being negotiated.

Negative

Sacob says that although a half-day stoppage is the stated plan, the likelihood is that a full day's work would be lost. The negative impact of the work stoppage on Monday would be exacerbated by the fact that Friday, June 16, is a public holiday.

"Companies should draw up contingency plans and discuss the planned events with their workforce in order to minimise disruption."

Sacob warns that the way in which South Africa handles the crucial labour relations bill cannot be seen in isolation. It says it has wider economic and business implications. The negative impact on the business mood and on investor perceptions abroad should not be underestimated.

Council seeks clarity on 'closed shop' agreement

PETER DENNEHY
MUNICIPAL REPORTER

CT 15/6/95

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THE Cape Town City Council is to go to the Industrial Court today to obtain clarity on whether or not it can continue with its "closed shop" agreements with its unions.

Where a closed shop exists, employees are compelled to join one or other union. This requirement is part of the conditions of service under which employees are hired.

There has been resistance to this from some of the staff, although the agreement goes back at least 50 years.

One objector is paying his "union dues" to the Community Chest, while another 40 or 50 are paying theirs into holding accounts, depending on the ruling.

Mr Ernie Thorne, deputy director of the council's labour relations department, said the action was a sequel to an Industrial Court ruling on December 13, 1993 that in its then-existing format, the council's closed shop arrangement was an unfair labour practice.

BUSINESS ACTING 'RECKLESSLY'

CT 15/6/95

Cosatu rejects '3rd World' labour laws

BIG BUSINESS and trade unions are deadlocked over future labour legislation, and Cosatu is planning a march to Parliament tomorrow to highlight their demands.

SOUTH AFRICAN workers will not agree to a Labour Relations Act which will put them on a par with workers in the Pacific Rim countries — because cheap labour is a feature of those economies.

This was said yesterday by Cosatu acting general-secretary for the Western Cape Mr Joseph Williams.

Cosatu unions, he said, had drawn up a Labour Relations Act which was in line with other First World countries and which protected the rights of the worker

"We will never agree to the

Third World option being proposed by the Business South Africa alliance because it will undermine the power of the unions "

Big business and trade unions are deadlocked on a number of points in the new Labour Relations Act — including centralised bargaining, industrial action and work-place forums.

Business want the right to lock striking workers out — a clause which, they say, balances out the workers' right to strike

This week organised business said it would take "a six-month

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strike" before they were forced into accepting the unions' proposed labour legislation changes.

March

The trade union alliance said it was "amazed" at this "reckless" challenge and accused business of being immature. To highlight their demands trade unions are planning a march through Cape Town to Parliament tomorrow.

Labour Minister Mr Tito Mboweni said yesterday he was confident agreement would be reached on a new labour law this month, despite a half-day strike planned by trade unions for Monday. — Staff Reporter, Reuter

Advocate June Wilson, author of *Giles Files*, an employment law information service in Durban, discusses the changes in the new Act.

One labour Bill for all if all goes well

(132) SPAN 16/6/95

THE draft Labour Relations Bill proposes several far-reaching changes to the present system of labour law and industrial relations, although many proposals are based on the original framework of laws, structures and procedures which have been developed incrementally over the past 90 years

New Legislation: It is proposed to repeal all existing labour legislation, including the Labour Relations Act 28 of 1956, the Public Service Labour Relations Act 105 of 1994, the Education Labour Relations Act 146 of 1993 and Chapter I of the Agricultural Labour Act 147 of 1993, and to replace them with a single Act applicable to all employers and employees throughout the country

Employees in the public service and the educational, agricultural and domestic sectors will all be included within the same legislation, the only exceptions being members of the SA National Defence Force, agencies and services established by the Intelligence Services Act, and the SA Police Services.

Certain special bargaining arrangements and agreements which are already in place, such as in the public service and the agricultural sector, will continue to be in force through the operation of transitional provisions in the Bill, and will only be phased out over a period of time

Freedom of Association The basic rights of freedom of association for both employees and employers are spelt out in chapter two of the Bill

They include the right to join and take part in the activities of a trade union or employers' organisation, and not to be victimised for so doing

The victimisation provisions extend to persons seeking employment

Collective Bargaining The Bill grants trade unions specific rights of access to the workplace to organise and to conduct union activities, and obliges employers, in some cases, to provide information to a union or its representative, and to allow representatives time off for union activities

The thresholds of representativeness at which these rights accrue to unions have been left for negotiation by Nedlac

As at present, registered unions and employers or employers' organisations will be able to conclude legally binding collective agreements, but these will be enforceable by arbitration rather than through criminal or civil action

The criminal sanction has been removed for nearly all breaches of the Bill's provisions, including engaging in illegal strike action

Agency shop agreements, which require the deduction of agency fees from employees who are not members of a representative

trade union, will be allowed, but the future of full-scale statutory closed shops remains clouded, as they may contravene the new Constitution.

Meanwhile, existing statutory closed shops will remain in force, but non-statutory closed shops will have to convert to agency shops

The present industrial council system will be converted into a system of bargaining councils which will operate along similar lines, but with simplified procedures for registration, etc

Important changes include

- The inclusion of both public and private sector interests within a single council,
- Representation of small business interests on councils,
- An annual review of their representativeness,
- Additional protection before council agreements may be extended to non-parties.

Bargaining at national level is facilitated through the new bargaining council system, but is not made compulsory

Industrial Action The procedural steps which employees or their union must follow before embarking on a legal strike are greatly simplified and expedited. The need for prior balloting is dispensed with. The definition of a "strike" specifically includes partial stoppages and a refusal to work overtime.

Once on a legal strike, an employee is protected against civil actions for delict and for breach of contract, and enjoys a very high degree of protection against dismissal.

The full extent of this protection is, however, not entirely clear, and dismissal may be permissible for "operational requirements" after compliance with certain procedural requirements

Employees who strike illegally are not protected from dismissal by the Bill, but their dismissal is not automatically fair

An employer's right to embark on a legal lock-out is retained, but lock-out dismissals are prohibited

Secondary strikes and picketing are recognised and protected subject to certain restrictions, and protest action taken to promote or defend employees' socio-economic interests is also protected in limited circumstances

The right to strike or to lock-out is limited

- If the matter is regulated by collective agreement or wage determination
- If the collective agreement prohibits strikes or lock-outs
- Where the issue must be referred to arbitration by agreement
- Where the dispute is one of "right"
- In an "essential service, in which case the dispute must be referred to compulsory arbitration

Smuts chose the Canadian path

A proper understanding of "labour law", or employment and industrial relations law as it is also known, needs some understanding of the history and development of a system created at the beginning of this century

It is customary to stress the tripartite nature of the system and particularly the functions of the State, employers (including management) and employees (including trade unions)

In theory the State is expected to protect and foster the "public interest". This includes people who are unemployed, elderly and sick. In addition the State should protect the interests of all citizens by ensuring certain services cannot be disrupted because they are "essential".

Again, in theory, the State should have a clear vision of what objectives need to be attained and ensure that its industrial relations are the most suitable for attaining such goals.

Collective bargaining and "power-play" have generally been accepted in SA as the preferred way of resolving most disputes of "interest", like wage disputes. After exhausting collective bargaining and reaching an impasse, certain prescribed procedures must be followed before the trade union and employees may "strike", and employers "lock-out", but only to resolve the dispute

In labour law the words "strike" and "lock-out" have special meanings and are defined in the Labour Relations Act 28 of 1956 (LRA) and must be read with sections 65 and 79 of the LRA.

Almost all modern economies accept that conciliation is a necessary step in the process of trying to resolve "interest" disputes

Disputes in "essential services" must be resolved by some form of compulsory arbitration to avoid the adverse consequences of a power-play. However, upon the failure of parties to resolve a dispute in non-essential trades, industries or services, various options present themselves.

Some systems completely forbid power-play while others allow it. In the US, the general rule is that an employer faced with an economic strike is allowed to replace the strikers.

Jan Smuts considered different systems before introducing laws in the Transvaal in 1909 in a bid to resolve serious conflict after the end of the South African War

COMPLICATED laws govern conciliation in 'interest' disputes. Graham Giles, a Durban attorney and part-time law professor at RAU, analyses labour laws in SA.

He opted for the Canadian model, which allowed for "power play" but only after conciliation, instead of the Australasian model of compulsory arbitration in all instances

Smuts and Louis Botha represented South Africa at Versailles in 1919 at the Peace Treaty and were founder signatories to the International Labour Organisation (ILO)

During the "Rand Revolt" in 1922 Smuts intervened in the power play on behalf of the employers with the might of the armed forces and "resolved" the dispute, but killed or injured hundreds in the process

Thereafter, Smuts tried to appease his supporters, many of whom had been involved in the Revolt, by introducing laws to give effect to ILO principles. This was done in 1924 and South Africa became the first country to do so

However, Smuts was ousted by the Pact government in 1925 which gratefully endorsed Smuts's new dispensation, the Industrial Conciliation Act, 1924 (ICA)

A mechanism was created in the ICA allowing for a high degree of "self-government" for employers and employees, mainly through voluntary industrial councils with equal representation of employers and trade unions

Agreements concluded by the parties to such councils were ratified by the Government and made binding on all parties to the council. Provision was also made for the establishment of conciliation boards in the unorganised sectors

In addition, the ICA recognised certain basic worker rights and repeated the principle of the 1909 Transvaal law by insisting on conciliation through a council or conciliation board before allowing a strike or lock-out

■ Giles will continue his overview in *The Star* on Monday.

Strike on Monday

STAFF REPORTER

CT 16/6/95

RELATIONS between labour and business are expected to take a turn for the worse on Monday when unions in 24 different towns engage in a half-day strike and mass action to break the deadlock in negotiations over the new labour relations bill

The strike, according to Mr Peter Roman, National Council of Trade Unions (Nactu) Western Cape co-ordinator, was called to break the stalemate in its negotiations with employers.

Mr Roman said yesterday the strike was a joint action between the Congress of SA Trade Unions, Nactu and the Fedal.

Although these unions have political differences, they have united to fight for worker demands in the new bill.

"We demand the right to strike, to organise, to have workplace forums and the right to centralised bargaining," the union official said.

Monday's half-day strike and mass action will start at 10am at the Grand Parade and be followed by a march to Parliament and the chamber of business.

New labour law a threat to jobs, say economists

CT 16/6/95

(132) (132)

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

Although the current mass action by Cosatu will have only a short-term effect on the manufacturing industry, the effect of proposed labour legislation could be to reduce the number of jobs in South Africa, economists warned yesterday.

Old Mutual economist Rian le Roux commented "At the end of the day we need a more flexible labour market

"It is important that labour and business sort things out. There is a risk that labour will become a problem in terms of efficiency and will price itself out of the market

"Then we shall have a return to capital-intensive policies, with companies investing in more machinery and with fewer jobs available"

Nedbank chief economist Dennis Dykes said this was not just a domestic squabble but something

which could affect labour relations for the next 10 years "And it could have long-term effects. People will just not invest in South Africa if all the demands of labour are met"

Board of Executors economist and senior portfolio manager Rob Lee commented "The last thing we need now is industrial confrontation. But there are some pretty important issues here and business has decided to take a firm stand

"It is better that we should have some short-term pain now than suffer a long-term disadvantage in international markets and in competing for investment"

Boland Bank economist Francois Jansen said he believed that "at the end of the day, labour law will look very different from the present proposals

"You cannot have centralised bargaining, for instance, in a country made up of regions with very different employment levels. A lot of jobs could be lost in that way, particularly in smaller firms"

Mass action 'treason', says employer leader

ARC 16/6/95

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Staff Reporter

COSATU'S call for rolling mass action on Monday is not only illegal, but tantamount to treason, says Lawrence McCrystal, chairman of the Confederation of Employers of Southern Africa (Cofesa)

And employers in the clothing industry have threatened not to pay workers for today, Youth Day, if they do not report to work on Monday

Cosatu has called for a half-day protest on Monday against employers' intransi-

gence in talks on the draft labour relations bill

The employers say the clothing industrial council agreement does not provide for payment if workers absent themselves from work the day preceeding and/or following a public holiday

But the South African Clothing and Textiles Workers' Union (Sactwu) disputed the legality of the threat and warned that they would take urgent action against those who tried to realise it

Mr McCrystal said the country's pro-

ductivity figure was the lowest in the world, and rolling mass actions and strikes would erode it even more

"It is in the interest of the country's economy that employers and employees combine forces to pull the economy together. So far negative mass actions of trade unions have seriously jeopardised the economy

"This not only constitutes a crime against economic growth, but also treason against all who are trying to build democracy in South Africa"

Unions plan action for Monday on labour bill

Staff Reporter

ARG 16/6/95
FURTHER trade union mass action aimed at forcing business and government to accede to their demands over the proposed Labour Relations Bill takes place on Monday

South Africa's three trade union federations — the Congress of South African Trade Unions, National Council of Trade Unions and Federation of South African Labour — are united in demanding that centralised bargaining, the right to strike and organisational rights be entrenched in the new bill

At a Nactu press conference,

(132) (116)
regional secretary Peter Roman appealed to students to join the mass action

Assistant general secretary Mahlomola Skhosana said Nactu's central committee had decided to "direct the fight" at government and business

The government was responsible for the bill, he said

● Nactu does not believe that its targetting of the government will place "undue strain" on its allegiance with Cosatu over the issue of the Labour Relations Act

Cosatu is part of the ANC ruling alliance

Sacob warns on labour's day of action

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Sowetan 16/6/95

More than 23 marches and other activities are expected countrywide

By Abdul Milazi
Labour Reporter

THE SOUTH AFRICAN CHAMBER OF Business yesterday advised employers to draw up contingency plans to counter organised labour's planned national day of action on Monday

Sacob spokesman Mr Gerrie Bezuidenhout said although a half-day stoppage was planned for Monday, the likelihood was that a full day's work would be lost

Monday will be the climax of Cosatu-Nactu and Fedsal's rolling mass action that began on June 5 to try and break the impasse at the National Economic Development and Labour Council negotiations

Country wide

More than 23 marches and other activities are expected to be held countrywide. There will be marches in the Northern Cape and Free State towns of Kimberley, Taung, Kuruman, Kroonstad, Welkom, Bloemfontein, Qwaqwa, and Bethlehem

All the marches will start between 10am and noon. In the Western Transvaal, marches will be held in Klerksdorp starting at 11am from Checkers to the Department of Labour, in Vereeniging

workers will assemble at 11am near the Vaal Show Grounds and march from 1pm to the Post Office

Carletonville marchers will gather at the Traffic Department at 10am and march on the Department of Labour

Four marches have been planned for the Eastern Transvaal in Nelspruit, Witbank, Middelburg and Leandra. Starting times vary from 10am to noon

Pretoria march

In the Northern Transvaal, three marches have been planned in Pretoria, Pietersburg and Rustenburg starting at 10am

The main march in Pretoria will start from Brown Street to the Union Buildings

In the Western Cape, the main march will be in Cape Town where workers will gather at the Grand Parade at 10am and march to the Chamber of Commerce

Four marches will be held in the Eastern Cape cities of Port Elizabeth, East London, Butterworth and King William's Town

In Gauteng, a report-back meeting on the demands tabled during the June 6 march will be held at the Library Gardens in Johannesburg at 9am

Details on the KwaZulu-Natal situation were still not available at the time of going to press

NEDLAC

Still on track

FM 16/6/95

After threatening to pull out of Nedlac negotiations on the draft labour Bill when organised labour last week took its demands to the streets, Business SA (BSA) seems to have pulled back and decided to "hang in there" after all. The threat is seen by one leading businessman as having "put down a marker," though.

"We are continuing with negotiations," says BSA assistant secretary-general Carina Gardiner, adding that a statement would be issued this week after a meeting of the board of trustees and governing body. "But we are sticking to the principles of voluntarism and flexibility in labour relations, which must be aimed at promoting economic growth and jobs."

The BSA's decision to continue participation in Nedlac emerged at a meeting of its governing body last Thursday, which was attended by the big guns of industry — including Julian Ogilvie Thomson, Johan Rupert, Les Boyd, Basil Hersov, Marinus Daling, Dikgang Moseneke, Pat Retief, Paul Kruger and BSA president David Brink.

The meeting also reaffirmed support for the BSA negotiating team, led by Adrian du Plessis of the Chamber of Mines. Du Plessis had issued the threat to pull out on the basis that business could not take part in talks while labour held a pistol to its head in the form of escalating mass action to achieve its demands.

Labour, which last week received indirect and ill-advised backing from President Nelson Mandela personally when he reaffirmed their constitutional right to peaceful protest, plans a national half-day stayaway next Monday afternoon if its demand for compulsory central bargaining is not met, affirms Cosatu's Neil Coleman.

Government's plan is to achieve consensus on the labour Bill by June 30, which

many regard as unrealistic.

There had earlier been reports that business was divided in its approach especially regarding the key issue in contention — compulsory centralised bargaining.

About two-thirds of industry, including the mining and metal sectors but excluding retail, chemical, paper and food, bargain centrally. This issue, more than differences over workplace forums and unions' (unlimited) right to strike, led to deadlock in the labour chamber of Nedlac after only a couple of meetings, giving rise to speculation that this corporate decision-making forum had died on the vine. Indeed, experience elsewhere of tripartism in labour and industrial policy-making is mixed, even in far less divided societies than SA.

Sacob spokesman Gerrie Bezuidenhout says business is not in principle against either centralised or decentralised bargaining: "It is the compulsion aspect that we don't accept; it should be left to the parties in any sector to decide what form of bargaining they want." He accepts there are

advantages and disadvantages to central bargaining but points out it may be inappropriate for some such as small and medium enterprises. He says about 80% of Sacob members are small businesses.

Nedlac chairman Jayendra Naidoo says the council is not under threat at all. He says the heat and dust around the Bill is not necessarily all negative, Nedlac acts as an early warning system to government and fo-

cususes everybody's minds on finding creative solutions. It would be "premature" to write it off. Formal and informal contacts between labour and business are continuing and the parties had "constrained" themselves. Naidoo is sure a way around the problem of central bargaining will be found, saying "there are possibilities for finding a practical solution both parties can live with."



Nedlac's Naidoo . the parties can find a practical solution

DRIVING HARD BARGAINERS

The public slanging match between business and labour over the new Labour Relations Act is set to take to the streets tomorrow with the first national stayaway since last year's election. RAY HARTLEY looks at the issues behind the dispute

(132) ST 18/6/95

RIDDLED with perplexing jargon, the battle over the shape of South Africa's new labour legislation is in danger of succumbing to the very thing it seeks to eliminate — emotional public shows of strength over issues that should be resolved around a table.

At stake is the shape of the new Labour Relations Act — legislation that will shape the relationship between business and trade unions for years to come by establishing the rules for negotiations on wages and conditions of service.

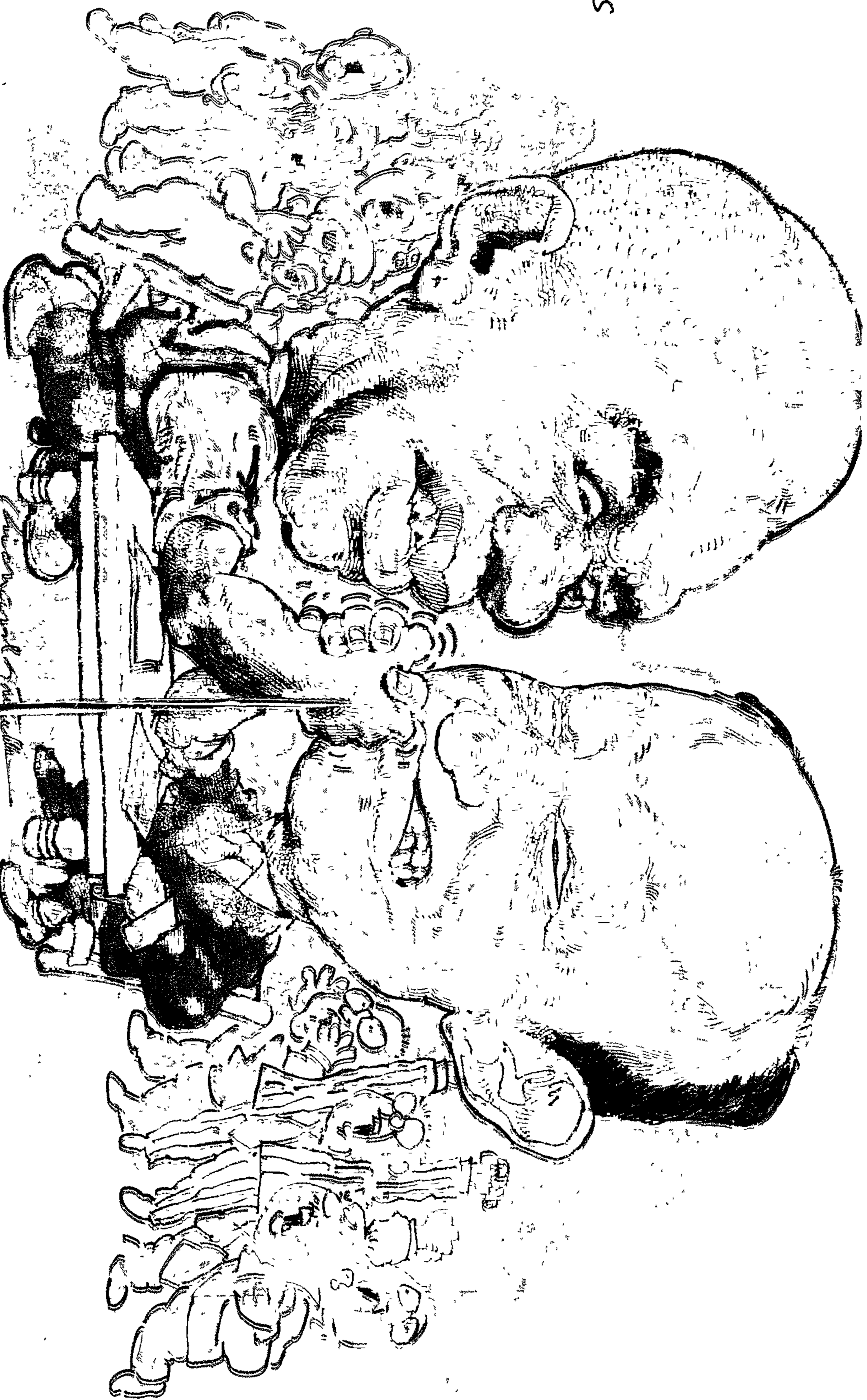
Drafted by labour lawyer Halton Chede at the behest of Labour Minister Tito Mboveni, the legislation has been under discussion in the newly created National Economic Development and Labour Council (Nedlac), a body comprising government, business and labour representatives.

Talks in the council ran into trouble after labour insisted that centralised bargaining — a process which would see minimum wages and working conditions discussed at industry level as is the case in the mining sector — be made compulsory in the legislation.

Business rejected this, saying the principle of "voluntarism" should apply, allowing trade unions and employers to decide whether or not to centralise bargaining in a particular industry.

For Business South Africa's David Brink, making centralised bargaining compulsory would be "disastrous". "Compulsory centralised bargaining is a nonsense. Why I don't decide to go for it, I don't know," he says from his first-floor office in Sandton.

To illustrate his point, he



says this argument presents an unfair caricature of labour's vision of centralised bargaining. "We've said that small business's voice must be heard very clearly in the bargaining councils."

Using criteria such as the number of employees, turnover and the nature of owner-

"You could end up with five unions in each of these categories and well over 40 unions just in that workplace."

Mr Patel believes that business is being held hostage by three industrial sectors — chemical, paper, pulp and printing, and retail — where no centralised bargaining

tion on the right to strike the interests of prevent permanent damage, unacceptable.

"Business has argued for a range of proposals, the effect of which would be to take away the right to strike every strike that I've been involved in there has been

Underlying the arguments over centralised bargaining and the unqualified right to strike is the question of the future of trade unionism in South Africa.

While unions have been in a state of structural decline in the rest of the world, shedding

members and giving up centralised bargaining for plant-based arrangements, South Africa has bucked this trend to the frustration of local businessmen.

Many of them now see the redefining of the act as an opportunity to bring the coun-

try into line with the rest of the world by reducing trade union power and freeing up individual producers to cut wage deals that make them viable against low-paying foreign competitors.

From labour's point of view, centralised bargaining

is the best way of preserving the power of trade unions and the persuasive power of unions such as Cosatu, which are in danger of losing their political clout as their ANC allies become increasingly enamoured of the possibilities of an alliance with business.

Critical to the tussle between labour and business is the third player in the arrangement — government.

The question of both business and labour are asking is which way government will lean should the dispute prove irreconcilable.

Headed by Mr Mboveni, the government delegation has so far focused on goading business and labour into finding common ground with out government interference.

Last week President Nelson Mandela entered the fray, announcing that government supported the right of workers to protest without restraint, but he carefully avoided committing himself to centralised bargaining.

Addressing the same rally as Mr Mandela, ANC deputy secretary-general, Cheryl Carolus, was less equivocal than the president, stating that the ANC supported the demand for centralised bargaining.

COSATU president Sam Shilowa has already hinted the ANC's parliamentary caucus on the draft legislation in anticipation of a possible legislative fight.

Says Mr Vavi, "We have talked to some Cabinet ministers and they seem to fully support our position."

But the ANC faces other pressures, for organised workers are but a fraction of the people who voted them into office.

Mr Brink is quick to point out that around 50 percent of economically active South Africans find themselves unemployed. "Whose looking after them? So far I don't feel confident that those interests are being looked after."

If no result can be produced during this parliamentary session, South Africa will have to live with its current system of adversarial bargaining and the prospect of enhanced industrial conflict next year when trade unions will have a score to settle.

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sketches the implications of introducing centralised bargaining into the paper and pulp industry.

WITH enterprises ranging from one-man shows to conglomerates and activities as diverse as growing trees, sawing logs and the "world class capital intensive" operation of turning the wood into pulp and paper, the industry is simply too diverse to cope with a uniform wage scale, he says.

Centralised bargaining would decimate smaller businesses by forcing, for example, a small company growing trees to pay the same basic wages as pulp factories.

"I've spoken to a tycoon who pays his sweepers R2 500 -- a small business can't do that. Bargaining structures have to be tailored to specific circumstances," he says. Cosatu's Ebrahim Patel

ship to define legitimate small businesses, the centralised bargaining process would allow for special wage and service dispensations to ensure their viability.

The "voluntarist" position taken by business was in fact the cover for a plan to fragment unions by confining them to plant-level bargaining and ultimately, creating a host of smaller unions within factories.

By proposing that just 15 percent of workers sharing a common work environment would be sufficient to allow a union to be formed, employers were seeking to weaken worker power, by turning negotiations into a set of piecemeal discussions.

Using a clothing factory as an example, Mr Patel points out that business's plan would see 15 percent of cutters, designers, sewing machine operators, labourers and clerks all able to form their own unions.

arrangement exists. Centralised bargaining has long been entrenched in the metal and mining sectors.

ALSO a cause of union anxiety has been the question of whether or not scab labour should be allowed to take the place of striking workers during industrial action.

While trade unions want the new legislation to ban scab labour altogether, business has opposed this, saying it would go against international practices.

Says Mr Brink: "If there are strikes for whatever reason, there are some companies that have to keep running."

The alternative, he says, is for businesses to lose market share to less disrupted competitors and "to do permanent damage with a temporary dispute".

For Mr Patel, any limita-

prospect of irreparable damage being done," he says.

This week, as Cosatu's half-day work stoppage loomed large, business and labour exchanged increasingly acrimonious statements. Mr Brink said business would sit out a six-month strike rather than give in to labour's demands.

Zwelenzima Vavi, Cosatu's assistant secretary-general, has since raised the stakes, saying this week that it would retaliate by campaigning for an across the board minimum wage of R1 500 in 1996, if centralised bargaining was not made law.

The consequences of such a populist campaign among workers could be devastating for marginal businesses.

But even as the public display of hostility grew, negotiators resumed discussions in Nediac, seeking a way out of the impasse and signalling that both parties still respected the negotiation option.

Showdown looms over Labour Act

(132) ST 18/6/95

COSATU general secretary Sam Shilowa has challenged Business South Africa's David Brink and Anglo American's Bobby Godsell to a public debate over the Labour Relations Act.

The union federation is spearheading a nationwide "day of action" in 27 centres tomorrow to get centralised bargaining and an unlimited right to strike written into the Act.

Mr Brink has said that business was prepared to sit out a six-month strike before giving up its fight to have businesses decide voluntarily whether to bargain with unions at industry level.

"I hope they will retract that statement because if

By RAY HARTLEY, Parliamentary Correspondent

there is anybody who is scaring off investors, it is David Brink and Bobby Godsell," Mr Shilowa said at a press briefing yesterday.

He warned that companies that took disciplinary action against workers for taking part in the mass action would be "black-listed" and targeted by the union movement.

Cosatu spokesman Neil Coleman said the federation would wage a national campaign for a countrywide minimum wage of R1 500 if the Act did not entrench centralised bargaining.

Meanwhile, in the engineering industry, the National Union of Metalworkers' 120 000 members edged closer to declaring a dispute with the Steel and

Engineering Federation. Numsa's general secretary, Enoch Godongwana, said the 10 percent increase offered by management did not address the union's demands

● See Page 25 and Business Times

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Cosatu turns up the heat in labour row

ST(BT) 18/6/95

(132)

By KEVIN DAVIE

THE labour movement has promised widespread mass action protests during tomorrow's planned half-day national work stoppage to demand amendments to the Labour Relations Bill.

Cosatu's Neil Coleman says the protest will be much more widespread than last Tuesday's marches in the main centres.

"There are 24 marches planned, in every region and with non-union support from the ANC, Sanco and church organisations."

Mr Coleman says negotiations between business and labour are "effectively deadlocked".

There have been no discussions since Tuesday. Mr Coleman expects negotiations to begin on Wednesday. This will leave only nine days for agreement to be reached on the Bill if the June 30 deadline set by Labour Minister Tito Mboweni is to be met.

But with at least 75% of the contents of the Bill — including points of major contention — yet to be discussed, the deadline does not appear achievable.

A further 230 submissions of about 4 000 pages are understood to have been made to the Labour Ministry.

Mr Mboweni this week expressed confidence that

a settlement was achievable, but both parties say there has been no progress, even on core issues.

The central dispute remains legal compulsion on employers to bargain with trade unions.

Employers support the right of workers to organise through trade unions but say the requirement to bargain with unions should be achieved through the union's organisational strength.

Unions want a legal compulsion to bargain to come into effect at a certain level of representivity.

They also want legislation to require bargaining in councils which represent an entire industry.

Employers believe these arrangements are best made by the parties and may vary from one industry to the next.

Compromise, but unmandated, proposals were explored this week.

Business has suggested industry forums be set up, possibly under the Nedlac umbrella, to discuss sectoral (non-wage) issues.

Labour rejects the proposal as it excludes wages.

A labour suggestion — understood to have been rejected by business — is that there be no prescription on what is negotiated

at the bargaining councils but that once agreements have been reached, these will apply to the sector covered by the council.

Most unionised workers are covered by agreements struck in centralised bargaining forums.

Labour says business will collapse these forums if they are not legally protected.

Business argues that the labour relations system needs flexibility so that bargaining arrangements can be renegotiated in response to competitive pressures.

Business also says legal protection can lead to corruption and a distancing of the union leadership from its members.

Negotiators agree they face a power struggle.

"It's a question of power, unfortunately," says Mr Coleman.

He says he believes the government will accept a degree of legal compulsion to bargain in the new Act.

Business South Africa's David Brink said this week that business will sit out a six-month strike if necessary rather than depart from its bottom line of "voluntarism".

The Labour Ministry is understood to remain hopeful that an agreement will follow Monday's stoppage and that agreement will be reached before or soon after the June 30 deadline.

Proposed labour relations Bill will simplify law for unions and bosses

The procedural steps which employees or their union must follow before embarking on a legal strike are greatly simplified and expedited. The need for prior balloting is dispensed with. The definition of a "strike" specifically includes partial stoppages and a refusal to work overtime.

Once on a legal strike an employee is protected against civil actions for delict and for breach of contract, and enjoys a very high degree of protection against dismissal.

The full extent of this protection is, however, not entirely clear, and dismissal may be permissible for "operational requirements" after compliance with certain procedural requirements. Employees who strike illegally are not protected from dismissal by the Bill, but their dismissal is not automatically fair.

An employer's right to embark on a legal lock-out is retained, but lock-out dismissals are prohibited.

Secondary strikes and picketing are recognised and protected subject to certain restrictions, and protest action taken to promote or defend employees' socio-economic interests is also protected in limited circumstances.

The right to strike or to lock-out is limited

■ If the matter is regulated by collective agreement or wage determination

■ If the collective agreement prohibits strikes or lock-outs

■ Where the issue must be referred to arbitration

JUNE Wilson author of Giles Files, an employment law information service in Durban, continues her assesment of the proposed labour relations Bill *Star 19/6/95*

by agreement

■ Where the dispute is one of "right"

■ In an "essential service, in which case the dispute must be referred to compulsory arbitration.

Workplace Forums:

The Bill proposes to introduce workplace forums as a move away from adversarial bargaining and towards joint problem-solving and joint decision-making in the workplace. The Bill envisages that the forums will supplement but not replace collective bargaining, and proposes a clear separation between the two.

Forums will be established formally only on application by a representative union in a workplace with at least 100 employees, and they will represent the interests of all employees in

the workplace. Their role and functions are spelt out in detail in the Bill, and once established they can only be disbanded if the number of employees falls below 100.

The Bill envisages three forms of participation by the forums

■ Information sharing

■ The right to be consulted and

■ The right to take joint decisions with management on defined matters.

What these matters should be has been left for negotiation by NEDLAC. Disputes must be referred to compulsory arbitration.

Dispute Resolution:

As proposed the present industrial court system will be abolished and replaced by an independent Commission for Conciliation, Mediation and Arbitration which will be state funded and go-

verned by a board appointed by NEDLAC

The powers and functions of the Commission will include providing advice and training on labour relations matters, overseeing the establishment of workplace forums, and appointing commissioners to resolve disputes referred to it. Commissioners will attempt to conciliate disputes which at present must be referred to a conciliation board and if they cannot resolve them will arbitrate them. Bargaining councils can also resolve disputes.

The "unfair labour practice" will, with minor exceptions, disappear, and there will be no statutory "duty to bargain". Where a dispute exists over bargaining rights or a refusal to bargain it will presumably be resolved by power-play.

If unresolved by conciliation certain types of dispute will be referred to a newly established Labour Court, falling under the Department of Justice and presided over by a judge. Appeals will lie from the Labour Court

to a Labour Appeal Court, but there will be no further appeal.

Unfair Dismissal:

Chapter VI provides for a specific category of "unfair dismissals". A dismissal will be unfair unless for a fair reason connected with the employee's capacity or conduct or with the employer's economic, technological, structural or similar requirements, and in compliance with a fair procedure. Most cases will be referred first for conciliation and then for final arbitration, with no appeal to the courts. Dismissals for "invalid reasons" and for economic reasons will be referred to the Labour Court for adjudication.

Where a dismissal is found to be unfair the primary remedy will be reinstatement of the employee, usually from the date of dismissal. If the employee is not reinstated an award of compensation may be made, but may not exceed certain prescribed maxima, which range from six to 24 months' wages, depending on the circumstances.

PRODUCTIVITY

SPECIAL REPORT

Business and workers battle for new labour Bill advantage

(132) CT(ER) 19/6/95

By ANN CROTTY

Last year's annual wage negotiations took place in the shadow of the first democratic elections. The coincidence of events is believed to have affected the manner in which the parties approached negotiations.

This year's annual wage negotiations are similarly being undertaken against the backdrop of business and labour battling for advantage in the negotiations over the new Labour Relations Bill.

It has inevitably hardened attitudes on both sides, especially in the metal industry negotiations which deadlocked last week.

However, one aspect of labour relations within the metal industry offers encouragement for those who believe labour and capital can work together effectively to improve productivity.

Workplace forums

The draft agreement for worker participation being discussed by business and labour in this industry could become a model for the workplace forums that have become a stumbling block in the National Economic Development and Labour Council (Nedlac) negotiations on the draft labour Bill.

The National Union of Metalworkers (Numsa) said the immediate cause of the metal industry deadlock was the reluctance of the Steel and Engineering Industries Federation of South Africa (Seisa) to deal with the need to close the "apartheid wage gap".

The dispute puts in jeopardy the productivity document that the two parties have been working on for years. If the productivity pact becomes a victim of this wage battle, it will be a major setback for the forces of reason in the war zone of industrial relations.

At this stage it looks as though the document will survive to become part of the industry's long-term negotiation



PINPOINTING PRODUCTIVITY More complex than just plant-level activity and getting workers to work harder

is therefore likely to be a powerful reference document for Nedlac, especially as much of its content is permanent to the debate on the role of workplace forums as laid out in the Labour Relations Bill.

The introduction to the draft agreement stresses that the guidelines contained are an attempt by industry representatives to assist employees and employers to develop a "world class" approach.

"It should be emphasised that all parties agreed that no single overseas model was suitable for the particular circumstances of South Africa. The framework outlined here is an attempt to put the ideas of world class strategies into a South African context."

Likely to win it some support within Nedlac is the frequent emphasis that it is not a "how to" manual but a set of guidelines "aimed at encouraging workers and management to start discussing and dealing with the challenges the industry faces."

Plant level talks

"Its purpose is to encourage employers and employee representatives to enter into negotiations at plant level on productivity-related matters. In order to succeed, productivity bargaining needs to be entered into freely and willingly by all parties concerned. It must be carefully tailored to suit the requirements and circumstances of each individual company."

That said, the draft does provide some fairly detailed guidelines on the concept of productivity as well as key issues and areas for negotiation — including a step by step process for implementation.

As with most of the parties who have difficulty with aspects of workplace forums, the Seisa and Numsa negotiators fully support the basic concept.

However, they disagree with some of the details, specifically the notion that wealth distribution can be separated from wealth creation in a negotiation forum. The proposed productivity framework includes a section with guidelines

on "how to distribute the additional wealth". As Numsa's Chris Lloyd points out: "Wealth creation cannot be separated from wealth distribution."

He added that if South Africa was ever to move towards world-class production, a number of critical issues had to be realised by key players in the local economy. "From the workers' point of view, demands for more money must be linked with the need to be more productive in order to be able to create more money."

"On the employers' side, must be the realisation that productivity is not just a function of getting workers to work harder. Productivity is more complex and involves capital, material and managerial input as well as workers."

There also has to be a realisation that productivity does not just deal with plant-level issues. Also important are input prices and the need to ensure these are internationally competitive.

These issues will also be part of Nedlac's broad agenda which will in turn help to formulate government policy.

Instead of talking about workplace forums, Numsa and Seisa talk about consultative committees. These seem similar to workplace forums except that in the Labour Relations Act forums there is no room for the discussion of the distribution of wealth — only for its creation.

In contrast, discussion of how to distribute the additional wealth is a prominent part of the proposed role of the metal industry's consultative committees.

Seisa's Dave Cansen expressed support for the establishment of workplace forum-type structures, noting: "It is one way of giving effect to the Labour Relations Bill and is aimed at moving from an adversarial relationship between the owners of capital and labour to a co-operative one."

But he expressed concern about limited flexibility in the proposed workplace forums. "I'm not comfortable with the idea that unions have the sole right to determine whether or not a forum will be established — all parties concerned should be involved in that decision."

He also believes all the parties should decide what issues are discussed in the forums.

SA group gets membership

Renee Grawitzky

(132) 19/6/95

THE International Industrial Relations Association (IIRA) has granted membership to the Industrial Relations Association of SA (Irasa)

Irasa is an organisation comprising industrial relations practitioners, trade unionists, students and academics involved in the labour relations arena

At IIRA's 10th World Congress held in Washington earlier this month, it was agreed that SA would help arrange the second African Regional Industrial Relations conference, to be held in Harare in 1997

SA labour laws (132) ~~(132)~~ 'fare well' globally

SA FARED well internationally in terms of its labour legislation and trade union movement, Cosatu general secretary Sam Shilowa said on Saturday

"Depending on the outcome of the draft Labour Relations Act, I think that we will fare even better," Shilowa said at a news conference in Johannesburg after returning from the International Labour Organisation (ILO) conference in Geneva.

The ILO conference acted as a forum to exchange ideas on labour relations laws, as well as tackling topical issues

Cosatu announced this month labour had reached a deadlock with business over key issues in the draft Bill.

Shilowa doubted the conference would affect the Bill's components or would break the deadlock, but said international labour leaders offered "new lessons to be learned"

One of the main achievements of the conference was the convention on mining safety which would be drafted this year, he said — Sapa.

Cosatu insists today's mass marches and strike action go ahead

Business Day Reporters (132) (468)

A HALF-DAY strike — called by labour to press home demands on revised labour legislation — would go ahead today, with rallies and marches in all major centres, Cosatu said at the weekend.

The demands, including stable centralised bargaining institutions, promotion of strong representative trade unions and the full right to strike would be spelled out at rallies around the country. Tens of thousands of workers were expected to attend. Cosatu's call was heeded by the National

Council of Trade Unions and the Federation of SA Labour Unions. Their 500 000 members were expected to join the action.

Almost 30 towns and cities would be affected. Marches were scheduled to start between 10am and noon. It was unclear whether those who joined in would report for duty later.

The SA Chamber of Business (Sacob) advised employers to adopt a "no work, no pay" policy. This was condemned by the National Civic Organisation's Gauteng branch, which warned Sacob against its "arrogant attitude".

Labour said employers who took disciplinary action against workers participating in the marches would find themselves on a black list for "victimising workers for exercising their constitutional rights and we will be targeting them for action".

Cosatu planned its major march from Cape Town's Grand Parade via Parliament to the Cape Chamber of Commerce. In Johannesburg, workers would march to the Library Gardens; in Pretoria the Union Buildings would be a rallying point, Cosatu general secretary Sam Shilowa said.

SA Police Service spokesman Capt Wi-

kus Weber said contingency plans were in place "should anything go wrong".

Business SA chief negotiator Adrian du Plessis condemned the stayaway, saying a "bosberaad" involving representatives of all three parties — labour, business and government — was planned for this weekend to try to thrash out a deal on the controversial Bill.

Top-level negotiators were expected to attend the meeting in a last-ditch attempt to meet the end-June deadline set by government to ensure revised legislation was put before Parliament during the current

session. **BD 19/6/98**

Government was expected to table revised proposals, which Du Plessis said business awaited "with bated breath". Their content was unclear, but compromises on workplace forums, bargaining levels and closed shops were expected.

Du Plessis said protest action should follow, not precede, negotiations. He denied the parties were in deadlock, despite Shilowa's assertion that this was the case. "Protest action... should be used as a last resort. We are not there yet," he said.

6 000 march against new labour laws

□ *Bill won't be allowed to pass, parties warn* ARLT 19/6/95 (132) (115)

ROGER FRIEDMAN, Staff Reporter

THE "business friendly" Labour Relations Act will not be allowed to proceed through parliament, the ANC, PAC and Communist Party have warned

Speakers from the three political parties told a rally on the Grand Parade today it would be preferable for business to accept labour demands before the bill got to parliament

About 6 000 workers from several unions and labour federations were at the rally before marching to parliament and the Cape Chamber of Business and Industry to hand over memoranda

Organised labour is demanding that centralised bargaining and the right to strike be included in new labour laws

ANC Western Cape leader Chris Nissen promised his party's support for labour "inside and outside government"

He said it was time business came to terms with democracy — "they cannot enjoy the privileges they had before"

The government was not "on the side of business" Mr Nissen said

He reminded workers it was the ANC which had initiated the draft labour relations bill

Patricia de Lille of the PAC said "When this bill comes to parliament, we will use our vote to push through a bill that will please the workers

"Because of you, we are in parliament today We must show our loyalty to you and that is what we are going to do"

Phillip Dexter of the SACP said business should stop accusing labour of sabotaging the reconstruction and development programme (RDP)

"When we come with a concrete bill, they don't support it

"They must decide whether they support the RDP, or there is no place for them in this country"

Cosatu president John Gomomo appealed to the ANC and PAC to support the working class when labour minister Tito Mboweni reports to parliament on the progress of the bill on Thursday

He said workers could not count on support from the NP or the DP as they were "on the side of the bosses"

The National Council of Trade Unions (Nactu) regional co-ordinator Peter Roman said workers should prepare themselves "to strike against the bosses"

At midday, the workers gathered outside the main entrance to parliament, blocking Plain and Roeland streets

A line of police with riot shields and helmets lined the gates to parliament

The memorandum to the government was accepted by Trade and Industries Minister Trevor Manuel

He said it was the government's intention to ensure that the new Labour Relations Act was passed by parliament before September 15, the closing of the current parliamentary session

He urged the unions to continue negotiating in a peaceful manner

● Sapa reports that security was tightened in central Johannesburg today as thousands of workers gathered for a protest to press for concessions from business in negotiations on the bill

Police in armoured vehicles and traffic officers kept a close watch on the singing and placard-waving crowd

"Don't murder the working class by privatisation", a banner held aloft by workers proclaimed Another read "An injury to one is an injury to all"

● Few companies in Durban were affected by today's strike, according to Durban Regional Chamber of Commerce spokeswoman Priscilla Brett

Most companies would close early to allow workers to attend a march through the city at noon, she said



Picture HANNES THIART, The Argus

WAITING GAME: Police and union members wait in Koeberg Road, Milner-ton for news on whether the workers could march to Cape Town

Police on standby for worker marches

ET 19/6/95

(132) ~~(152)~~

JOHANNESBURG: Police had contingency plans to deal with possible outbreaks of violence during country-wide marches by workers today, a spokesman said.

Western Cape police spokesman Captain Wicus Holtzhausen said additional police were on standby, though violence was not expected.

Cosatu said on Saturday the half-day strike, meant to push employers into a new mindset on the draft Labour Relations Bill, would continue as planned.

Cosatu said it and employers could not agree on centralised bargaining, the right to strike without dismissal and other rights.

Today's mass action, said general secretary Mr Sam Shilowa, was meant to show that "apartheid leg-

islation" had to be re-written for democracy in the workplace.

"We are not naive, we know that behind employers' motives are profits at all costs," he said.

The half-day strike was expected to be the biggest in years.

The major march will take place in Cape Town, where workers will assemble on the Grand Parade at 10am and march via Parliament to the Cape Chamber of Commerce.

Gauteng's big march will begin at the Library Gardens in Johannesburg. Workers will also march to the Union Buildings in Pretoria.

Eight towns in the Northern Cape and Free State will see marches, as will Durban, Maritzburg and Ladysmith in kwaZulu/Natal — Sapa

Nedlac unlikely to heal labour rift

CT(BR)19/6/95

By THABO LESHILO

STAFF WRITER

With only 11 days left before the June 30 deadline for labour and business to heal their rift over the labour relations bill, the parties remain so fundamentally divided that it is highly unlikely the deadlock will be broken in time

And, given the growing determination by Business South Africa (BSA) to resist any pressure from organised labour on the matter, today's nationwide strike and

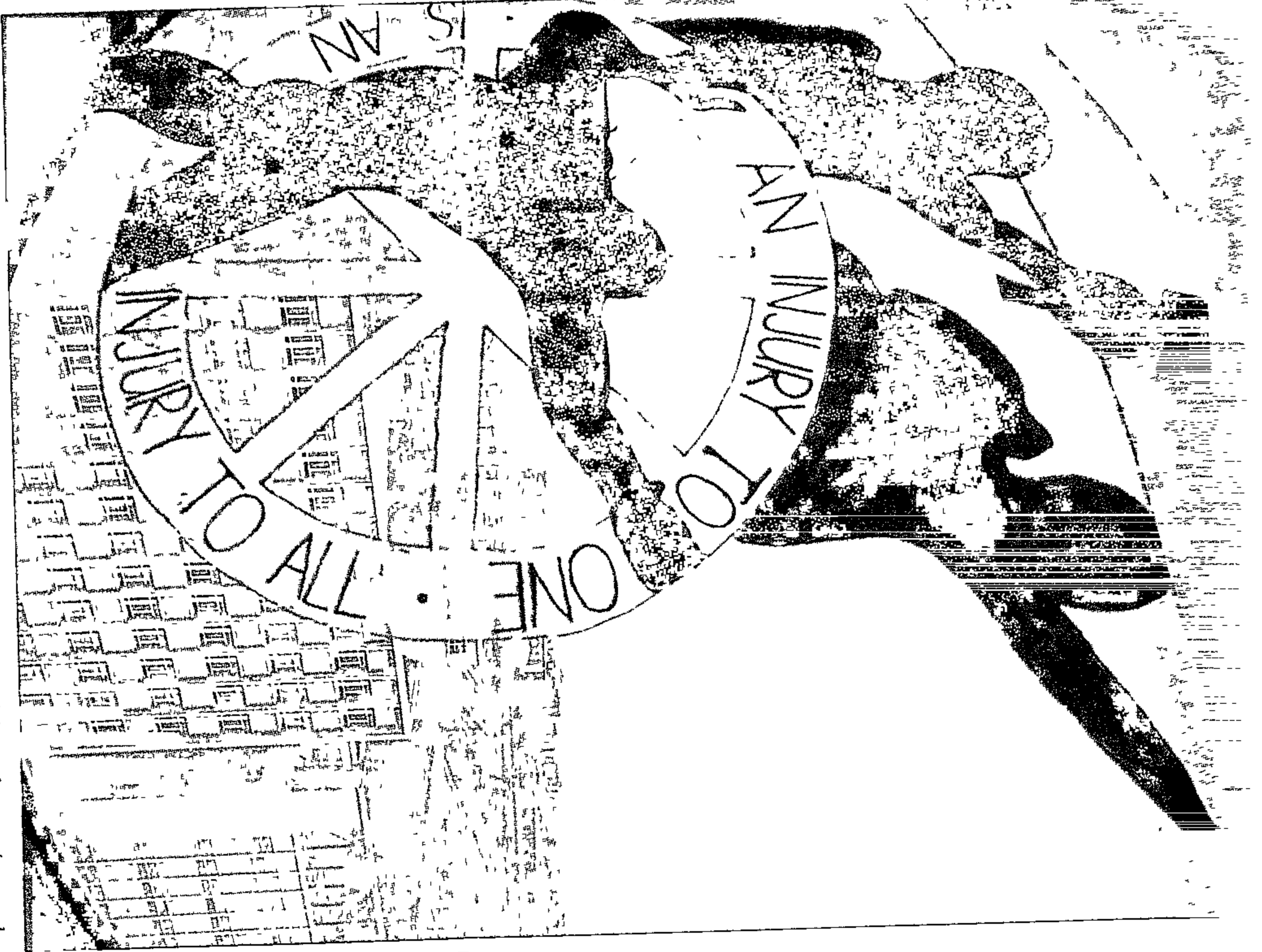
marches by Cosatu, Nactu and Fedral seem unlikely to move the process forward

Organisers said the protests — expected to be the biggest in years — would take place in at least 27 towns around South Africa despite further talks scheduled to start today in the National Economic Development and Labour Council (Nedlac) negotiating committee

Sacob has advised employers not to pay employees who stay away from work to join the

protests Speaking on his return from the International Labour Organisation conference at the weekend, Sam Shilowa, Cosatu secretary-general, criticised the business community for "stalling the process" of establishing a new industrial relations system

Shilowa repeated previous warnings by trade union federations that the government and parliament would have to pass the law this year to advance workers' rights regardless of the deadlock



LABOUR UNREST The crew from Cosatu's head office in Johannesburg Sam Shilowa, the union's general secretary, has turned the government and parliament to pass the labour relations bill regardless of the deadlock

PHOTO: JOHN WOODPOOF

Going about ~~(the)~~ consultation in ⁽¹³²⁾ the workplace

CT (BR) 19/6/95

Given that the detailed structure of the workplace forums has not yet been formalised and will only be done following input from Nedlac, and given that there has been so much opposition to the exclusion of negotiation on wages (including from Numsa) from the forums, it is worth noting some of the Numsa-Seifsa guideline's points on how to establish a consultative committee and use it effectively.

The section on employment and income security suggests "The key point for both sides to understand is that agreed productivity changes will not mean the loss of jobs or earnings, but could mean a substantial change in what employees and management do."

With regard to structure and membership, the point is made that it is important to ensure that both sides include the real decision makers and not just junior management

The committee should meet at least once every two months, the guidelines say, and any member should be able to place items on the agenda. It is important that both sides are involved in setting the agenda.

According to the guideline. "It is essential that minutes of each meeting are taken and distributed to all members of the committee and posted on notice boards. It may be a good idea to send a copy to the local union organisers so that they are not surprised by issues as they get implemented. Be careful with information that may be industrially or commercially sensitive to the company"

Significantly, given that Nedlac has to decide on what issues forum members should be consulting on, the Numsa/Seifsa document has already drawn up the beginnings of a list

Skills, training and career paths including the development of company training plans, retraining, multi-skilling and the assessment of earlier learning,

The introduction of new technology such as computer controlled machines, robots, fibre optics and so on and the effect these will have on employment, skills, safety and job satisfaction in the plant;

The introduction of new management techniques such as "just in time" and "total quality control" systems and "green areas", or continuous improvement processes, and

Major changes in market circumstances and/or product lines, which will require changes in production processes, skills or employee numbers. Most particularly, the effect of trade agreements such as Gatt on the plant should be thoroughly discussed.

On the issue of resources, as with the forum in terms of the Labour Relations Act, the employer is called upon to help provide training as well as materials and time.

The coming months at Nedlac will see heated and prolonged discussion over all of these issues.

Productivity benefits 'must be negotiated'

The one area which openly conflicts with the Labour Relations Act's suggestions for the workplace forums is the document's guidelines on how to distribute the additional wealth that is created through productivity improvements

There are certain primary requirements for a wealth distribution plan in a company and every plan would be evaluated in terms of the following

The plan must be negotiated,

It must emphasise productivity improvement by means of throughput growth in preference to cost reduction, thereby sustaining and/or increasing employment,

The additional wealth available for distribution must be measured unambiguously and transparently,

It must be clear to all participants what the outcome will be, that is, what achievements will lead to what benefits for which stakeholders,

Every stakeholder — owners of capital, managers, workers and customers — must benefit from the plan in the long term, but the degree of benefit must be negotiated up-front

Protests on today despite more talks

~~#6~~ (132) Star 19/6/95

■ BY THABO LESHILO

With only 11 days left before the June 30 deadline for labour and business to heal their rift, the parties remain so fundamentally divided it is highly unlikely that the deadlock will be broken in time.

And, given the growing determination by Business South Africa (BSA) to resist any pressure from organised labour on the matter, today's nationwide strike and marches by Cosatu, Nactu and Fedsal seem unlikely to move the process forward.

The organisers said the protests expected to be the biggest in years and could take place in at least 27 towns around South Africa despite further talks scheduled for today in the National Economic Development and Labour Council (Nedlac) negotiating committee.

Sacob has advised employers not to pay employees who stay away from work to join the protests.

Speaking on his return from the International Labour Organisation conference at the weekend, Sam Shilowa, Cosatu secretary general, criticised the business community for "stalling the process" of establishing a new industrial relations system.

Shilowa repeated previous warnings by the trade union federations that the Government and Parliament would have to pass the law this year to advance workers' rights regardless of the deadlock.

Marches planned for 27 towns

Showdown as unions protest

(132)

SAW 19/6/95

STAFF REPORTERS

Johannesburg workers turned out in full force early this morning, although traffic and transport problems were expected later today when thousands of workers join the midday protest in the city centre.

Labour is staging rallies and marches in 27 cities and towns today, to pressure business into accepting its demands regarding the Labour Relations Bill.

Their action is seen as a crucial event in terms of the six-week-old tripartite negotiations on the proposed law.

Business organisations are standing firm on their positions and are highly critical of today's protests. The two sectors have deadlocked on clauses in the draft Act related to centralised bargaining, the full right to strike, and the new workplace forums.

Only 33% of conductors on Wits Metro Rail Services reported for work today, but trains operating from Soweto were full, a spokesman for the services said.

Putco reported higher-than-normal loads in Soweto as passengers switched to buses be-

cause of problems on the railway. But passenger loads in Natal were 20% down, mainly in predominantly ANC areas, Brian Treweek, head of Putco industrial relations, said.

He had been advised that many employees would leave work at lunchtime to join the protest and they were trying to reach an understanding with drivers to ensure there was no interruption to afternoon services.

Witwatersrand police spokesperson Lieutenant Jan Combrink said all was quiet, but that traffic and transport problems were expected later this afternoon.

Sapa reports that police will use helicopters and patrol cars to monitor the march.

Additional police are on standby in case of emergency, but violence is not expected.

Protesters in Johannesburg were scheduled to assemble at the Library Gardens from 9am where leaders were to give speeches and read out responses to memoranda handed to the Government and business during marches on June 6.

The Pretoria march was due to start in Brown Street at 10am

and proceed to the Union Buildings.

SA Chamber of Business spokesman Gerrie Bezuidenhout said yesterday the organisation had recommended that employers adopt the no-work, no-pay principle regarding today's action.

"In our opinion the mass action is inappropriate as the negotiations have not broken down and are continuing in a legitimate forum. This is really a return to tactics suited to the old South Africa," he said.

The marches, coupled with a call for a national half-day strike, are the culmination of the first phase of a campaign to break the deadlock on certain clauses in the draft Act.

The various union federations last week threatened to demonstrate and take action against employers who penalise workers for participating in the mass action.

Formal negotiations with Government, labour and business resume tomorrow. Labour Minister Tito Mboweni said last week the Government would present new proposals tomorrow to help break the impasse.

Major adjustments to these Acts nothing new

(132) star 19/6/95

THE only real benefit of the system of conciliation through a council of conciliation boards as provided for in the Industrial Conciliation Act was its limited application to certain employees, thereby creating a dual system, and a deep chasm which increased the country

The 1924 ICA was updated in 1937 and 1956, essential features remained intact except that "non whites" were increasingly excluded from its provisions

After the Natal riots in 1973 the government commissioned Professor Nic Wiehahn to consider the entire system of industrial relations. The Wiehahn Commission reported initially in 1979 and made many important recommendations, including the scrapping of the dual system, the creation of a "labour" or industrial court and the introduction of a new concept, an "unfair labour practice" (ULP).

The new court was empowered to depart from the law of employment and issue guidelines and also enforce its notion of fairness in a wide range of employment

statements or compensation required by the definition of ULP, a distinction had to be made between disputes of "right" and "interest" in the absence of a negotiated settlement, disputes of "right" still had to be resolved through striking and lock-out. Such conduct was excluded from the definition of an ULP.

Other disputes referred to the industrial court for arbitration were "rights" disputes, "rights" disputes

During the period September 1988 to April 1991 the definition of an ULP was

TIES with ILO go back many years, Graham Giles, Durban attorney and part time RAU law professor, writes in this labour overview

extensively altered to prohibit "lock-out" and "strike" to exclude strikes and lock-outs. This allowed the industrial court to determine the nature of power play

The other important development in 1988 was the creation of a Labour Appeal Court (LAC) in which a Supreme Court judge sat with two assessors to hear appeals and reviews with a final right of appeal to the Appellate Division of the Supreme Court.

Before September 1988 ULP determinations of the industrial court were final and binding. With effect from May 1991 the main features of the original definition of an ULP were restored and still apply today.

Great interest has been shown in this rapidly growing branch of law by an ever increasing number of academics and practitioners. This, in turn, has generated a body of law which surpasses that of any other field of law in modern times with the possible exception of the allied branch of human rights and constitutional law.

With the inclusion of other sectors of the economy, such as farming and public and domestic services, a thorough knowledge of the law on this subject is of vital importance to virtually every citizen. Other vital areas of knowledge include:

- Of their association with the International Labour Organisation since 1919.
- Of being the first country to

on the principle of legislation, but only at first

■ That the Government accepted the principle of employers and employees together in the workplace

■ That "interest" disputes could be resolved by the parties without intervention of the state

■ That a system of conciliation in the world was scrapped at first in 1971

■ Of the introduction in 1979 of fairness into the employment relationship

■ Of the creation of labour courts in the form of an industrial court and a Labour Appeal Court

On the other hand all South African courts are required to consider the needs and interests of

■ Focus on objectives such as job creation and economic growth to ensure that poverty and crime are combatted

■ Reducing conflict between management and other employees by creating opportunities to achieve acceptable objectives in the interests of all citizens, such as the unemployed, elderly and sick, whose interests are represented by mainly large employer bodies and trade unions

■ Ensuring that the number of acceptable mediators are engaged at the earliest possible stage of any conflict, more particularly in wage and "other interest" disputes

■ Limiting the situations in which judges and officials of any labour court will interfere with the legitimate rights of trade unions, employers, management and other employees.

■ Creating an environment in which the legitimate interests of employers and management are balanced against those of other employees.

FORUM

Freedom is at stake in labour's showdown with business

By Bruce Cameron
 (192) 20/6/95



By BRUCE CAMERON

The government should be more active in forming a proper platform for negotiation

The fundamental issue of freedom is at stake in the showdown between organised business and organised labour. It is not simply an argument about detail in a piece of long and complicated legislation.

The drafters of the legislation clearly recognised three very important elements in its construction of the labour relationship: namely the principles of fairness, of mutual government interference and of freedom.

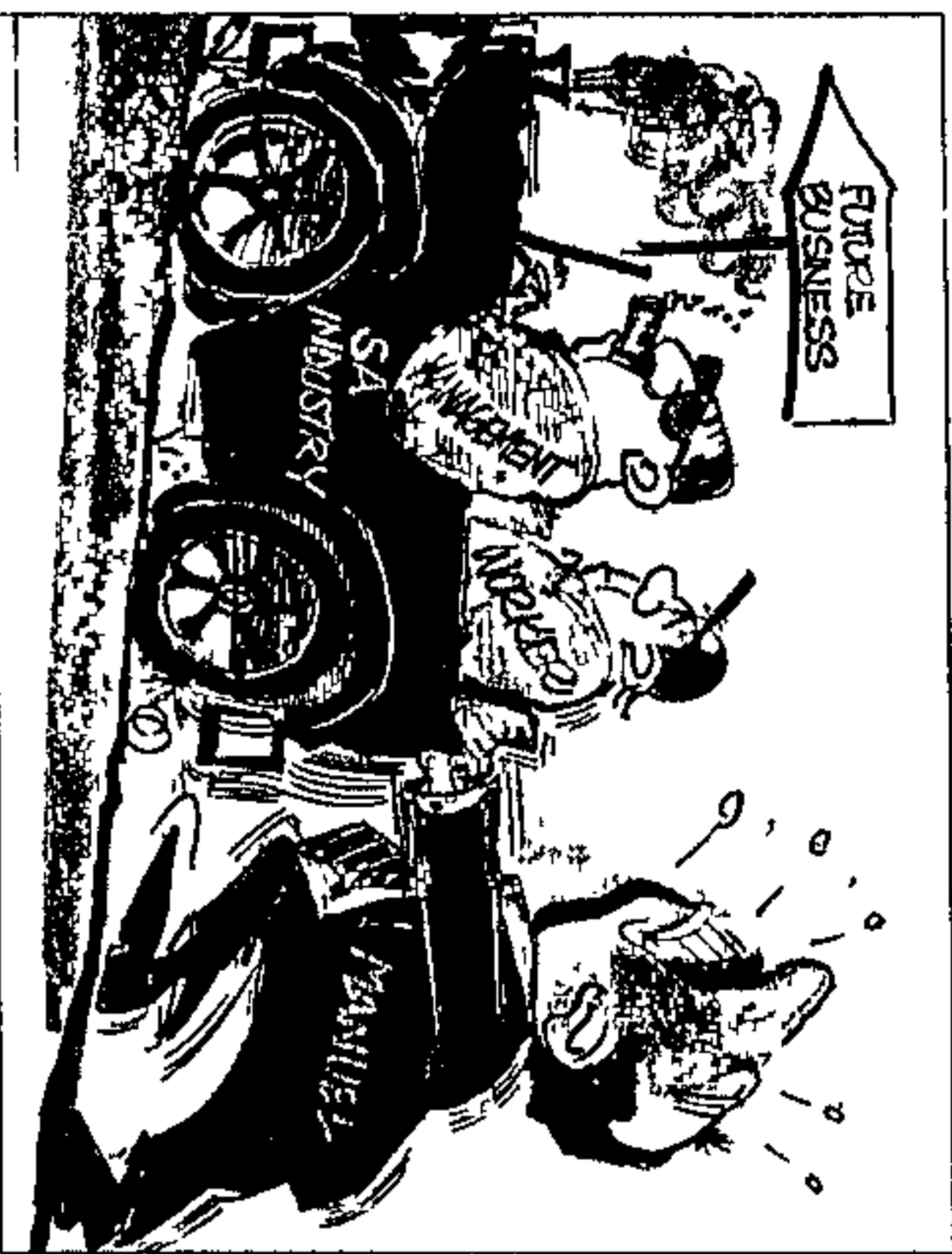
Freedom has many sub sections, including the freedom of labour to movement and association, the freedom of labour to sell or withhold its services and the freedom to negotiate a better deal. The freedom to negotiate and to

reach agreements is not one restricted to labour. Employers have an equal right to that freedom.

Organised business prefers to call it "voluntarism". It rejects the demands of organised labour for government to change the legislation to enforce centralised bargaining on all industries.

There are a number of centralised bargaining structures already in place, which proves that their creation is not impossible.

Organised labour must accept that the responsibility to negotiate other central bargaining structures lies with itself and not with the government, which cannot change the underlying principles in the draft bill to give labour an unfair



advantage. The government itself is giving the impression that it is weakening on the issue or does not have sufficient will to deal with the problem in an effective manner.

There appears to be a lack of will to tell organised labour that there is a new

ball game and the government which interfered in labour practices for political reasons is no longer in place.

The new policy, as detailed in the bill, is for the government to create the legal space for proper negotiations between labour and business. Instead of sticking

to its guns there has been, as a negotiator said last week, a "ghost-like" presence from the government.

Some senior ANC members are being neatly-mouthed about the whole affair. Off-the-record remarks of the past week have been on the verge of civil war. This is nothing," said a senior MP.

Another's view was that business "is arrogant" and "needs to be taught a lesson".

Neither the government nor labour should underestimate the anger that is building up in business.

There is a growing impatience with what is seen as labour's apparent willingness to sabotage the future of individual businesses and ultimately the economy in pure self-interest.

The early signs of the impatience should have been detected from the support given by business to Pick n' Pay, a comparatively liberal employer, in last year's strike.

There is growing impatience with the government to deal effectively with the soaring crime rate, particularly with the violence on the streets.

The government is not only in place to correct the massive abuses of the past

Over the next few years it has the enormous responsibility to lay the foundation for the future. The issue of freedom of business and labour to negotiate without the big stick of government is part of this foundation.

The government and particularly the labour minister, Tito Mboweni, should start playing a more active role in establishing the proper platform.

As a first step Mboweni should call together the leaders of Cosatu and Business South Africa, and thrash out the basic principles of the bill before the current climate turns nasty.

Competition

Today's Business Report carries extensive reports about another investigation into the competitiveness of local industry — and again the report card is unfavourable.

Business would be well advised to listen to some advice given by the comparatively new owner of this and other Argus group newspapers, Tony O'Reilly. The advice or the statement is "Je m'accuse" — I accuse myself.

It is worth quoting O'Reilly, not because he is the boss but because the

challenge is apt in the wake of the latest competitiveness report by the Industrial Strategy Project based at the University of Cape Town.

The problems were listed in the publication. Business was accused of not spending money on training, not improving management skills, not investing in modern technology, not spending money on research and development, hiding behind protective tariff barriers and using import party pricing on intermediate products.

Lever Mameel, trade and industry minister, is putting his head on the political block with his strong support of supply-side measures to get industry off its tariff-protected butt and into the real world of competitiveness.

Unless industry responds in kind by improving managerial skills and putting money into training an effective and productive workforce, its current standoff with labour will be minor as more populist theories, including the reintroduction of nationalisation of industry, become popular.

Business must not think that proponents of nationalisation have disappeared — they have only gone to ground.

Liebenberg raps business, labour

Dispute over draft Labour Relations Bill 'threat to investment'
(132)
ARC 20/6/95

ALIDE DASNOIS, Business Editor

FOREIGN investors could be scared away by a confrontation between business and labour over the Labour Relations Bill, Minister of Finance Chris Liebenberg has warned.

At a media briefing in Cape Town today he rapped both business and labour over the knuckles for their dispute over the bill

"From where I'm sitting, we are wrong," the minister said

South Africa needed an investor-friendly atmosphere to attract foreign funds, but investors were worried about the stability of the relations between business and labour, Mr Liebenberg said.

"I'm concerned that we're sending the wrong signals"

But he praised the unions for holding wage demands down to the inflation rate.

In general, he said, the days of "irresponsible" strikes and wage demands were over — "the political venom has gone"

Recent wage settlements had all been around the inflation rate.

On the question of foreign investment, the minister said May 10 last year, the date of inauguration of President Mandela — had been a decisive date.

Outflows of capital from South Africa had been reversed and capital was now flowing into the country. Initially this was short-term money, but now medium-term funds were coming in

"And if we continue with political and economic stability, it'll soon be long-term money"

Mr Liebenberg said direct investment in factories, which would create jobs, could not happen overnight

"Just because we've become a democracy, we can't expect people to close down a factory in Budapest and build one in Cape Town"

He was confident the economy was growing well and the government would be able to meet its targets for reducing the budget deficit

Capital and aid were flowing in and money from the reconstruction and development programme (RDP) would find its way back into the economy

The secondary tax on companies (STC), introduced two years ago, would "hopefully" be dismantled in next year's budget as it was an obstacle to investment

South Africa's basic company tax rate was investor-friendly, but STC took the company tax rate up to over 40 percent

But the tax netted R1,5 billion a year. This would be hard to scrap entirely

On the issue of tax collection, Mr Liebenberg said a major restructuring of the Department of Inland Revenue was on the cards, with the collaboration of the accounting profession

Another "wrong message" SA was sending to the outside world was on white collar crime

"I'm concerned that white collar crime is seen to be let off more lightly than other criminal offences," he said

● Olympic bid up and running, page 5.

Workers heed call to protest against business

Renee Grawitzky
and Edward West

(132) (132)

BUSINESS reported a work stayaway from noon to 3pm yesterday — ranging from 50% to 100% absenteeism in different places — as workers heeded a call from unions to protest against business's stance in negotiations on new labour legislation.

A snap survey of the main industries showed that large numbers of workers reported for work but left to attend marches and rallies in various regions. Gauteng and Eastern Cape appeared to be hardest hit.

Cosatu said close to 500 000 workers took part in marches and rallies. Many had stayed at home because of misleading reports that the day was to be a stayaway, the union federation said.

Sacob said the half-day strike was substantial although it was difficult to quantify how many people were involved.

Labour consultants Andrew Levy & Associates director Brian Allen said it appeared the action was widespread.

Volkswagen SA spokesman Raymond Hartle said there had been no work at his factory during the afternoon, resulting in lost production of 170 vehicles.

Anglo American Corporation reported no disruption during working hours.

Although a large number of retail outlets were affected in the main centres, trading continued.

In Cape Town Trade and Industry Minister Trevor Manuel said government intended ensuring that the new Labour Relations Act was passed before Parliament closed on September 15.

On behalf of Labour Minister Tito Mboweni, Manuel accepted a memorandum and spoke to about 5 000 Cosatu and National Council of Trade Unions (Nactu) members who had been demonstrating outside Parliament.

BD 20/6/95 Continued on Page 2

Workers

(132) (132)

Continued from Page 1

BD 20/6/95

Cosatu president John Gomomo, saying employers were delaying the passing of the Act until next year, demanded that it be passed during the current session of Parliament. Big business was using small business to avoid the issue of centralised bargaining, he said.

Threatening further mass action, Nactu regional co-ordinator Peter Roman said that while labour had to honour its agreement to negotiate, "if our demands are not met by June 30, it will be something else".

Business SA spokesman Adrian du Plessis said negotiations on the Act would continue this week.

Cosatu said. "The massive turnout of workers in support of labour's negotiating position at the National Economic, Development and Labour Council should make employers realise... workers will not be intimidated by bellicose... threats. David Brink of Business SA must hope workers do not decide to take him up on his irresponsi-

ble challenge of a six-month strike."

Cosatu and alliance leaders warned government that it had to side with workers if it wanted to stay in power.

Cosatu general secretary Sam Shilowa warned government not to stand in the way of organised labour, while Gauteng premier Tokoyo Sexwale called on employers to refrain from making inflammatory statements.

Johannesburg rally, SA National Civic Organisation national president Mlungisi Hlongwani said the action was a message to people in Parliament that "we elected you, you taught us how to fight and through your teachings we are demanding certain rights".

National Union of Metalworkers of SA general secretary Enoch Godongwana said if employers were allowed to dictate labour legislation, the "future of trade unions and worker rights will be bleak".

● Picture: Page 3
● Comment: Page 14

Cosatu: More mas

ROGER FRIEDMAN
Staff Reporter

COSATU has warned that countrywide marches to support labour demands for the inclusion of certain rights in a new Labour Relations Act were only "the beginning of rolling mass action"

Worker rights that the unions believe should be legislated by government include centralised bargaining, the right to strike and an end to so-called scab labour

Yesterday, Cosatu was joined by the other two major trade unions federations — the National Council of Trade Unions and the Federation of South African Labour — in staging marches throughout the country

In Cape Town, about 6 000 workers met on the Grand Parade where they were addressed by various politicians and union leaders before marching to parliament and the Cape Chamber of Commerce and Industry. The march was peaceful.

When the workers returned to the Grand Parade after handing over memoranda at parliament and the Cape Chamber, they did so to the strains of the well-known Bob Marley standard, *Keep on Moving*.

Cosatu president John Gomomo congratulated the marchers for their discipline

"This is the beginning of our rolling mass action," he said

"Business thought this was just a threat, that workers would never march straight after a long weekend"

Mr Gomomo stressed that unions wanted to help build a strong economy — but not at the expense of labour

Earlier, speakers from the Pan Africanist Congress, African National Congress and South African Communist Party assured the workers that a labour bill which did not incorporate their demands would not be allowed peaceful pas-



Pictures ROY WIGLEY &

LABOUR MEETS GOVERNMENT: Cosatu president John Gomomo, left, addresses workers on handing over a memorandum to Trade and Industry Minister Trevor Manuel, right. Mr Manuel, dum on behalf of Labour Minister Tito Mboweni.

ARL 20/6/95

sage through parliament

Outside parliament, Trade and Industries Minister Trevor Manuel accepted the memorandum addressed to Labour Minister Tito Mboweni and promised the bill would proceed through parliament this session

A spokesman for the Cape Chamber of Commerce and Industry said thousands of workers reported for work yesterday and promptly left, management they had been coerced into participating in the march

"One or two" factories experienced a 100 percent stayaway, while elsewhere, stayaway figures varied between 10 and 40 percent



UNITY IS STRENGTH: Part of the crowd that massed on

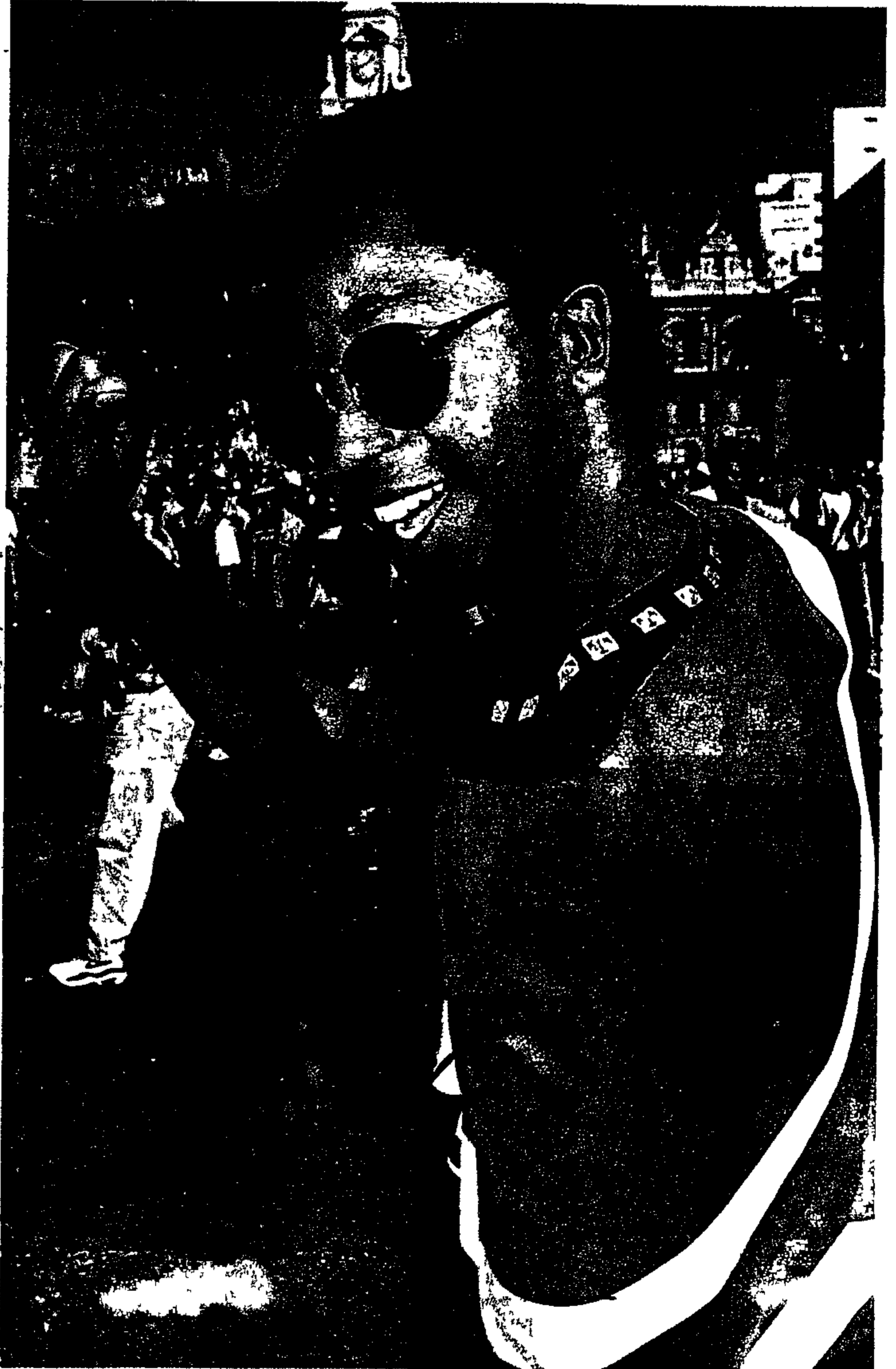
Mass action to come



WIGLEY and HANNES THIART The Argus workers outside parliament before Manuel accepted the memoran-



assed outside parliament.



ANOTHER NEW FLAG: One of the 6 000-odd workers who marched to parliament and the Cape Chamber of Commerce and Industry, displays a South African flag with a new symbol.

Employers weigh strike responses

By THABO LESHILO

STAFF WRITER

As the rolling mass action resulting from the stand-off in Nedlac over the labour relations bill intensified, companies hurriedly sought guidance yesterday on whether they should deal harshly with employees who went on strike

Deon Nel, a partner at the leading law firm, Webber Wentzel Bowens, warned yesterday that some companies could eventually consider suing the trade unions for lost production resulting from the ongoing protests

He said that employers were entitled to dismiss employees for abandoning work to join the protests

Workers who withdrew their labour to join the strike were "blatantly in breach of contract"

Nel said "We gave employers a whole list of their rights and advised them that they could either adopt the no-work no-pay principle or take disciplinary action."

Stuart Pennington, managing partners at SPA Consultants, said his firm had been telling its clients that the voluntarist stance taken by Business South Africa (BSA) on centralised bargaining was the right one.

Said Pennington: "Cosatu's position is a confused one. Employers must resolve the matter with their workers as they see fit,

CT(BR)20/6/95
which is the characteristic of the voluntarist system"

Brian Allen, a consultant at Andrew Levy and Associates, said the company advised against disciplining workers, given the sensitivity of the struggle in Nedlac

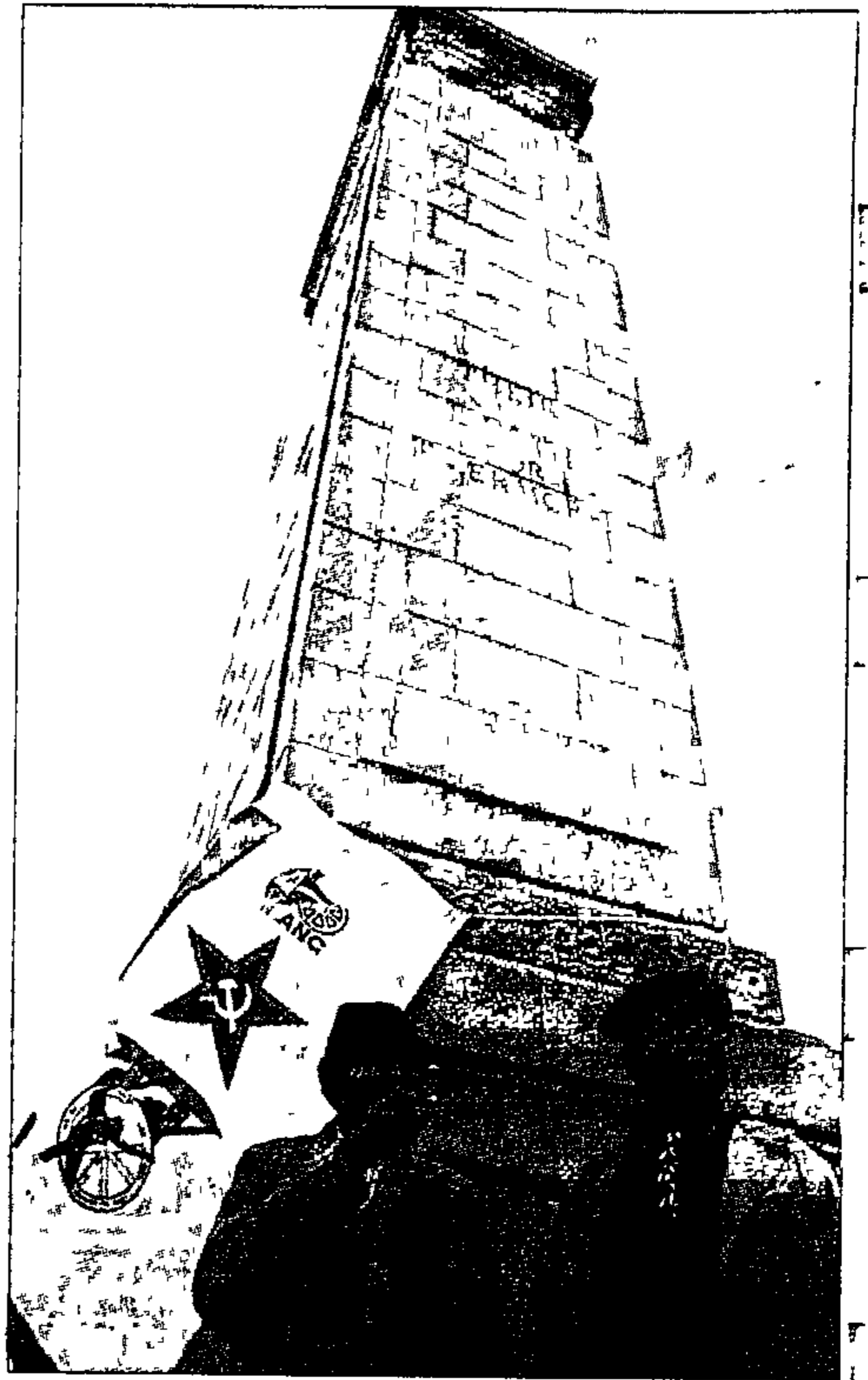
"Taking disciplinary action might be unwise at this stage. It is really a national issue and to start exercising discipline at plant level would be unwise," said Allen

Sacob said yesterday's mass action was relatively peaceful, with only isolated instances of intimidation being reported. Spokesman Gerrie Bezuidenhout said "numbers of workers" took part in the strike after reporting for work in the morning and then taking the afternoon off. "Unfortunately, in the case of some companies, union members did not report for work at all, while in certain other cases companies closed down completely for the day"

He said most businesses had implemented contingency plans and had thus minimised the impact of the strike

Sacob emphasised that mass action could not be reconciled with the search for negotiated solutions to the key questions surrounding the labour relations bill

Said Bezuidenhout "A new labour relations system must emerge out of meaningful compromise and reasoned debate in Nedlac — not from mass action"



WORKERS UNITE Union members staged demonstrations and marches across the country yesterday to pressure business into accepting concessions on the labour relations bill

PHOTO: THEMBA HADEBE

Low turnout for city march

CT 20/6/95

(15) (152) (132)

STAFF REPORTERS

LESS than a third of an expected 30 000 workers took to the city-streets yesterday to protest against the controversial Labour Relations Act, which they say "favours the bosses who still want to live in the old South Africa"

Cosatu, with the National Council of Trade Unions and the Federation of South African Labour Unions, organised the strike to press business leaders to make concessions

A memorandum handed to Minister of Trade and Industry Mr Trevor Manuel said

business had refused legally to entrench centralised bargaining, an unconditional right to strike, a ban on employers hiring scab labour and protection for majority unions.

The unions have vowed to keep up mass action until all the demands are met, Cosatu President Mr John Gomomo said

● The Cape Chamber of Commerce and Industry said many industries had functioned normally yesterday

Only the building industry, which reported a complete stayaway, was badly affected

● See Page 5.

Nedlac meeting seeks new plan for negotiations

By PATRICK LEEMAN

(132)

SPECIAL WRITER

CT(BR) 20/6/95
Some "interesting proposals" would come up in the next few days which could accommodate the interests of employers in the wake of the impasse over the draft labour relations bill, said Jayendra Naidoo, the executive director of the National Economic Development and Labour Council.

Referring to tomorrow's "bosberaad", which will probably be held in Cape Town in an attempt to resolve the deadlock, Naidoo said he did not believe the meeting itself would be a "breakthrough".

"This is one of the meetings we have been holding in an informal mode," he said. "If it doesn't go far enough, we will have another one."

"We will continue to bang our heads on this matter until we have a solution."

Naidoo said the test of the proposals would be whether they could be structured to make economic sense for employers. The unions would also have to agree with the proposals.

He said each delegation could send up to 10 representatives to the bosberaad.

Naidoo said the reaction of business to the stayaway had been more measured than its previous signals. Originally some employer bodies had said they wanted to pull out of the negotiation process.

ACTION 'WILL HURT RDP'

Thousands take to streets over labour bill

CT 20/6/95

AS THOUSANDS of workers took to the streets in support of a new deal for labour, the NP and DP warned their action would compromise the country and the RDP.

THOUSANDS of employees around the country yesterday responded to a call by the Congress of South African Trade Unions for a half-day strike in support of their demands on draft labour legislation.

"I'm certain this will have the desired effect," Cosatu general-secretary Mr Sam Shilowa told demonstrators in Pretoria.

"Mass mobilisation has never failed. The display of force is better than the use of force."

He warned the government not to stand in the way of organised labour.

Accusing Business South Africa president Mr David Brink of being irresponsible in challenging trade unions to go on a six-month strike, Mr Shilowa said "Don't play brinkmanship with the rights of workers."

Cosatu members along with

members of the National Council of Trade Unions and the Federation of South African Labour Unions took part in the strike in 27 urban centres around the country.

Cosatu estimated that about 500 000 workers took part in marches countrywide.

"We want to repeat our warning that Cosatu will target any employers who victimise workers for participating in the march

Negotiations

"We now expect employers to take our demands seriously and table tangible proposals which can form the basis for meaningful negotiations (on the labour bill)."

The SA Chamber of Business said the strike was "extensive" but it was impossible to say how many employees took part.

Sacob said the strike appeared

to be relatively peaceful with few reports of intimidation.

In Cape Town thousands of employees led by Cosatu president Mr John Gomomo marched to the parliamentary buildings.

In Pretoria, where about 20 000 people gathered on the lawns below the Union Buildings, trade union leaders warned the government to side with employees if it wanted to stay in power.

In Johannesburg Gauteng premier Mr Tokyo Sexwale told the crowd he supported their demands for centralised bargaining and the right to strike.

The last thing South Africa needed was a series of strikes to back legislation that would tip the scales in favour of trade unions, Deputy President F W de Klerk said. Many prospective investors were waiting to see what the labour law would look like before they decided to invest.

DP leader Mr Tony Leon said actions like Cosatu's would ensure the failure of the RDP — Sapa

Marching to Parliament



WORKERS ON MOVE: Thousands of union members marched through Cape Town to Parliament yesterday as part of a one-day national strike organised by Cosatu. There were marches in more than 20 cities around South Africa to put pressure on employers to grant increased power to the unions in negotiations over the draft Labour Relations Bill now being prepared.

PICTURE

The state can help protect workers' basic rights

CT (BR) 20/6/95 (132)

SHOP FLOOR



By KARL VON HOLDT

There is conclusive evidence that industrial relations should be strongly regulated

My view, put forward in this column earlier in the year that voluntary workplace forums are not working effectively, has recently come under attack. For example, Duncan Innes, publisher of Innes Labour Brief, questions in recent columns whether there is any evidence for this assertion. He also takes issue with my argument that strong state intervention to regulate industrial relations is necessary.

I believe the evidence is pretty conclusive. For example in January this year, the National Manpower Commission (NMC) published a report called "Union-management co-operation with a view to advancing productivity as a national goal". The document is based on interviews with managers and shop stewards in 20 major companies, including three of those cited by Innes as models of success.

Most of these companies had joint management trade union committees or forums in place, whose functions ranged from consultation and information sharing to participation in decision-making. However, according to the report, union representatives believe that these structures did not allow for real decision-making powers for the workforce.

Agreement

The report reveals the limits of participation quite clearly. "The majority of companies indicated that they did not negotiate on work organisation, investment, production schedules, marketing, industrial engineering or world class manufacturing. A few companies indicated, however, that they shared information and, in a limited number of cases, consulted on some of the above aspects."

"Two companies had negotiated and reached agreement on levels of education and training. Union representa-

tives at one company argued that they engaged in 'soft bargaining' on issues of workplace design and world class manufacturing. Very few companies consulted or exchanged information on market penetration or strategy.

"Union representatives informed the Task Group that no consultation or adequate information sharing took place on most of the work organisation issues."

It seems quite clear why unionists feel this kind of participation is not genuine co-operation. The NMC team reports, not unsurprisingly, that all unionists interviewed "indicated that democratisation of the workplace should be embodied in legislation". The majority of managers opposed this view.

This evidence is supported by the submission to Nedlac by the Sociology of Work Unit (Swop) at Wits University. Swop's views are based on research and consultancy on a number of company restructuring projects, including two of the companies referred to by Innes.

Swop concludes shopstewards are unable to become centrally involved in restructuring for several reasons, including the following: "Management invariably takes the initiative and acts unilaterally forcing workers to be reactive. Workers are quite often able to reject management's plans but they are not able to initiate their own. The result is a stalemate where everyone loses."

In addition, neither shopstewards nor unions have the technical knowledge to intervene in restructuring issues. "Finally and most importantly, the role of the Shop Steward Committees is not based on legal rights, but on the sheer power of the union at the workplace."

Swop concludes by endorsing exactly the views I have put forward, namely that legislated and union initiated workplace forums with substantial powers are the only way to shift power relations and



TOOTH AND NAIL After years of exploitation under apartheid, South African trade unions will vigorously resist any new oppression under a 'free' labour market

resource unions so that they can co-operate effectively.

It must also be said that managers and workers have different goals in co-operating. It may be that some managers are pleased with the results of their forums. Most workers clearly aren't.

Innes likens my argument for decisive state regulation of the workplace to the "compulsion and jackboots of apartheid" and to car hijacking.

These metaphors do not clarify the issues. Being compelled to hand over your car to hijackers is more analogous to nationalisation than to co-determination. Certainly state intervention took the form of apartheid in our past, but inter-

vention can prevent child labour, ensure basic occupational health and safety, protect trade union and workers' rights, and prevent industrial pollution.

Indeed, the recent Leon Commission on the mining industry cited the appalling record of death, injury and disease on the mines as reason to reject self-regulation as "unacceptable" and called for tough state intervention. A similar argument can be made for regulation to transform South Africa's industrial relations.

This is an important issue. The South African press is filled with denunciations by employers and free market ideologists of labour's demands for compulsory

centralised bargaining, on the grounds that this kind of regulation will make our industry "uncompetitive" and discourage foreign investment. Centralised bargaining, so the argument goes, would force "rigid" wage levels on companies and block the development of small business.

Two points need to be made in response.

Firstly various kinds of flexibility to accommodate the circumstances of different firms and sectors can be built into centralised bargaining forums. So, for example the draft LRA builds in mechanisms to ensure small business representation in bargaining councils, as well as

to allow for easier exemption.

Employers in the clothing industry have noted that "centralised bargaining need not be inflexible, unmagmatic and bureaucratic".

They point to the three-tier national, regional and plant level collective bargaining in their sector as an example of how parties can "model the structure to service their interests".

The second point is that South African employers should not be allowed to compete internationally on the basis of cheap labour and low labour standards. That is the old apartheid mentality. Our country has just emerged from the oppressive labour regime of apart-

head. The trade unions will fight tooth-and-nail against a new one and oppression by a "free" labour market — and they will be supported in this by the Department of Labour.

Social regulation and civilised standards may increase payroll costs. This will not be the end of South African industry.

Employers will simply have to display their ability to seek competitive advantage in other areas such as design, marketing and quality. That is the challenge of the new South Africa.

□ Karl von Holdt is consulting editor at the SA Labour Bulletin

High hopes as marches and stayaways take place across country

Labour gets back to the table

SA Star 20/6/95 (8/17) (122)

DEADLOCK — but the Government has plans which might break the impasse between the unions and employers

■ BY JUSTICE MALALA
LABOUR REPORTER

Buoyed by the support of thousands of workers who turned up for marches and rallies across the country yesterday, labour leaders return to talks with business today with high hopes of breaking the deadlock that led to the mass action.

And in a move that holds out more hope for negotiations, the Government is expected to present new proposals to break the impasse in the National Economic, Development and Labour Council meeting.

Congress of South African Trade Unions spokesman Neil Coleman said at least 500 000 workers had taken part in yesterday's mass action, but independent monitors and police put the figure at closer to 100 000 — less than 10% of Cosatu's 1,7-million membership.

Coleman admitted Cosatu was disappointed at the lower-than-expected turnout but blamed this on employers' threats of disciplinary action.

Today's national day of action was the largest mass demonstration seen in the country since August 1992. This massive turnout of workers should make employers realise that the majority of workers will not be intimidated.

The South African Chamber of Business said the industrial action would have an extremely negative effect on the country's efforts to attract foreign investment.

"The picture has been mixed. There was definitely a work



Union power workers converge on the Johannesburg Library Gardens yesterday to hear speeches by their leaders as part of the labour movement's national mass action campaign. Some firms reported stayaways of up to 50% and others closed for the day.

PICTURE THEMBA HADEBE

stayaway which was substantial in some areas, but far less in others," Sacob spokesman Janet Dickman told Reuters.

The national mass action campaign was planned to pressure business to accept labour demands on the new Labour Relations Act.

Cosatu secretary-general Sam Shilowa told more than 7 000 marchers in Pretoria yesterday he was confident that the campaign, taken in conjunction with

the National Council of Trade Unions and the Federation of SA Labour Unions, would have the desired effect, reports Norman Chandler.

In Johannesburg, about 10 000 workers gathered at the Library Gardens, where Gauteng Premier Tokyo Sexwale said he supported the workers' demands for centralised bargaining and the right to strike without facing dismissal.

Sapa reports that in Cape Town thousands of workers led

by Cosatu president John Gomo marched peacefully on Parliament.

Trade and Industry Minister Trevor Manuel told the gathering it was the Government's intention that the draft Labour Relations Bill become law by September 15.

In Durban, several thousand workers marched to the city hall where they presented a memorandum.

Afrikaanse Handelsinstituut executive director Jacob de Vil-

liers said although the action was costly, it was too early to say exactly how much was lost.

"It is however irresponsible for labour to deal with the negotiations in this manner. Labour has shown itself not to be a reliable negotiating partner."

Sacob said that in the main, workers had reported for work in the morning and taken the afternoon off. But at some companies, workers had not reported for work at all and some firms had closed for the day.

Mass action a success

Sowetan 20/6/95
(132)

**By Abdul Milazi and
Mzimasi Ngudle**

THOUSANDS of workers observed the national day of action called by the Congress of South African Trade Unions yesterday.

The call for a half-day mass action, which included rallies and marches countrywide, was also backed by the National Council of Trade Unions and the Federation of South African Labour Unions. Cosatu's national executive committee was due to meet last night to decide whether there was any need for further action. Meanwhile, the National Economic Development and Labour Council, comprising labour, business and government, is to hold its scheduled meeting tomorrow.

Yesterday's action was called after organised labour and business deadlocked over the draft Labour Relations Bill at Nedlac. The unions demand compulsory centralised bargaining, the right to strike, a ban on lockouts, workplace forums and closed shop agreements while business insists on voluntary centralised bargaining. Some businesses reported a high worker turnout, while others reported low attendance figures.

Anglo American spokesman Ms Charmane Russell said there was a "very good turnout in our gold and coal mines which seem to be operating normally"

The South African Chamber of Business said the effect of the action was "substantial". Sacob spokesman Ms Janice Dickman said it was impossible to quantify how many people joined the strike as the protest had not followed the usual pattern of stayaways.

Thousands of workers marched in towns and cities countrywide in support of the labour movement's demand for centralised bargaining.

In Johannesburg more than 10 000 workers converged on the Library Gardens to listen to their leaders. Market-
President and Simmons streets near the library were closed to traffic as emotionally charged workers chanted and toy-toyed.

Deadline for labour law talks may be extended

The Argus Correspondent

JOHANNESBURG. — Labour, business and the government may consider extending the June 30 deadline for negotiations on new labour laws to ensure that agreement is reached, says National Economic, Development and Labour Council (Nedlac) executive director Jayendra Naidoo.

An extension of the deadline was one of the issues that should be discussed by the three organisations today, he said yesterday.

Meanwhile, Labour Minister Tito Mboweni will unveil government plans to break the impasse in negotiations on new labour laws when he presents his budget speech in parliament tomorrow.

Mr Mboweni's spokesman, Shareen Singh, said the far-reaching proposals would be part of the minister's budget speech and would, it was hoped, contribute to breaking the current impasse.

She said the government would present its position on centralised bargaining, the right to strike, organisational rights, workplace forums and other points which had led to

(132) the public battle between labour and business in the past six weeks.

Mr Naidoo said he was confident that a resolution to the deadlock could be found.

The meeting takes place after the labour movement, led by the Congress of South African Trade Unions, embarked on marches and rallies to put pressure on business to accede to its demands on the draft law. *ARLT 21/6/95*

Meanwhile, condemnation of Monday's mass action continued yesterday.

The general secretary of the KwaZulu-Natal-based Democratic Labour Trade Union of SA, Vusi Sibiyi, said the protest was an attempt to mobilise support for the African National Congress in the November local government elections.

The Conservative Party called on business leaders not to cave in to labour's "irresponsible" demands. CP labour spokesman Frank le Roux said South Africa would not get foreign investment as long as trade unions kept on undermining the economy.

*Power games
are stalling the
labour talks,
says Michael
Beaumont*



Chance to co-operate may be lost

~~(168)~~ (132)
CT (BR) 21/6/95

There are no directors of traffic. Maybe they are engaged in industrial action? The intersection is jammed with confusion and the parties travelling along this route find it difficult to pass. The solution lies in co-operating with others at this intersection.

But, to achieve this, the parties need to know where they are going.

The debate over the direction of labour legislation, in my view, is mostly divided into criticism and arguments over power. This divide musses the opportunity of working on or towards common goals.

There is much in the Labour Relations Bill which is deserving of support. However, because the debate concentrates on differences, there is a risk that criticism will strip the tree of caterpillars as well as blossoms. And this bill is about blossoms, and not fruit. It is about the future and the potential harvest.

The debate is about power. Employers are either challenged about delaying the progress of legislation, or about the contents of the bill for the power it supposedly gives them.

Unions perhaps perceive the moment as an important opportunity to entrench worker rights or to call for political support. These approaches disguise the fact that power is never stable when it is boundless.

The bill of rights in our interim constitution acknowledges the limitation of rights within prescribed parameters. If power is to have boundaries, then the solution lies in negotiation and compromise.

However, this debate is about a third-party model proposed by a select and insulated task group. It centres around opposition to the bill while proposals are being interpreted by one party as a deliberate attempt to undermine or weaken the other.

The manner in which the bill was drafted was appropriate, given the differences between labour and capital and the need to find fresh options for the future. An isolated economy in the past avoided many of the effects of competition, the political system encouraged protest activity and wide expectation.

The third-party option breaks with the past. It is not being debated for its value or on its merits, but rather where the respective parties seek to move the standards.

The missing factor is the search for common goals and objective standards.

The goal is competitiveness and contribution to GDP. A common goal is not about an even score, but agreement over direction. Direction is not only about rights, but also about the opportunity to co-operate.

Co-operation cannot be legislated for, it is the product of the co-operative spirit and it is for this reason that collective bargaining and workplace forums should be facilitated in the new legislation, but not be compulsory.

Standards ought not to be about power. The debate is better centred on objective criteria such as the interim constitution or the conventions of the International Labour Organisation.

Finally, a new labour dispensation rests not only on design but also implementability. Practicalities are not about the hurried passage of legislation, but a deliberate process as mentioned above and the assurance that underlying structures such as Nedlac and the proposed commission for mediation and arbitration are able to perform effectively.

□ *The author is a director of Beaumont Wise labour relations consultants.*

Mboweni attempts to end deadlock over labour bill

BY BRUCE CAMERON

POLITICAL EDITOR

Minister of labour Tito Mboweni presented labour and business with a set of proposals yesterday in an attempt to break the deadlock over the Labour Relations Bill.

The heavyweights of business and labour were locked in negotiations in a Cape Town hotel until late last night.

In an interview with Business Report, Mboweni said his package of proposals was not restricted to the issue of central bargaining but included other breakdown points, including the use of "scab" labour, agency shops and workplace forums.

Asked whether he would extend the deadline to get the legislation through parliament this year, Mboweni said: "The negotiations can't go on forever. Government must govern."

"So many people are waiting



Labour negotiator Ebrahim Patel (left) with Business South Africa's Bobby Godsell and Nedlac chief executive Jayendra Naidoo

PHOTO: ANDREW BROWN

for us to move ahead. Jobs and the economy depend on this."

Mboweni said he would be reporting back to parliament later today as part of his Budget speech.

Before the meeting, business and labour representatives said they hoped a breakthrough was possible.

Both labour and business brought in their big guns, with most of the trustees of Business

South Africa, led by president Dave Brink and deputy president Bobby Godsell, lining up against a strong labour delegation led by Cosatu president John Gomomo and general secretary Sam Shulowa.

The meeting was due to convene again this morning.

Jayendra Naidoo, chief executive of Nedlac, said the June 30 deadline was an internal deadline and "can obviously be discussed".

(132) ~~132~~
Business, labour talk
CHW 22/6/95

■ BY BRUCE CAMERON

The heavyweights of South African labour and business were locked in critical negotiations yesterday to break the deadlock over the contested Labour Relations Bill.

Tito Mboweni, the Minister of Labour, who entered the negotiations for the first time, presented the parties with a set of proposals which he hoped would lead to a breakthrough.

In interviews before the delayed start of the meeting at 4 pm yesterday, representatives of business and labour said they hoped a breakthrough was possible.

Both labour and business brought in their big guns with most of the trustees of Business South Africa, led by president Dave Brink and deputy president Bobby Godsell, lining up against a strong labour delegation led by Cosatu president John Gomomo and general secretary Sam Shilowa.

The meeting, which was being held behind locked doors at a downtown Cape Town hotel and expected to continue

until the early hours of today, was due to convene again this morning.

Mboweni said he would report back to Parliament later today as part of his budget speech.

In an interview with Business Report he said the meeting was "critical".

"So many people are waiting for us to move ahead. Jobs and the economy depend on this."

Extension

Mboweni said his package of proposals was not restricted to the issue of central bargaining but included other breakdown points, including the use of scab labour, agency shops and work place forums. Asked whether he would extend the deadline to get the legislation through Parliament this year, Mboweni said: "The negotiations can't go on forever. Government must govern."

Jayendra Nardoo, chief executive of the National Economic and Labour Council (Nedlac), said the June 30 deadline was a Nedlac internal deadline and it "can obviously be discussed".

Nardoo said the meet

ing was very important but it was not the actual negotiating forum.

The principles of the three sides had come together to discuss the status of the process.

Godsell said BSA would be delighted of some resolution could be reached. "This is the first meeting at this level. We have come in a positive spirit and we are looking forward to active participation. Progress will be good for the whole of South Africa."

Godsell said there had already been more than 32 hours of negotiations and business did not believe the process was deadlocked.

"We adjourned to have a high-level meeting like this. Which shows our willingness to make progress. The last thing we want is confrontation."

Shilowa said labour was committed to finding a solution. "Compromise is possible. If there is the will by all sides to find a solution, it will be found. The question is whether the will is there yet."

He said the fact that labour had not pulled out of negotiations showed its commitment to finding negotiated solutions.

What next for Nedlac?

(132) ~~(111)~~ Sowetan 22/6/95

With only nine days before the June 30 deadline expires for Nedlac talks, business and labour are deadlocked.

Labour reporter **Abdul Milazi** gives the background:

IN JULY 1994 THE Cabinet approved the appointment of a ministerial legal task team to overhaul the law regulating labour relations and prepare a negotiating document in draft form to initiate public discussion

A draft bill was then presented by Labour Minister Mr Tito Mboweni for public debate and negotiation by organised labour and business in February

Four months later, and only nine days to go before the June 30 deadline set for the National Economic Development and Labour Council (Nedlac) negotiations, organised business and labour are still deadlocked

Organised labour — the National Council of Trade Unions, Federation of South African Labour Unions and Congress of South African Trade Unions — embarked on a rolling mass action campaign this month in a bid to break the deadlock.

Business criticised the action taken by labour and, in turn, embarked on their own form of mass action — it placed advertisements to explain the employers' position to the public

The main issues under contention are labour's demands for compulsory centralised bargaining and the full right to strike, which labour wants enshrined in the new Labour Relations Act

Labour also wants a limitation on lockouts and the democratisation of workplace decision-making.

Employers, for their part, want centralised bargaining to be voluntary. They also want the right to defensive lockouts, to use scab labour and to retain the right to determine the composition of workplace forums

Since the beginning of the Cosatu-led rolling mass action on June 5, President Nelson Mandela, Mboweni and Gauteng premier Mr Tokyo Sexwale have publicly supported the workers' demands

On June 6 Mandela told thousands of marchers in Johannesburg the right to strike was every worker's right and was practised in democracies throughout the world.

Despite the seemingly unbreakable impasse at Nedlac, Black Lawyers Association labour expert and Industrial Court presiding officer Mr Russel Moletsane says business will eventually give in to workers' demands.

Moletsane argues that centralised bargaining is the only option for healthy labour relations. He says various sectors hold annual wage negotiations conducted centrally.

However, many employers are able to pull out of any agreement reached in such negotiations because there is no law binding them to agreements reached at central level.

If business holds out much longer, says Moletsane, the Government will have to inter-



FLASHBACK: Organised labour on the march in a bid to break the deadlock in talks with business over the new Labour Relations Bill.

PIC: MBUZENI ZULU

vene for the sake of economic stability

The BLA says although the bill is progressive, and in many respects in line with standards set by the International Labour Organisation, it has shortcomings

Moletsane says the bill does not make provision for the financing and training of either worker or management representatives in workplace forums

Another problem is the way the Bill defines a representative union in Section 81 (1), which defines a registered union as one with the most members in a company. This places members of unregistered unions at a disadvantage.

The BLA is opposed also to Section 208 of the bill, which allows employers to dismiss a worker without a formal investigation at any time during the probationary period.

Whether the bill is passed this year or next year, depends on whether the impasse at Nedlac is broken before the June 30 deadline. Mboweni has already dismissed any possibility of the

government passing unilaterally a new law.

Mboweni says that since the Government chose the Nedlac route, it will stick with it. He says if the deadlock is not broken by June 30, the issue will be referred to the Cabinet for discussion.

When the ministerial legal task team was appointed, its brief was to draft a Labour Relations Bill which would give effect to Government policy as reflected in the Reconstruction and Development Programme

Yesterday, the two parties went into another round of formal negotiations after a series of informal talks failed last week to bear fruit.

The three labour federations also met yesterday to review their mass action and make further decisions.

But, whatever the outcome of talks between business and labour, one thing is clear: there is no future for the current Labour Relations Act.

It is a living heritage of apartheid, a system which profited too long from lowly paid, unskilled workers.

Centralised bargaining successful

Sowetan 22/6/95 (132)
Clothing workers have upped wages with centralised bargaining

By Abdul Milazi
Labour Reporter

WHILE THE ISSUE OF centralised bargaining is threatening to tear the labour industry apart nationally, it has got off to a good start in the clothing and textile industry

South African Clothing and Textile Workers Union general secretary Mr Jabu Ngcobo says the union has used centralised bargaining in nine sectors and has reached wage agreements in the cotton, leather and knitting industries.

Sactwu, which is affiliated to the Congress of South African Trade Unions, is the biggest union in the clothing and textile industry with a

membership of 180 000.

"Employers in the decentralised areas had to give close to 80 percent increases to catch up with entry level wages paid in other areas," said Ngcobo.

He said a six year plan to bridge the wage gap between the highest and lowest paid workers has been agreed upon by both employers' associations and the union. "In the leather sector, a 13 percent across the board wage increase has been reached by the union and the Footwear Manufacturers' Federation," said Ngcobo.

Issues such as the abolition of the dual pay system, union consultation before the employment of contract workers and affirmative action have been referred to a special committee made up of representatives of both parties. See page 10.

Cosatu to review mass-action plan

ARG 23/6/95 (132)

□ Proposal to break bargaining deadlock tabled

Political Staff

COSATU is to weigh up its mass-action campaign in the light of government proposals to break the deadlock over centralised bargaining

Cosatu general secretary Sam Shilowa played labour's response to Labour Minister Tito Mboweni's new proposals close to his chest yesterday, saying the trade union federations would examine further "mass mobilisation" in the context of the proposals

"We remain resolute to try to find a solution through negotiations," said Mr Shilowa.

Mass action was a strategy rather than a principle.

Mr Mboweni tabled proposals yesterday to end the labour-business dispute over the Labour Relations Bill.

The dispute is over centra-

lised bargaining proposals, with labour favouring compulsory collective bargaining and business favouring voluntary collective bargaining

Mr Mboweni met labour and business delegations headed by Anglo American's Bobby Godsell and Mr Shilowa again yesterday after a meeting on Wednesday

"Good progress" had been made, a source said

Mr Mboweni told the national assembly during the labour budget debate that the cabinet had given a mandate to government negotiators "to pursue additional or alternative mechanisms, both institutional and legislative, to beef up our policy of promoting industrial bargaining".

"In broad outline, we have proposed that amendments be

made to the draft bill to permit parties, who meet certain thresholds of representativeness in disputes over the establishment of a bargaining council, to refer the dispute to the commission for conciliation in full

"In the event that the commission fails to secure agreement to establish a bargaining council, the minister may establish a statutory council with limited jurisdiction in respect of social policy, social wage and training functions.

"Parties to such a council may include, by agreement, additional matters such as wages and working conditions"

While not making bargaining compulsory, the effect in all probability would induce parties to negotiate to avoid the bargain being made for them by the minister

Rethink on union action

CT 23/6/95

(132)

POLITICAL STAFF

COSATU would reconsider its mass action campaign in the light of new government proposals to break the deadlock over centralised bargaining, the trade union federation said yesterday

"We remain resolute to find a solution through negotiations," Cosatu general secretary Mr Sam Shilowa said in Parliament after Labour Minister Mr Tito Mboweni tabled deadlock-breaking proposals on centralised bargaining

He said mass action was a strategy rather than a principle

Mr Mboweni tabled the proposals yesterday to resolve the dispute between labour and business over the Labour Rela-

tions Bill. Labour favours compulsory collective bargaining and business favours voluntary collective bargaining.

Mr Mboweni met high-powered labour and business delegations headed by Mr Shilowa and Anglo America's Mr Bobby Godsell respectively in the city again yesterday after a meeting on Wednesday

A government source said "good progress" had been made.

Mr Mboweni told Parliament during the labour budget debate it was government policy to promote collective bargaining as it helped national training efforts and SA's return to the international market without protective tariffs to buttress uncompetitive industries.

● See Page 17

Bid to break impasse over Bill

Govt tables new labour proposals

AD 23/6/95

Renee Grawitzky

LABOUR Minister Tito Mboweni tabled new proposals yesterday to a high-level labour and business delegation in a bid to break the impasse between the parties.

These proposals, tabled at a special National Economic, Development and Labour Council (Nedlac) meeting in Cape Town, relate to centralised bargaining, the closed shop and organisational rights. It also endorsed its earlier proposals on workplace forums.

The proposals attempt to address the parties' concerns about the draft Labour Relations Act.

Nedlac executive director Jayendra Naidoo said the parties tried to move closer on some issues and opened the possibility for resolving those discussed.

Labour and business were cautious in their response and said the proposals would be referred back to their respective constituencies. They would respond at a meeting to be arranged soon.

The proposals tabled by the ministry did not address all the concerns raised by the parties -- strikes and lock-outs, use of scab labour and the duty to bargain.

Mboweni said government's proposal relating to centralised bargaining was an attempt to promote collective bargaining at industry level and to address conflicting positions from labour and business on compulsion versus voluntarism.

He proposed the establishment of statutory councils where such councils do not exist, which would be initiated by the parties who have sufficient representatives. It

is understood that the threshold required would be 30% of employees in an industry.

If the parties were unable to agree, the minister would establish such a council. These councils would consider public policy issues such as industrial restructuring, medical aids, training.

By mutual agreement the parties could amend the council's constitution to provide for negotiation on wages and employment conditions. The alternate option is for a party to the council to apply to a restructured Wage Board to investigate wages in that particular sector.

Mboweni said: "While not making bargaining compulsory, the effect of this will in all probability induce parties to bargain in order to avoid bargaining being done for them by the minister."

Proposals relating to organisational rights were not fully explored but the parties were advised that the new legislation was intended to ensure strong and stable unions and that legislation would not lead to the fragmentation of trade unions.

Government supported the enforceability of closed shop and agency shop arrangements which partly took into account labour's proposals for the democratisation of such arrangements. Government said: "A closed shop agreement shall comply with the requirements for the enforceability of collective agreements." Such arrangements would be introduced by conducting a ballot among employees covered by a collective agreement.

Government endorsed its earlier proposals

Continued on Page 9

Labour

Continued from Page 1

at that workplace forums should be inclusive of the workplace as a whole and proposed that the number of union-elected representatives to such a forum would depend on the union's level of representivity.

Government also proposed that accredited trade union officials could attend meetings of the workplace forum.

Business SA's Adrian du Plessis said the meetings had advanced the debate. He hoped progress could be made around the proposals. "There are areas where disagreement still exists and the immediate challenge is to try and build on areas where there is potential agreement and try to diminish the areas of disagreement."

Cosatu general secretary Sam Shilowa said the presence of the high level delegates from all parties reflected the seri-

ousness and commitment of the parties to finding a solution. The parties would consider government's four proposals and see how they could be accommodated within a particular package, he said.

Naidoo said the June 30 deadline was not a stumbling block and a report would be presented to Nedlac's executive council even if all the issues had not been resolved.

During the labour budget debate in Parliament yesterday, the minister presented an overview of the labour market and then concentrated on developments in labour legislation negotiations.

During the debate, the ANC MPs who spoke (most are ex-Cosatu officials) supported labour's position. Several were critical of the use of scab labour, saying this contributed to high violence levels during strikes.

● See Page 14

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Bill ignores key social and economic players

TONY LEON

SOMEWHAT like the Magnot line of pre-Second World War France, the draft Labour Relations Bill and the National Economic Development and Labour Council (Nedlac) were instruments designed to absorb acute conflict and act as institutional fortifications against the mutually aggressive instincts of labour and capital. Yet, despite the fanfare which heralded the launch of Nedlac on 18 February, its defences have been breached.

The government of national unity's strategy of corporatism, sculpted around the so-called "golden triangle" of big business, big unions and big government, stands exposed with a gaping hole in its flank.

Labour Minister Tito Mboweni, while certainly one of the more thoughtful and engaging ministers in Cabinet, made an elementary mistake of process: instead of commencing with an open-ended commission of inquiry, representative of both the major stakeholders and headed by a cross-section of experts, the minister began, fatally, the other way around.

He placed a draft Bill on the Nedlac table and only then called for comment and negotiation. Instead of the legislation resulting from a fully participative, transparent and informed diagnosis, the Bill anticipated the very process it should have commenced with.

This helter-skelter process has locked the adversarial parties involved into positions which are rapidly becoming entrenched. The brandishing of union and business muscle power we are now witnessing is grim testimony of this fact.

Far worse, in terms of any medium to long term viability for a new labour relations regime, is the exclusion from Nedlac — and, seemingly from the minds of the drafters of the legislation — of key economic and social actors, such as representatives of small unions, consumers and, crucially, small and micro enterprises, and also the large number of unemployed.

Even within the camps of those theoretically represented at Nedlac there is dissension. There are already received representations from elements within both business and labour who disagree with the stances on the legislation adopted by Business SA and by Cosatu respectively.

The myth that either business or

labour is a globular monolith capable of speaking with a single voice resonant of an identity of interests on the major issues of the day, should be dispelled. Just as there is no single voice of "the people" in politics, there can be no unanimity of opinion or issue in a deeply divided and, hopefully, economically competitive society.

The characteristics of democracy and an open economy fly in the face of the minimum conditions required for corporatism.

Aside from these fundamental flaws in the design of the process, the postures adopted by organised labour and business are, in certain respects, curious.

Cosatu is on the streets, once again, demanding compulsory centralised bargaining. Yet the overall reach of the Bill is so biased in favour of organised labour — with compulsory co-determination in the form of workplace forums, the legalisation of secondary picketing and socio-economic strikes to highlight but three issues — that the absence of a formal duty to bargain is in many instances superfluous.

In reality, however, the onerous provisions in the Bill relating to the disclosure of information by management (the abuse of which by unions being penalised with the equivalent of a "parking fine"), the nature and timing of the incidence of the duty to consult and the range of issues on which consultation must take place amounts to nothing but a duty to bargain.

Under this guise, the enforced surrender of management prerogatives and the encroachment of unions into the furthest reaches of hitherto entrepreneurial decision-making, accomplished worker control through legislation in a more decisive fashion than even the boldest union initiatives and strikes ever accomplished in the past. Organised business should feel strongly about these issues — yet have thus far retained a public silence on this introduction of socialism through the back door.

The other side of the economic spectrum, small business, whose voice has yet to be heard anywhere in the debate, is appalled that industrial councils live on in the new Bill, in the guise of bargaining councils. They contend that the Bill

fails, in a real sense, to recognise the difference in cost structures between small and big business.

The worst aspect of the old regime — the extension of bargaining councils to non-parties — is perpetuated in the draft Bill, although subject to more effective safeguards than in the past.

It is necessary here to state a further self-evident truth: It is a bland lie, and one which nearly destroyed Britain's economy in the 1970s, that there should be a special link between the democratic government and the unions. This is based on a misconception which is equally damaging to both sides.

President Nelson Mandela's appearance at Cosatu's mass action demonstration suggests that there is no necessary power struggle between big unions and other interests which his government was elected to represent — including small business, the 4-million unemployed, non-unionised workers and consumers.

While the ANC's nudge and wink towards Cosatu has everything to do with the November municipal elections, it does nothing to advance the reconstruction and development programme, create economic growth and unleash the entrepreneurial spirit SA desperately requires.

This is not intended as an anti-union point. If Cosatu did nothing which threatened the position of other interests, by affecting profits or taking a larger slice of national wealth for its members, it would be failing those who paid their membership fees. But let us at least see Cosatu's posture for what it is — a last gasp attempt to influence government before the ANC is obliged to make a fateful choice: between the further advantaging of the small labour aristocracy of the Cosatu membership of 1.2 million (3% of the population) or the widening of opportunity and employment for the great mass of our people.

The draft Labour Relations Bill, and the process chosen for its adoption, mocks the ANC election promise of "a better life for all".

Government cannot turn itself — and an otherwise sound labour relation regime — by acknowledging the problems and failure thrown up by the deadlock at Nedlac and starting afresh.

□ Leon is DP leader and member of Parliament's portfolio committee on labour.

Labour, business and Government must stop their public posturing and resolve the fundamental differences on the new labour laws speedily, writes Labour Reporter Justice Malala

Battle to tip the balance of Bill

Star 23/6/95

(132) 26 (26)

There has been something both ironic and sad in the public displays of strength by the labour movement and business's uncompromising public outbursts over the Labour Relations Bill in the past few weeks.

Released in February in a bid to end decades of conflict and uncertainty in the country's labour laws, Labour Minister Theo Mboweni's draft Bill was hailed as a panacea that would deliver the country from low productivity, protracted strikes and worker exploitation.

The Bill was followed by another landmark on the labour and economic front when the National Economic, Development and Labour Council (Nedlac) came into being.

This body was formed to bring business, labour, development and Government together to agree on matters of interest to

them before they could be passed on to Parliament or the Cabinet.

The rationale was that with these players having agreed on broad issues, legislation would pass smoothly through Parliament in a form acceptable and beneficial to all.

Despite the lofty intentions of the body and the three parties involved, it took only two meetings on the proposed laws for the historic differences between labour and capital to come to the fore.

At the heart of the battle is control of the new Act. The particular points over which the parties disagree will, in the final analysis, determine whether the carefully balanced draft document is tipped towards the side of labour or not.

Labour wants centralised bargaining to be compulsory in law, while business says this should

be left to the parties to decide.

Another sticking point is the right to strike, which business believes should be balanced with a right by the employer to re-place striking workers if the business is in danger of collapse. Labour sees this as undermining the use of the strike weapon.

The third major point of disagreement is the new instrument of "workplace democracy", the workplace forum. Business says the legislation gives the majority union in the business too much power in the forums, and believes that certain rights should be extended to all employees instead of being granted to the majority union only.

The irony in the public battle lies in the fact that both the legislation and Nedlac, probably the most important initiatives on the economic and labour front since the April election, are in danger of losing credibility due to the

acrimony between business and labour.

Emotions over the points of difference have become so heated that the resultant compromises — and these must come — may lead to such disillusionment on the part of those who may feel hard-done-by that the new Act will have lost a great deal of its legitimacy.

The fact that both business and labour had until last week held more than 32 hours of talks outside Nedlac casts a great deal of doubt on the body's ability to bring the three parties together.

These negotiations are reminiscent of the protracted negotiations for a new political dispensation in the Convention for a Democratic SA (Codesa).

In this case, also, a body which had held out hope for speedy consensus on issues was

often compromised and much of the settlement we have today was the result of backroom brokering and bilateral talks.

The public confrontation has been a pity for it means that despite the formation of such legitimate structures as Nedlac to negotiate and resolve disputes, South Africans are still in the old mode of taking negotiations into the streets and to the media in order to be heard.

Just as the breakdown of Codesa saw the introduction into our vocabulary of the phrase "unprecedented rolling mass action", so, too, these negotiations have led to mass action and frayed nerves on both sides, a situation that does not augur well for the future of tripartite bodies like Nedlac.

At the end of the day something must give in these negotiations. But by then, if the current trend continues, there will be

blood on the floor.

The South African economy will have lost millions in the process, and the international investment community, so pivotal to the country in terms of investment, will have inculcated some very unpleasant ideas about the way we do business.

It is a fact that at this stage the international community is watching developments in this country keenly, and the outcome of the deliberations on the new legislation will, to a large extent, affect whether international investors cast their eyes to other shores or not.

The concerns of both parties on centralised bargaining are legitimate. For labour, centralised bargaining will lead to a greater equity in salaries and protection of workers, an issue which has been close to their hearts for years and which they feel cannot be compromised now.

Centralised bargaining structures currently in place have long taken differences in the size of companies and geographical areas into consideration, and perhaps this is the way to go in the new legislation. In order to ally labour's concerns, a compulsion to bargain centrally could be put in place with a strong discretion clause to ensure that small business and geographical implications are taken into consideration when bargaining takes place.

Although there is a lot of distance in the parties' positions on the other issues, a pragmatic solution is not impossible.

Undeniably, for a new labour dispensation to be born, and the old to die, some morbid symptoms like mass action and inflammatory statements had to manifest themselves.

But South Africans are tired of these kinds of tactics, and

many would have liked Mboweni to have taken action earlier in attempting to resolve the impasse between the trade union movement and big business.

Mboweni waited until after Cofsa had held its day of protest on Monday before calling the two sides together for talks in Cape Town this week.

Precise details of Mboweni's compromise strategy have not been revealed, but the Minister told Parliament that the Cabinet had mandated government negotiators "to pursue additional or alternative mechanisms, both institutional and legislative, to beef up our policy of promoting industrial bargaining".

As the June 30 deadline for completion of talks draws closer, many are relieved so see the Government finally taking a more active role in trying to settle the dispute.

Labour, business and Government must stop their public posturing and resolve the fundamental differences on the new labour laws speedily, writes Labour Reporter Justice Malala

Battle to tip the balance of Bill

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Released in February in a bid to end decades of conflict and uncertainty in the country's labour laws, Labour Minister The Honourable Mcebisi Ndlovu's draft Bill was hailed as a panacea that would deliver the country from low productivity, protracted strikes and worker exploitation.

The Bill was followed by another landmark on the labour and economic front when the National Economic, Development and Labour Council (Nedlac) came into being.

This body was formed to bring business, labour, development and Government together to agree on matters of interest to

them before they could be passed on to Parliament or the Cabinet.

The rationale was that with these players having agreed on broad issues, legislation would pass smoothly through Parliament in a form acceptable and beneficial to all.

Despite the lofty intentions of the body and the three parties involved, it took only two meetings on the proposed laws for the historic differences between labour and capital to come to the fore.

At the heart of the battle is control of the new Act. The particular points over which the parties disagree will in the final analysis, determine whether the carefully balanced draft document is tipped towards the side of labour or not.

Labour wants centralised bargaining to be compulsory in law, while business says this should

be left to the parties to decide. Another sticking point is the right to strike, which business believes should be balanced with a right by the employer to replace striking workers if the business is in danger of collapse.

Labour sees this as undermining the use of the strike weapon. The third major point of disagreement is the new instrument of "workplace democracy", the workplace forum. Business says the legislation gives the majority union in the business too much power in the forums, and believes that certain rights should be extended to all employees instead of being granted to the majority union only.

The irony in the public battle lies in the fact that both the legislation and Nedlac, probably the most important initiatives on the economic and labour front since the April election, are in danger of losing credibility due to the

actomy between business and labour. Emotions over the points of difference have become so heated that the resultant compromise — and these must come — may lead to such disillusionment on the part of those who may feel hard-done-by that the new Act will have lost a great deal of its legitimacy.

The fact that both business and labour had until last week held more than 52 hours of talks outside Nedlac casts a great deal of doubt on the body's ability to bring the three parties together.

These negotiations are reminiscent of the protracted negotiations for a new political dispensation in the Convention for a Democratic SA (Codesa).

In this case, also, a body which had held out hope for speedy consensus on issues was

often compromised and much of the settlement we have today was the result of backroom brokering and bilateral talks.

The public confrontation has been a ploy for it means that despite the formation of such legitimate structures as Nedlac to negotiate and resolve disputes, South Africans are still in the old mode of taking negotiations into the streets and to the media in order to be heard.

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APR 23/6/95

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Although there is a lot of discussion in the parties' positions on the other issues, a pragmatic solution is not impossible. Undoubtedly for a new labour dispensation to be born, and the old to die, some morbid symptoms like mass action and inflammatory statements had to manifest themselves. But South Africans are tired of these kinds of tactics, and

especially would have liked Mthembu to have taken action earlier in attempting to resolve the impasse between the trade union movement and big business. Mthembu waited until after Codesa had held its day of protest on Monday before calling the two sides together for talks in Cape Town this week. Precise details of Mthembu's compromise strategy have not been revealed, but the Minister told Parliament that the Cabinet had mandated government negotiators to pursue additional or alternative mechanisms, both internal and legislative, to beat up our policy of promoting industrial bargaining.

As the June 30 deadline for completion of talks draws closer, many are feeling agitated. Government finally taking a more active role in trying to settle the dispute.

Labour rethinks mass action

(132) Star 23/6/95

■ BY PATRICK BULGER
POLITICAL CORRESPONDENT

Cape Town — Cosatu would weigh up its mass action campaign in the light of government proposals to break the deadlock over centralised bargaining, the trade union federation said yesterday.

Cosatu general secretary Sam Shilowa played their response to Labour Minister Tito Mboweni's new proposals close to his chest, saying the trade union federations would examine further mass mobilisation in the context of the proposals.

"We remain resolute to try to find a solution through negotiations," Shilowa said in

Parliament after Mboweni tabled deadlock-breaking proposals on centralised bargaining.

He stressed that mass action was a strategy rather than a principle. Mboweni yesterday tabled new government proposals designed to resolve the labour-business dispute over the Labour Relations Bill.

Business and labour are locked in a wrangle over centralised bargaining proposals in the Bill, with labour favouring compulsory collective bargaining and business preferring voluntary collective bargaining.

Mboweni met high-powered labour and business delegations headed by Anglo Ameri-

can's Bobby Godsell and Shilowa respectively in Cape Town again yesterday after a lengthy meeting on Wednesday evening. A government source said it was significant that Mboweni had made the proposals.

Mboweni told the National Assembly during the labour budget debate that the Cabinet had mandated the government negotiators "to pursue additional or alternative mechanisms".

Mboweni said the two parties had reached broad agreement on important aspects of collective bargaining.

► Tipping the balance
- Page 17

Govt bid to end deadlock

Sowetan 23/6/93

(132)

Mboweni tables new proposals to resolve dispute over labour Bill

Sowetan Correspondent

THE Congress of SA Trade Unions would weigh up its mass action campaign in the light of new Government proposals to break the deadlock over centralised bargaining, Cosatu said yesterday.

Cosatu general-secretary Mr Sam Shilowa played labour's response to Labour Minister Tito Mboweni's new proposals close to his chest yesterday, saying the trade union federations would examine further "mass mobilisation" in the context of the proposals.

"We remain resolute to try to find a solution through negotiations," Shilowa said in Parliament after Mboweni tabled deadlock-breaking proposals on centralised bargaining. He stressed that mass action was a strategy rather than a principle.

Mboweni yesterday tabled new Government proposals designed to resolve the labour-business dispute over the Labour Relations Bill.

Business and labour are locked in a dispute over centralised bargaining proposals in the Bill, with labour favouring compulsory collective bargaining and business favouring volun-

tary collective bargaining.

Mboweni met high-powered labour and business delegations headed by Anglo American Corporation's Mr Bobby Godsell and Shilowa respectively in Cape Town again yesterday after a lengthy meeting on Wednesday evening. A Government source said it was significant that Mboweni had made the proposals and that labour and business were being represented by their principals. "Good progress" had been made.

Mboweni told the National Assembly during the labour budget debate that the Cabinet had mandated Government negotiators "to pursue additional or alternative mechanisms, both institutional and legislative to beef up our policy of promoting industrial bargaining".

He said the two parties had reached "broad agreement" on important aspects of collective bargaining.

It was Government policy to promote collective bargaining because it assisted national training efforts and South Africa's return to the international market place without protective tariffs to buttress uncompetitive industries, Mboweni said.

Labour Bill negotiations 'adversarial'

Renee Grawitzky

(132)
DRAFT Labour Relations Bill negotiations had been characterised by adversarial and distributive approaches to bargaining, and alternatives would have to be found, National Economic, Development and Labour Council (Nedlac) executive director Jayendra Naidoo said at the weekend.

He said lessons could be learnt from the process within Nedlac.

Effort was needed at the early stages of the process to bring about understanding on the general principles and objectives of the Bill, before getting into the detail, and to achieve a "greater sense of participation".

Naidoo said parties would soon agree on a package which would

make labour feel comfortable with the Bill, "and the same for business and government".

Cosatu general secretary Sam Shilowa said no decision had been taken on further mass action. It had been decided, rather, to mobilise around the draft legislation to ensure that membership understood all the issues.

This could be achieved by tightening co-ordination within the ranks to get members on board and educate them on labour's proposals.

National Union of Metalworkers of SA general secretary Enoch Godongwana said their response to negotiations on the labour Bill would depend on how the issue of scab labour was addressed.

● Comment: Page 10
BD 26/6/95

Resistance to individual pay

~~(23)~~ BD 26/6/95
Business Day Reporter

PAY packages with built-in individual performance incentives would be strongly resisted by trade unions until a meaningful minimum wage was in place, research consultant Faith McDonald said this week.

Addressing an AIC seminar on performance pay, McDonald said historically low incomes which hardly sustained workers and their families meant unions were reluctant to negotiate individual performance-related pay systems.

However, the debate on whether sectoral bargaining or a government incomes policy should set minimum wages had yet to be resolved and the contentious issue of centralised bargaining underpinned much of the recent industrial action over draft labour legislation.

McDonald suggested that small enterprises unable to "make any meaningful contribution to long-term wealth creation if they cannot afford to pay a basic minimum wage" did not deserve to be in business.

Historical disparities between management and labourers' incomes needed to be addressed to bring differentials more in line with SA's trad-

ing partners. Again, it was debatable whether the market would rectify these imbalances or government intervention was required.

This could take the form of "a salary or wage freeze on those earning more than a specific annual figure, together with more stringent taxes on company perks".

Although unions were increasingly aware of the need to improve productivity and were open to discussions on incentive schemes, individual packages were treated with great scepticism. Unions were also opposed to subjective criteria being the sole basis on which merit pay was calculated. "Adequate performance assessment requires a holistic approach which takes account of not only management criteria, but also peer groups and subordinates."

In addition, overseas research showed no conclusive evidence that merit pay improved performance standards or acted as a motivator in recruiting or retaining staff.

However, recent evidence showed unions were more open to productivity bargaining and many companies were successfully negotiating agreements which contained performance pay components, McDonald said.

Bill 'will worsen labour relations'

BD 26/6/95
Business Day Reporter
(132)

INFORMATION disclosure provisions in the Labour Relations Bill — currently under discussion — were likely to fuel the adversarial nature of industrial relations, FSA-Contact managing executive Pierre Wolmarans said last week.

This clause would force parties to try to outwit one another.

In addition, the Bill conflicted with a Labour Appeal Court judgment which found an employer had not committed an unfair labour practice by failing to disclose confidential information to a union.

He said the Bill stipulated that employers should disclose relevant information to a representative trade union to enable effective consultation on collective bargaining issues.

"However, the draft Bill is silent on what should be regarded as relevant information, and management and employee representatives will have to negotiate about the relevance or irrelevance of certain information."

The Bill included a list of issues the drafters felt should be matters for consultation at workplace forums, but many would be seen by employers as sensitive or even confidential.

He suggested the Bill tried to force parties to the negotiating table to define what information should be disclosed rather than allowing the process to develop naturally, and might harden attitudes.

Row brewing over union demand

27/6/95

Bid to link trade with labour rights

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John Dladu

A ROW between labour, government and business at the National Economic, Development and Labour Council is brewing over labour's proposal that SA trade agreements be limited to countries that comply with certain labour rights.

Labour wants trade partners to agree to a ban on child labour and all forms of discrimination. The partners should support the right to join unions, to strike and to engage in collective bargaining.

Labour spokesman Lionel October said yesterday labour wanted government to use trade to enhance worker rights. "In terms of our proposals, government should either impose punitive tariffs against countries that fail to uphold four minimum rights or refuse to enter into any trade agreements with them."

The proposal, to be debated in detail at Nedlac's trade and industry chamber meeting next month, required government to withdraw any trade preferences given to countries that did not meet the criteria.

A trade and industry spokesman said four countries — Malaysia, Cuba, Thailand and the Philippines — had refused to sign trade agreements with SA because government had insisted on the inclusion of social clauses in the proposed agreements. The countries had said that they found these points objectionable.

A business source at the trade and industry chamber said business believed that a country's failure to uphold any of these rights should not prevent government from entering into trade accords.

"These are noble ideals already en-

shrined in our interim constitution. But we feel SA should pursue them more at multi-lateral forums rather than on a bilateral basis."

Business and government were still studying labour proposals and would table their responses at the next chamber meeting. "To push for these clauses to be included in bilateral trade agreements is like building a new laager of trade protectionism following tariff reduction. You also lose the moral high ground if you force them on countries," the source said.

October also proposed the formation of a tripartite mechanism — consisting of labour, business and government — to enforce trade agreements.

"We've also asked government departments — foreign affairs and trade and industry — to take the issues to the world arena. SA must use its moral stature to mobilise support for them at the World Trade Organisation."

Labour also wants the clauses to be included in agreements involving the Southern Africa Customs Union, Zimbabwe/SA bilateral trade and other future bilateral arrangements.

Although government has apparently taken a stance on social clauses already, there seem to be differences of opinion on whether these should be primary or secondary clauses of trade accords.

Using them as "primary clauses" would prevent government negotiators from concluding agreements with violating nations, while their inclusion as "secondary clauses" would make them mere statements of principle — therefore not functional terms.

FORUM

CANDIDLY CAMERON



BY BRUCE CAMERON

The parties will be hard pressed to meet an extended deadline at the end of next month

Labour law dispute promises to turn into a rough match

CT(OR) 27/6/95

A crashing of the tiars, deception, dummy passes, frontal attacks, crash tackles, a tough referee calls, the occasional foul. A description of the Rugby World Cup final? Not at all. That was mild stuff compared with what is going on in the dispute over the government's planned labour relations reforms.

It is a battle that in many ways may only be decided in the Constitutional Court, even if labour, the government and business reach a detailed agreement.

The "social partners" as they like to be called, have now flexed their muscles. Labour and business used some dirty scrummaging tactics with a one-day stayaway and assurances that business will take a six-month strike.

More importantly, the referee, Labour Minister Tito Mboweni, who was starting to look more like a linesman, arrived on the field and appeared prepared to apply some rules.

Last Wednesday the guests at a four-star downtown Cape Town hotel, in the city for the previous weekend's rugby semi-final, were unaware of the drama taking place in a small conference room on the second floor.

tator, Jayendra Naidoo, of the National Economic Development and Labour Council (Nedlac). Business negotiators Adrian du Plessis and Bokkie Botha were next to arrive. Then came the heavyweights, who had been called in to rescue negotiations — major industry figures and the presidents and general secretaries of the trade union federations.

They stood around over coffee and biscuits for an hour waiting for the arrival of Mboweni, who was tied up with regular Wednesday Cabinet meeting duties.

Mboweni arrived shortly before 4pm, warmly greeting earnest Cosatu president John Gomo and his flamboyant general secretary Sam Shulowa. The warmth of those greetings belied what lay ahead.

The leaders of labour and business took their seats ready to face each other down, but for the first seven hours of 17 hours of on-and-off discussions, it was not to be.

The Business South Africa delegation bas-

shop arrangement at factory floor level — or at any other level.

The next day, in his budget vote in parliament, Mboweni repeated much of what he had told labour behind closed doors, with the likes of Gomo, Shulowa and labour's chief negotiator Ebrahim Patel, looking fairly grim.

Their spirits perked when some of their erstwhile colleagues, who had swapped factory floors for parliamentary benches, waded into the debate supporting all labour's demands.

Mboweni played the diplomat in his speech, criticising past and present attitudes of employers while giving the appearance of supporting labour. What was more interesting was that in wrapping up his debate he hardly referred to the labour-supporting MPs.

But the day is not yet done and the game is not won.

Immediately after the debate, Shulowa seemed to signal acceptance, but told Business Report that the final package was what was important. In other words, business should not consider it a victory — and all indications are that it does not.

There are plenty of other issues involved and

labour will no doubt demand greater compromise from business on them.

The mistake that can be easily made from all the bargaining is that there are clear divisions between business and labour on the Labour Relations Bill. There are not. This very complex piece of legislation deals with a multitude of issues, which will see different groupings on an issue-by-issue basis — sometimes business and the government against labour; labour and the government against business, and even labour and business against the government.

Tough bargaining lies ahead over the next few weeks as the parties try to meet an extended deadline of the end of next month, when the issue comes before a Cabinet boss. If they do get broad agreement, it will be a significant victory for Nedlac, but another trial lies ahead.

Labour may rely on its allies in parliament to win the day by altering the legislation as it wends its way through the legislative process.

But there lies a third avenue where the Bill, or parts of it, could and is likely to be challenged — the Constitutional Court.



TALKING STRAIGHT Labour Minister Tito Mboweni has told the unions they will not be getting their way on compulsory centralised bargaining nor on closed shop arrangements at factory floor level

For example, the interim constitution gives employers the right to economic activity, opening the way for appeals to the court if a ban is placed on replacement labour (scab labour, as the unions prefer) in the event of a strike.

Other issues enshrined in the constitution, like freedom of association, could also raise problems. In a written copy of his speech to parliament, Mboweni referred to the constitutional difficulties that could arise from some of the demands of labour, but did not refer to the issue in his speech.

□ □ □

The relationship of Nedlac, parliament and the Constitutional Court raises interesting questions. Already we have seen the National Party and Inkatha Freedom Party objecting to the pro-

hibition by the court on the death sentence.

What is the position then if Nedlac reaches agreement on, say, the Labour Relations Bill and parliament makes substantive amendments or even rejects the legislation, or if parliament approves but the Constitutional Court does not?

The parliamentarians have every right to amend draft legislation and the Constitutional Court has the duty, when asked to do so, to test the legislation against the constitution.

The question is, what are the consequences? How will the social partners react? Thus should not be seen as too problematic. The institutions are new and it will take time for them to build up relationships. The debates in sorting out the relationships need not be destructive. They are more likely to create a healthy tension, which will protect, rather than undermine, a fragile democracy.

End in sight to Nedlac deadlock

By Abdul Milazi
Labour Reporter

ORGANISED business and labour are closer to finding the seemingly elusive solution to the current deadlock at the National Economic Development and Labour Council negotiations

This was disclosed yesterday by Nedlac spokesman Mr Lomn Simon after business, labour and the Government were locked in a marathon two-day meeting in Cape Town last week

The talks at Nedlac deadlocked two months ago when business rejected organised labour federations' demands for compulsory centralised bargaining, the right to strike and the banning of scab labour

Other issues under dispute are closed shop and workplace forums

This led to labour, comprising the Congress of South African Trade Unions, the Federation of South African Labour Unions and the National Council of Trade Unions calling a two-week mass action which saw thousands of workers take to the streets

Business, led by Business SA, countered by embarking on their own kind of mass action which took the form of mass advertising in the print media

However, Simon said last week's *bosbêraad* moved the parties closer to each other "Although no formal agreements were signed, considerable progress was made on centralised bargaining and the issue of closed shops"

Simon said the Government proposed to both parties that they should make concessions, adding that further meetings were planned for later this week.

Fedsal assistant general secretary Mr James Abraham said he was positive the two parties would reach a compromise soon

Cosatu, Nactu and Business SA were not available for comment at the time of going to press.

Proposed Labour Act reveals big differences

□ *Mboweni wants agreement*

ARG 28/6/95

(132)

BACKGROUND TO THE NEWS

ROGER FRIEDMAN, Staff Reporter

Minister of Labour Tito Mboweni has given trade unions and business until Friday to reach agreement on the terms of the new Labour Relations Act. This is a summary of some of the major differences.

OFFICIALLY, labour and business cannot agree on three main issues: to negotiate at industry or company level, the right to strike, and whether companies should be compelled to establish workplace forums.

Unofficially, however, there is much more at stake a move towards the socialist principle of worker control, or a retention of trickle-down capitalism with bosses retaining total control of the good ship Business.

Refereeing the dispute is the National Economic Development and Labour Council (Nedlac) which was formed in February with the aim of "building social partnership in South Africa", in the words of Labour Minister Tito Mboweni.

On the sidelines — but hardly as mere spectators — is the African National Congress-led government, whose captain, President Nelson Mandela, has already publicly declared his support for labour.

Indeed, the ANC and Pan Africanist Congress have already stated that if business and labour cannot settle their differences at Nedlac, they will intervene on the side of labour when the bill is finally presented to parliament — probably in August or September.

Centralised bargaining is the main bone of contention between business and labour.

Labour wants national bargaining councils set up in each industry, Nedlac to demarcate the scope of jurisdiction of each council — and the Labour Relations Act to make it all compulsory.

In addition, labour has proposed that bargaining should take place once the affected trade unions have attained a membership level of more than 50 percent of employees engaged in any industry and that small business enterprise representation on bargaining councils be provided for separately.

Business would prefer centralised bargaining to be undertaken volun-

tarily, through the mutual agreement of the parties. It feels compulsory centralised bargaining would frighten off potential investors and make the growth of small business impossible.

Right to strike: Business wants to be able to hire replacement (scab) labour in the event of a strike, and wants to be able to fire strikers on the grounds of irreparable economic harm.

Labour says granting business either of those rights would undermine the entire purpose of striking.

Lockout: The employer's right to "lockout" action is another contentious issue.

Business wants the definition of lockout to include breaches of contract by workers.

Labour proposes business should be restricted to defensive lockouts, and unions should have the legal right to challenge lockouts on grounds of equity (that the lockout was legal but unfair).

Workplace forums: Workplace forums were introduced by the draft Labour Relations Bill to promote the development of joint problem solving and worker participation at company level.

Business supports this objective but is concerned at what it sees as the "prescriptive" manner in which the draft Bill gives unions the right to establish forums.

Labour, on the other hand, objects to the Bill's provision that forums be established only at workplaces employing more than 100 people.

Labour wants business to absorb the total costs of setting up the forums, while business wants the costs to be split.

● The new Labour Relations Act is proposed to repeal all existing labour legislation including the Labour Relations Act 28 of 1956, the Public Service Labour Relations Act 133 of 1994, the Education Labour Relations Act 146 of 1993 and Chapter One of the Agricultural Labour Act 147 of 1993.

Union snags get attention

PRETORIA — The government is attending to problems arising from recent mass action by trade unions

President Mandela said he was to meet Congress of South African Trade Unions general-secretary Sam Shilowa "to discuss problems relating to the demonstrations that have taken place and how they should work together with employers"

Earlier yesterday he had breakfast with an important business leader

"So, we are not idle We are attending to the problems that arise"

Relations between labour and business were receiving attention.

Defending his recent appearance at a Cosatu demonstration in Johannesburg, he said his critics had to keep in mind he was "put into power by Cosatu and others"

"The fact that I am now in gov-

ernment does not mean to say I should not sympathise with what they do"

Mr Mandela said he had addressed many employer forums and nobody had complained about that

"Why should I not go to Cosatu, especially if I go there with a message of peace?"

He had underlined the importance of negotiations to Cosatu, emphasising that it should negotiate "instead of running to the street"

On foreign investment, he said many foreigners had complained about the number of agencies they had to consult before being able to invest In some cases this had taken as long as six years.

"The first thing we are doing is to try to simplify that process, that there should be one agency dealing with foreign companies wishing to invest" — Sapa

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Labour ⁽¹³²⁾
~~(156)~~
leaders meet
Mandela

CT28/6/95

JOHANNESBURG: Labour leaders from the Congress of South Africa Trade Unions (Cosatu) will meet President Nelson Mandela this week to discuss union efforts to strengthen provisions for workers in new labour relations laws, a spokesman said yesterday.

Earlier, Mr Mandela said in Pretoria he would meet Cosatu general-secretary Mr Sam Shilowa and had already met "one of the most important business leaders" to discuss the deadlock in talks about proposed labour relations legislation at the National Economic, Development and Labour Council.

"I am . . . to discuss with (Mr Shilowa) problems relating to the demonstrations and how they should work together with employers," he said. He also dismissed criticism of his appearance at a Cosatu march in Johannesburg on June 6, saying no one had complained when he attended business events. — Sapa-Reuter

Labour seeks centralised bargaining 'six-pack'

(132) 29/6/93

THE context of our negotiations, indeed the reality which the labour laws will need to address, is of a society with huge wealth gaps and a low growth rate. The top 10% of earners, according to the recent Economist survey on SA, walks away with more than half the income in the society. We are, on the measure of the Gini coefficient, one of the societies with the most unequal distribution of wealth and income. Economic concentration is at a level not seen in other market economies.

What does labour argue for in SA? We have sought to establish a centralised bargaining institution in each industry. Trade unions have put forward a "six-pack" of reasons for this proposal.

First, it allows trade unions and employers to establish fair condi-

tions of employment for all workers in an industry. To a movement which is fundamentally concerned with the quality of life of workers, this is a vital and desirable goal.

Second, it sets legal minimums, applicable to all workplaces, and seeks to take wages out of competition. The success of a business is then dependent on the quality of its management, the training of its workforce and the entrepreneurial spirit which spots market opportunities and seeks to meet such demand. Success does not depend on the level of a wage or the viciousness of a management.

Third, it makes collective bargaining possible in industries with a large number of workplaces — the engineering industry, with more than 7 000 workplaces will not have effective collective bargaining if

EBRAHIM PATEL

7 000 separate annual negotiations have to be conducted by the trade union in that sector.

Fourth, it allows for the efficient use of union, and managerial manpower. Instead of 500 negotiator hours being used in 100 separate workplaces by a large number of full-time trade union officials to argue for a maternity agreement, this is achieved in five hours at a central forum, with one full-time official

Fifth, certain matters, such as medical and provident funds, benefit from economies of scale which centralised bargaining brings. Other matters, such as training policy frameworks, are best dealt with at industry level.

Finally, centralised bargaining

allows business and labour to deal, on a continuing basis with industrial policy, trade policy and the relationship between wages and these other elements of policy. This is at the heart of creating dynamic competitiveness in our industries, for it permits constant restructuring of industries and sectors to meet the needs of changing world markets. And, importantly, it sets this as the joint task of business and labour.

With such a compelling case, how has labour fared in achieving its objectives? The results have been mixed. In some sectors, often after long union struggles, such arrangements have been established. In others, there has been little progress. Indeed, in certain sectors, long-standing centralised bargaining institutions were collapsed by employers in the late 1980s

We now seek that the law address the absence of a bargaining framework which requires bargaining at sectoral or industry level. This will reduce industrial conflict, in that parties will not be required to strike over the establishment of central bargaining structures.

It will do for the private sector what the Bill already does for the public sector — that is, set up wage and policy bargaining councils in every sector, as the place where the basic wage deal is concluded.

Already in discussions at Nedlac, some progress is being made in this area — it remains for each party's principals to consider whether the progress constitutes a basis for settlement.

□ Patel is labour's convenor at N.C. ac.

I FTFRS

Mandela briefed on labour bill

CT(BR)29/6/95

By BRUCE CAMERON

~~131~~ 132

POLITICAL EDITOR

President Nelson Mandela last night called in his labour minister, Tito Mboweni, and Cosatu general secretary, Sam Shilowa, to discuss the disputed labour relations bill.

A government spokesman said "The president has called for a briefing on the position."

Meanwhile, a final round of make-or-break negotiations between the government, organised labour and organised business is scheduled to resume next week.

If agreement is not reached between labour and business next week, government is expected to make the final decisions on the shape of the legislation in time to put it before parliament in the second half of August.

□ The Confederation of Employers of South Africa yesterday criticised Cosatu for discussing its dissatisfaction with the bill with Mandela.

Hein van der Walt, the employers confederation's director, said Cosatu would achieve nothing by complaining to the president.

Cosatu has objected to the clause in the bill which entitles employers to make use of scab labour during strike action.

During last week's half-day mass action campaign by Cosatu, the confederation made more than 100 000 scab labourers available to its members.

He said several criminal cases were pending against the confederation members and industrial councils were prosecuting them on a daily basis.

The bill would decriminalise labour actions and do away with industrial councils.

He said the confederation's legal team was preparing for a court application to protect its members against the "victimisation of industrial councils".

Cosatu in top-level labour talks

Star 29/6/85 (132)

BY JUSTICE MALALA
LABOUR REPORTER

Leaders of the Congress of SA Trade Unions met President Nelson Mandela and Labour Minister Tito Mboweni in Johannesburg last night to discuss labour's position on the draft Labour Relations Act.

The meeting follows Mandela's discussions with a business leader in Pretoria on Tuesday in which business concerns on recent mass action and negotiations on the draft Act were raised.

Details of last night's meeting are expected to be released today.

Deadlocked talks between labour, business and the Government on the draft Labour Relations Act were given a new lease of life last week when Mboweni ta-

bled new deadlock-breaking proposals which the parties are now studying.

A new series of meetings between the parties has been scheduled for Sunday and Monday, probably in Johannesburg.

Union federations Cosatu, National Council of Trade Unions and the Federation of SA Labour Unions have embarked on mass action over differences with Business SA on provisions in the draft Act on centralised bargaining, workplace forums and the right to strike. The mass action culminated with nationwide marches last week.

Cosatu said in a statement yesterday that it had canvassed the opinions of its members and allies on the negotiations.

"Contrary to the media

perception that the ANC component of the GNU has abandoned labour, and that the minister has sided with employers, we have found general support for the fundamental principles advanced by labour in negotiations," the union federation said.

It said that following workplace meetings between leaders and union members in the past week, "workers' expectations are high for a breakthrough in the negotiations". However, workers had expressed anger and frustration at what they perceived as a lack of movement from employers in the negotiations.

Fedsal general secretary Dannhauser van der Merwe said the three federations would hold caucus meetings to decide on what tack to follow in the next round of talks.

THE World Bank's latest annual development report is entitled *Workers in an Integrating World*. Its theme is that liberalised trade and the globalisation of capital ought to be good for workers. Naturally it contains a chapter on unions. The chapter closes with a brief summary whose tone may be described as guarded in its approval of organised labour.

"Denial of workers' rights is not necessary to achieve growth of incomes. It is possible to identify the conditions and policies under which free trade unions can advance rather than impede development."

This is not to suggest that the authors are outright union-bashers. The point is rather that governments, especially in the developing world, need to take special care in formulating their industrial policies. The Bank's advice may be pertinent (if not in its phrasing terribly helpful) for SA as it debates its own regulations.

Unions, the report argues, have a positive economic effect when they contribute to higher efficiency and productivity in the workplace. By establishing grievance and arbitration procedures, they can help reduce turnover and promote a stable workforce. Workers often have better ideas than management on ways to make production lines more efficient, not to mention safer.

Unions can facilitate the delivery of this information.

Unfortunately, the authors concede, hard data to demonstrate that this holds for low- and middle-income countries is limited to an ambiguous study from Malaysia.

More demonstrable is that unions in developing nations push for "greater wage equality" among their own members. In economic terms, however, this may be a two-edged sword.

The compression of wage differences due to union activity may reduce efficiency, by sending the wrong signals to workers about which skills are most needed and which industries and occupations have the highest productivity.

On the more decidedly negative economic effects of unions the re-

World Bank report gives a lesson on living with unions

132 PD 30/6/95
SIMON BARBER in Washington

port has rather more to say. Unions often act as monopolists, improving wages and working conditions for their members at the expense of capital holders, consumers and non-union labour. "The result is fewer jobs and/or lower pay for the non-union workers, who are in most cases the vast majority."

In industries enjoying trade protection, "unions are likely to share in the spoils with capital holders at the expense of consumers and the masses of workers in the non-unionised sectors".

Another problem, says the report, is that unions "have sometimes wielded their political power against structural adjustment". India's unions, for example, though representing less than 8% of the labour force, "have organised nationwide general strikes against incipient industrial restructuring measures aimed in part at increasing India's outward orientation and the reform of state enterprises. India's unions are propping up the part of the economy most in need of reform."

What must be done about these reactionaries?

The first thing is to promote "competition on the output side". Break up concentrated industries. Force domestic companies to compete with each other and with foreign suppliers. That way workers in

unionised plants will find themselves out of work unless wage demands are justified by increased productivity. Also it will put a little spine into managements and politicians. "In less competitive environments unions will attempt to capture economic rents and will ally themselves with their employers and with politicians who promise to perpetuate those rents."

Then, and this is perhaps even more relevant to SA, make it "a key principle... to ensure that the parties engaged in bargaining absorb the costs of their actions rather than shift them to third parties". Do not require companies to pay their striking workers, but do not allow struck companies to defer tax payments or receive government loans and other subsidies, either. And, if you must let public employees unionise, establish a binding arbitration mechanism to prevent them taking the public hostage.

Also avoid one plant, one union rules, but uphold the right of a worker to join the union of his or her choosing or none at all, and do not encumber non-union firms with minimum wage regulations or restrictions on hiring and firing.

A "competitive non-union labour market" is needed to "exert disci-

pline on the monopolistic wage practices of unionism".

The idea is to oblige unions to focus on improving the productivity of the firms where their members are employed — something the report says they can do well — rather than selfishly enlarging members' take at the expense of the broader economy.

To be avoided, at all costs, is the model of India's nationalised coal miners who, as the report illustrates with a remarkable graph, manage to extract massive pay increases every election year.

For the private sector, at least, insist on enterprise or even plant-level rather than national or sectoral collective bargaining — IMF staff have already specifically made such a recommendation to SA — since this too will temper "the union's ability to effect monopolistic wage increases" while pushing it to find other means of meeting members' needs.

Unions in Hong Kong, for example, are organised along enterprise lines in what is a highly competitive output market. "This weakens their bargaining position, and most unions are in the business of providing insurance and social assistance to their members rather than fighting for higher wages."

Large federations do have their uses. In Mexico and Israel, organ-

ised labour "rallied behind governments committed to adjustment programmes and agreed to social pacts that have facilitated stabilisation, but instances of this constructive role have been rare".

"It is difficult to persuade a powerful pressure group to help design and implement a stabilisation plan, and eschew restructuring measures aimed at increasing the outward orientation and privatisation of industry when the result is likely to be to reduce the relative wages of its members."

None of which is to say that free unions and collective bargaining are not essential. Governments that repress unions, or make them part of the state apparatus, tend to behave in ways that are, if anything, even more damaging than big labour's quest for economic rents, says the report.

Buying off organised labour may be cheaper than buying off a whole disorganised class. At least you can target the bribe narrowly. "Overstaffing the public sector, high minimum wages, and restrictions on firing — policies introduced in Congo, Kenya, Sudan, Tanzania and Zambia in the 1960s — reflected political realities for governments that took power and repressed labour unions after independence."

Or take a look at Egypt's Gamal Abdel Nasser in the 1950s and 1960s. Having beat up labour for all his professed socialist principles, he still had to keep the urban population happy. Accordingly, he promised its children government jobs upon graduation from college, with the result that Egypt is today a nation utterly dependent on American aid.

So, concludes the World Bank, after observing that many of the East Asian tigers started out by thumping up unions, organised labour is on balance a good thing. As long as, that is, it is kept on a tight leash and busts itself either at the plant level in an environment of competition or in supporting World Bank-sponsored adjustment programmes. Perhaps this is true; but if it is, it could have been argued more judiciously.

Bank's report has implications for bargaining in SA

Simon Barber

WASHINGTON — The World Bank's 1995 development report's general recommendation favouring decentralised collective bargaining applied to SA, economist Michael Walton, the principal author of the report, said this week.

"We argue for bargaining at plant and enterprise level to ensure wages are closely linked to productivity", Walton said.

Full global economic integration was key to higher productivity, employment and wages in SA.

Asked to highlight those aspects of the report that were most significant for SA, Walton cited the need to increase domestic investment and attract foreign capital.

Walton thought that SA's transition from a "relatively protected" economy to an outward-looking development path would not be as traumatic as it would be for other countries.

Dislocations were inevitable as formerly protected sectors were exposed to international competition. But SA was "relatively well-placed", in Walton's view. "It did its tough stabilisation in the 80s when its economy was living beyond

its means and it had to cut back on total demand."

To attract its share of "highly mobile" international capital, SA, like everyone else, needed fiscal prudence, social stability and sound microeconomic policies.

In SA's case, "effective industrial relations" were especially critical.

That did not mean that strong union federations were not important assets since they facilitated the negotiation of "social pacts" to "handle the displacements" caused by restructuring.

Sapa reports Arup Banerji, one of the report's other authors, told a news conference in Johannesburg that collective bargaining was an effective strategy to protect workers' rights.

He said successful collective bargaining depended upon a competitive labour market.

Government should therefore actively promote free trade, a balanced exchange rate and a lowering of protective barriers. Policies should avoid bias against labour demand.

Banerji said that 20th-century labour policies had often been misguided.

● See Page 14

Timetable is set for labour Bill

Rene Grawitzky

(132) (132) (132)
LABOUR Minister Tito Mboweni obtained approval from Cabinet this week on a timetable for processing the labour relations Bill aimed at having the legislation passed by Parliament on August 18.

The original deadline for completion of negotiations expires today.

Mboweni indicated that because Parliament was due to sit until mid-September, there was an additional four weeks "injury time" should the new deadlines not be met.

He said all parties within the National Economic, Development and Labour Council (Nedlac) wanted the legislation to be enacted this year.

It was important to try to achieve this objective.

The new timetable begins with a Nedlac meeting in Gauteng on Sunday and Monday where Mboweni is expecting labour and business to respond to his proposals on centralised bargaining and workplace forums tabled on June 21 and 22 in Cape Town. Mboweni is also planning to propose deadlock breaking proposals on the question of the use by employers of "scab labour" during strikes, which labour wants forbidden by law.

He said government was perturbed by the violence that tended to occur when temporary labour was used to replace strikers. However, banning it was uncom-

BD 30/6/95 Continued on Page 2

Labour

(132) (132) (132)

Continued from Page 1

mon — such legislation existed only in two provinces of Canada — and he would be proposing a "balance" between employer and union positions.

Following the meeting, Mboweni's schedule envisages a report being presented to the Nedlac executive council on what has been agreed upon. A final draft of the Bill would be submitted to a special Cabinet meeting on July 26 and 27. After consideration, the Cabinet would be asked formally to approve the Bill which would then be presented to Parliament for its first reading on August 3.

The National Assembly and Senate select committees on labour and the reconstruction and development programme

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would meet jointly and hear public representations on the Bill from August 7 to 11.

Conceding that little time was allowed for the parliamentary committees to deal with the Bill should they wish to consider significant amendments, Mboweni said he hoped they would consider that it was a product of lengthy negotiations.

Meanwhile, a breakfast meeting of the tripartite alliance secretariat met President Nelson Mandela yesterday to be briefed by Cosatu on the status of negotiations on the draft Bill.

The breakfast was attended by Cosatu general secretary Sam Shilowa and assistant Zwelezenza Vavi, Cheryl Carolus, Jeremy Cross and Mboweni. Shilowa outlined the developments unfolding within the negotiations.

Make-or-break bosberaad on contentious labour relations bill

Political Staff

PARLIAMENT might pass the Labour Relations Bill with contentious clauses removed if consensus on the Bill is not reached soon. Labour Minister Tito Mboweni has warned

The make-or-break bosberaad between labour, business and the government starts on Sunday, and Mr Mboweni said yesterday there was consensus on about 90 of the Bill's provisions

He said the government would prefer to see consensus being reached on all the issues

But if there was no agreement then cabinet would assess the strengths of the differences and "if absolute consensus has not been reached then we will have

ARL 30/6/95
to see whether the parts where there is consensus cannot be passed in the current parliamentary session", he said

Other parts might then go through parliament next year

Labour and business have deadlocked on clauses related to centralised bargaining, closed shop agreements and replacement of striking workers with scab labourers

Mr Mboweni said it was his impression that there was a lot of progress on the centralised bargaining issue. He said the government would also submit proposals on scab labour during strikes to the meeting on Sunday

He refused to reveal details of

(132)
his discussions yesterday with President Mandela and Congress of South Africa Trade Union leaders Sam Shilowa and Zwelinzima Vavi

The deadline for negotiations on the Bill was set for today (fri) but Mr Mboweni said yesterday new dates to serve as guidelines and to ensure that the legislation goes through parliament this year had been approved by the Cabinet on Wednesday

After negotiations, a report will be submitted to the National Economic, Development and Labour Council on July 7, then a new draft of the Bill will go to Cabinet on July 26 and it will be submitted to parliament for its first reading on August 3

Labour bill

'90% settled'

ET 30/6/95
PRETORIA: Business and labour have reached agreement on nearly all of the provisions of proposed new labour laws, but the issue of scab labour was proving a problem, Labour Minister Mr Tito Mboweni said yesterday. (122)

"There is consensus on about 90% of the bill," he said. (122)

The controversial issue of scab labour is due to be discussed at a "bosberaad" between delegates representing the government, business and labour

The proposed Labour Relations Bill programme sets August 2 as the deadline for tabling a final draft bill. The bill is scheduled to be adopted on August 18. — Reuter

LABOUR

Tito's clever compromise

Business and labour are carefully considering government's compromise proposals on centralised bargaining, tabled by Labour Minister Tito Mboweni in parliament last week. Though business sources refuse to be drawn on the substance, they seem relieved that the proposals meet their bottom line — at least by not compelling centralised bargaining nor prescribing the level at which bargaining should take place.

In particular, Mboweni's clever new idea of "statutory councils" looks like it could fly and break the deadlock over the core issue in the draft Labour Relations Bill — centralised bargaining, which the unions want made compulsory. As Mboweni explains them, statutory councils would seem to differ fundamentally from centralised bargaining councils.

Tabling the proposals in parliament, he frankly conceded that "it is government policy to promote collective bargaining at industry level."

He also said, however, that "if collective bargaining is more efficient at decentralised levels, the decentralisation process must be by agreement."

Government's central aim in promoting centralised bargaining is to get business and labour to forge consensus on the bigger issues facing the economy, such as industrial restructuring, training and a social wage. It is not aimed at securing sector-wide agreements on minimum wages and working conditions, which, as far as Mboweni is concerned, may be negotiated at any level the parties jointly decide. This leaves an avenue for labour to pursue its quest — assuming it can convince employers.

In any event, Mboweni is not in favour of bringing in a law to "compel" employers to bargain centrally. "We are not convinced that the statutory duty to bargain at industry level is either wise or legally viable, and it may actually run counter to the constitution. Statutory compulsion would be too rigid, and assumes that there is a right answer to the question of bargaining levels and topics. The second difficulty is legal — how does the law compel employers, organised and unorganised, to bargain collectively at industry level? How are they to be identified? How is an agreement reached?"

Mboweni maintains that government's objectives in promoting centralised bargaining are mostly accepted by business and labour. The only question is how

(132) (4/23) FM 30/6/95
 This is where his latest proposals come in. He proposes amending the draft Bill to permit the parties in dispute over the establishment of a bargaining council to refer the dispute to the Commission for Conciliation. If the commission fails to secure agreement, Mboweni may establish a "statutory council," with jurisdiction limited to matters of social policy, social wage and training functions.

The parties to a statutory council may by agreement — "and I stress, by agreement" — include additional matters, such as wages and working conditions.

Where there is no agreement on wages and conditions in an industry, a party to the statutory council (labour, most likely) may



apply for a Wage Board investigation into wages and conditions in an industry. The board commissioner would then conduct an investigation and consult the statutory council before making recommendations to the Minister, who will make a determination in terms of the present Wage Board.

"While not making bargaining compulsory, the effect will in all probability induce parties to bargain in order to avoid the bargain being made for them by the Minister," says Mboweni.

In this way, it would seem that the Minister could, almost by sleight of hand, go some way towards meeting the union demand by raising "apartheid wages." He will, after all, appoint the Wage Board commissioner and has the power to make a de-

termination

It is clear that, while Mboweni recognises economic "imperatives," he is ambivalent about saying a flat "no" to his party's key ally, Cosatu.

Based on the experience in other countries, Mboweni is convinced that an adversarial labour relations system is not suited to this huge task. And where adversarial systems have not been supplemented by workplace-based institutions for worker representation and labour-management communication, this process has fared badly, he says.

As Mboweni points out, the draft Bill allows the parties to determine their own arrangements. What is different is the nature of the "duty to bargain" (at any level). This is "organisational and institutional in nature, rather than legal" — which business basically accepts.

Mboweni bases his case in favour of centralised bargaining on the following: first, there are already 89 industrial councils in place; second, sectoral bargaining has an important role to play in society.

"As industries are faced with reduction of tariffs, and our re-entry into the global economy, they are going to have to change. That change has to be managed. It is my view that industry-level bargaining arrangements are particularly well suited to assist in the transition and adjustment that will inevitably occur." ■

DEFENCE

To the core

It's taken longer than expected, but the country is at last moving towards a major reassessment of its defence needs. The findings are due to be presented to parliament by April next year and could result in a significant restructuring of the SANDF and the reallocation of some key activities to nonmilitary organisations.

The future of the navy will be a particular focus, after the deferment of a decision to buy four corvettes for R1.7bn in the wake of massive pressure from within the ANC.

A draft White Paper tabled in parliament by Defence Minister Joe Modise last week sets the policy parameters for a wide-ranging review of defence needs. The review will be underpinned by extensive public consultation. The White Paper had been expected at the end of last year.

It is clear from the document's sweeping terms that the SANDF's transformation into an instrument of the new democracy will be painful for some professional soldiers and

other militarists. Among the actions envisaged in the White Paper is a 30% reduction in troop strength over the next few years, from the current level of around 100 000.

Modise has already warned that defence spending has decreased below the level at which he can maintain even the minimum defence needs. Nevertheless, further cut-backs seem inevitable as ANC doves strengthen their position in the party's caucus. But they face a difficult task. They will need to acknowledge the validity of the national interests currently being protected by the SANDF and propose viable nonmilitary (and less costly) alternatives.

Maritime protection — highlighted by the corvette issue — is a case in point. There is no doubt that SA needs to safeguard its fishing grounds that stretch 200 km from its shores, but does it need warships to do so?

Those opposed to the corvette deal believe paramilitary offshore patrol vessels, under the control of the police or the Department of Fisheries, would be better suited to the task. The defence review will need to investigate this and other key issues — and provide answers.

But the prospect of a shrinking navy is by no means Modise's only problem. In parliament last week, he said "With current levels of funding we are not even able to maintain a core force — which is the minimum force level required to satisfy defence requirements. It is my duty and responsibility to warn parliament and our people that, if further cuts are made to the budget, we shall fall even further below this minimum core force level. The reductions in the defence budget have reduced the size and quality of our core force's defence capabilities."

Apart from deferring a decision on the corvettes, lack of funds has also compelled the SANDF to

- Scrap the Buffel armoured personnel carriers and Eland armoured cars,
- Drastically reduce upgrading programmes for the Olifant tank and the Rooikat tank destroyer, and the replacement for the Ratel armoured personnel carrier, and
- Reduce the number of aircraft in the SA Air Force by 50%, including the scrapping of seven of the 10 "frontline" squadrons, leaving only one squadron of supersonic fighters, the Cheetahs.

Capital spending now accounts for only 27% of the defence budget, with 73% being spent on operating costs.

The process of integrating the various military units has resulted in the black component of the full-time force increasing by 8%, from 53% to 61%, in the past year. The number of black officers increased from virtually none to 20% — including 11 black generals.

But parliamentary defence committee chairman Tony Yengeni says there are signs that the sort of transformation of the SANDF demanded by the interim consti-

tution is not happening and that discriminatory practices are continuing.

PAC leader Clarence Makwetu believes the integration process has been bungled and that Umkhonto we Sizwe and Apla are being treated like "discredited" armies.

But Modise says the extent to which blacks have been brought into the defence force is a "considerable achievement" and not the "tokenism" of having one or two black faces on the board of a company.

Yengeni also has other reservations. He says his committee had expected more progress from Modise over the past year "at least in the form of comprehensive proposals." The committee, he says, is struggling to formulate a clear stance on the defence budget, because it is "insufficiently informed" and the "precise nature" of SA's defence capability has not been spelt out.

All that should change soon as the defence review gets under way and the SANDF tries to define a new role for itself on a continent where pure military might has seldom meant true national security. ■

LOCAL GOVERNMENT

Be-rating the rich

FM 30/6/95

The parlous state of local government in SA is reaffirmed in Greater Johannesburg's "Robin Hood" budget, released this week. That business and wealthier residents would be taxed more heavily to finance upliftment in poorer areas was never in doubt — after all, that is one of the *raison d'être* of metropolitan government.

But the R6,5bn budget — making it the sixth largest government in the country — offered no assurances that the higher rates, business levies and service charges would actually bring about sustainable improvements in living conditions for the poor.

Metro Budget & Finance Committee chairman Ian Davidson warned that the city could face a R190m deficit next year (requiring a 22% rates increase, before inflation) unless service payments in black townships improved. Despite the much-publicised Masakhane campaign to improve services and payments in the townships, Soweto was still paying only 29% of its rent and services fees and Alexandra barely 14% in April.

Such stunning disparities seem not to disturb TMC executive committee chairman Collin Matjila, who referred only fleetingly to the problem in his budget speech when he said that Masakhane's success should be measured not only by increased payments, but also by a local authority's ability to deliver affordable and effective services to its communities.

By these standards, too, the Johannesburg Metropolitan Council's record gives cause for concern rather than confidence. Its refusal to devolve full administrative powers to its substructures, or local councils, that actually do function (notably, former Sand-

ton, Randburg and Roodepoort) has brought a discernible drop in municipal standards in those areas in the last six months.

Traffic lights that remain broken for days and tardy rubbish removal are now commonplace, as is the rising ire of ratepayers. After all, they may be willing to subsidise improvements in Soweto and Alexandra, but why should they do so at the expense of their own neighbourhoods?

The problem is largely due to over-centralisation of administration. Metropolitan officials argue that they cannot devolve powers to some substructure councils without doing so for all. And as some substructure councils are dysfunctional (such as the south-eastern area, which never had a council of its own, and the western area, encompassing most of Soweto, which was rendered largely ungovernable) they must withhold powers from all.

But the real reason for not empowering the substructures may reflect a centralist mentality among ANC and NP officials, who dominate the TMC. It may be that they simply don't want to diffuse power — endeavouring instead to bolster a centralised administration, only to find that it swiftly becomes overloaded with the minutiae of its municipal substructures. The result is a clogging of municipal functions and consequent decline in services.

But this is only part of the troubles besetting metropolitan government. Transitional metro councils — such as Johannesburg, Cape Town and Durban — will exist in their present form until the local government elections on November 1 replace them with the first fully democratic local councils. But the process itself is so fraught with political power play that it may yet derail the elections.

Disputes over metropolitan boundaries (the number and extent of internal substructures) proposed by demarcation boards in Gauteng, KwaZulu-Natal and the Western Cape were still on course this week for adjudication in the Electoral, Supreme and Constitutional courts — time-consuming processes that could force local elections nationwide to be delayed until next year. The interim constitution stipulates that all local government elections must be held on the same day, so any part-postponement would require a constitutional amendment.

While Provincial Affairs Minister Roelf Meyer insists that the elections will go ahead as scheduled, there seems little he can do to avoid a delay if the NP-controlled Western Cape government under Hennis Kriel goes ahead with its Constitutional Court action. Kriel wants to overturn President Nelson Mandela's proclamation that seeks to wrest control from the NP of the Western Cape provincial committee, the body that must endorse the province's local government boundaries.

The ANC wants to dilute NP domination of the area by having the populous — and largely ANC-supporting — Khayelitsha township included in the northern district.

Meetings start again on Sunday to break deadlock

New life in labour talks

Star 30/6/73 (132)

■ BY JUSTICE MALALA
LABOUR REPORTER

The series of meetings between labour, business and Government representatives which starts on Sunday will focus on Labour Minister Tito Mboweni's proposals to break the deadlock which has plunged talks on new labour laws into crisis.

Revealed in his budget speech in Parliament last week, Mboweni's proposals breathed new life into the stalled negotiations which had led to labour embarking on mass action and business retaliating with an expensive media campaign.

Since being presented to the players, consultations on the draft Labour Relations Act have taken place and it is expected that business and labour will table their responses to the Cabinet-approved proposals soon.

Mboweni said yesterday there was consensus on about 90% of the Bill's provisions. The Govern-

ment, however, would prefer to see consensus being reached on all the issues by all the parties.

Should there be no agreement, Cabinet would assess the strengths of the differences and "if absolute consensus has not been reached then we will have to see whether the parts where there is consensus cannot be passed in the current parliamentary session," Mboweni said.

Labour and business have deadlocked on compulsion to bargain centrally, closed shop agreements and replacement of striking workers with scab labourers.

On the issue of centralised bargaining, the Government has proposed that the National Economic, Development and Labour Council demarcate the industries in which "statutory councils" are to be established.

The powers of these councils may include determining industrial policy, establishing pension,

provident and medical aid funds and arranging dispute resolution functions, particularly conciliation of disputes.

Each council may amend its constitution by allowing agreement between the parties to include new powers such as collective bargaining over wages and working conditions.

It may be formed by trade unions representing 30% or more of the employees in the industry or by bosses employing at least 30% of workers in the industry.

The new proposal strips away the enforcement of centralised bargaining, as labour demands, and yet encourages the principle of voluntarism that business requires. It also puts the ball in labour's court by setting thresholds that unions will have to work hard to reach to ensure the formation of the councils. Yet if these thresholds are reached, the unions will have acquired the muscle necessary to call for

the councils.

On closed and agency shops, Mboweni proposed that the draft Bill should include provisions on the ways closed shop agreements could be enforced.

He proposed that the agreements comply with requirements for collective agreements and that the introduction of a closed shop should require a ballot of all the employees covered by the agreement.

The Government said: "The proposals made by the trade unions go a long way towards resolving the Government's primary concerns over the constitutionality of union security arrangements."

A trade union that is not party to a closed shop may apply to become a party to the agreement if it is able to demonstrate that it represents a significant interest, or has the support of a sufficient number of employees covered by the closed shop.

Give workers dignity they deserve, pleads Shilowa

By ESTHER WAUGH
POLITICAL CORRESPONDENT

When Cosatu general-secretary Sam Shilowa had the ear of President Nelson Mandela this week, his message was "Give the workers the dignity they deserve."

"That's really the issue. So that's my line with the President," he said. Shilowa met Mandela on Wednesday to brief him on Cosatu's position on the controversial Labour Relations Bill, but said he would not ask Mandela to intervene in the deadlock between labour, business and government.

"As far as I'm concerned, Tito (Mboweni, the Labour Minister) is capable of intervening (in the negotiations Bringing Madiba into the situation will mean that we have no confidence in ourselves — that is, those of us who are involved in Nedlac (the National Economic, Development and Labour Council)."

In essence, the briefing had been designed to give the President a feel for the issues involved. In an interview with the Saturday Star before the meeting, Shilowa detailed the issues

Categories

Shilowa said unions were prepared to be flexible in accepting that maximum wage levels could be negotiated at a plant or company level while minimum wages should be negotiated at a centralised level.

The movement accepted the creation of different categories



A WORD IN THE EAR: Sam Shilowa told Mandela the basic issue is one of human dignity

in, for example, the retail sector, but minimum wages for these should be agreed upon. This would, however, not mean that "OK Bazaars and Woolworths" workers would be earning the same salaries

"The real debate between us and employers is not about voluntarism and flexibility. It is about whether issues related to redistribution will be dealt with as well."

Shilowa said business was prepared to have compulsory negotiations at a centralised level on the industrial policy, training, dispute resolution and pensions and medical aid benefits

"But, it is when we say that issues related to wages, collective bargaining and conditions of employment should be part of that process, that they begin to

say. No, no voluntarism and flexibility'

"This is the one issue I'm going to outline to Madiba. I will say it is an issue of productivity, production and wealth creation on one hand, and redistribution on the other. It is ideological differences."

Also high on his agenda was the issue of scab labour. He was to use the example of Germany, which has centralised bargaining, stable unions and a vibrant economy. Although scab labour was not prohibited by law in Germany, scab labour was not used during strikes.

Referring to last year's strikes at Pick 'n Pay and in the motor industry, Shilowa said the Pick 'n Pay strikes, which used scab labour, were characterised by police involvement, tension and lock-outs of workers. The motor industry, which did not use scab labour, was able to settle its differences with the workers.

Defensive

Another issue to have been raised during the briefing was that of lock-outs of workers by employers.

"I will be saying to Madiba that employers should have lock-outs as a defensive mechanism and not as an offensive one."

Shilowa said he would point out that Cosatu was in alliance with the ANC.

A new round of negotiations between labour, Government and business starts tomorrow

Deadlocked

labour talks

(132) (132)
restarted

SA 4/7/95

■ LABOUR REPORTER

Deadlocked talks between labour, business and government on the draft Labour Relations Act are back on track.

It is expected that the proposed law will be passed by Parliament this year, negotiators said yesterday.

Progress

After a meeting to consider Labour Minister Tito Mboweni's proposals to break the deadlock, the parties said substantial progress had been made.

Mboweni said three task groups to discuss differences between the parties on the new laws had been formed.

The task groups would hold meetings over three days starting tomorrow, and they would then present their reports to a committee consisting of Mboweni, labour leader Sam Shilowa and Business SA's Bobby Godsell for fine-tuning.

After communism's fall a revolution for labour

(132) ST(BT) 2/19/95

IN 1978 about a third of the world's workforce lived in centrally planned economies. By the year 2000 fewer than 10% are likely to be living in such economies.

"These are revolutionary times in the global economy," says the World Bank in its latest *World Development Report, Workers in an Integrating World*.

"The embrace of market-based development by many developing and for-

A World Bank study argues that new opportunities have been brought to billions of people in the post-communist era through the development of market-based economies. **KEVIN DAVIE** reports.

merly centrally planned economies, the opening of international markets, and great advances in the ease with which capital and ideas flow around the world are bringing new opportunities as well as risks, to billions of people."

The bank concludes from its review of international experience in both

the developing and developed world that successful labour policies are those that work in harmony with the market and avoid providing special protections and privileges to particular labour groups at the expense of the poorest.

James Wolfensohn, the bank's president, says in his foreword that "labour

policies in many countries have been misguided in favouring those in good jobs at the expense of workers in the rural and informal sectors and the unemployed.

"Governments have a distinct role in setting the legal and regulatory frameworks within which trade unions and firms can operate and in ensuring that those frameworks encourage their positive contributions to development."

Mr Wolfensohn says governments need to define minimum standards and prevent exploitation and discrimination.

"Workers eventually benefit from economic reform as states move from central planning to market systems and from protectionism to openness. This change can, however, be wrenching as employment and wages often decline temporarily and as workers move from old to new jobs"

The report stresses the benefits of education and training in promoting

sound labour market policy, but finds that education is not sufficient in itself to promote job creation. Neither does investment in physical capital stock automatically translate into higher growth and more better-paid jobs.

Fast-growing economies invest more, but investment alone does not necessarily deliver faster growth — the link between investment and growth in productivity is far from automatic.

The report says that policies of industrialisation through import-substitution, such as practised in South Africa, were eventually bad for industrial employment, agricultural growth and overall economic performance.

"Protection of industry failed to produce dynamic growth in industrial payrolls. It also introduced biases against labour within industry studies show that in low- and middle-income countries export industries are usually more labour-intensive than import-substituting ones

The report says that often capital is implicitly subsidised by lower protection for imported capital goods and by overvalued currencies, further biasing industrialisation against

"In contrast, the successful East Asian economies emphasised exporting and had relatively moderate biases in favour of industry."

"They have seen wage employment far exceeding population growth, and significant growth in manufacturing wages."

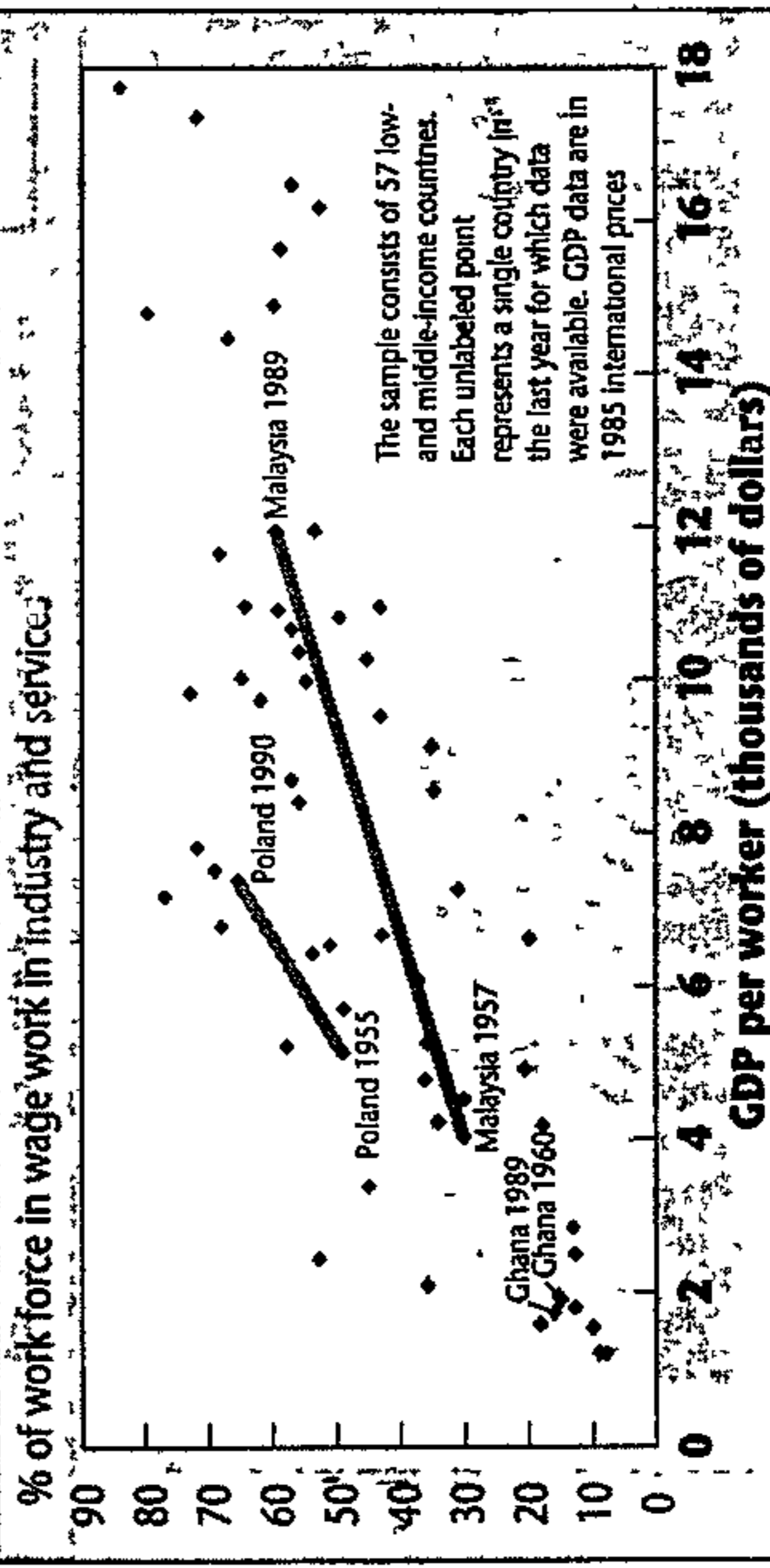
The report finds a strong correlation between export and wage growth and sees a role for governments in protecting the vulnerable, such as children in labour markets.

But it argues that while minimum wage legislation may be appropriate for developed economies it is difficult to justify in low- and middle-income countries.

"If international conditions are favourable and governments do their part to create the right environment, workers will be able to make the right choices, negotiate the conditions of work, and make the schooling decisions for their children which will improve the welfare of all groups of workers

"That could begin to reverse the long-run trend of widening international inequality between workers that has been so marked a feature of the past century."

GDP GROWTH SPURS WAGE EMPLOYMENT



Graphic FIONA KRISCH

Source: WORLD BANK

Scabs get no time off in labour debate

ST 2/7/95

By KEVIN DAVIE

THE issue of scab labour — whether employers can hire workers to replace strikers — is likely to be the next big issue in negotiations on new labour law.

Labour Minister Tito Mboweni says this issue is giving him "sleepless nights" (132)

He says only two countries prohibit the hiring of scab labour. Most do not put prohibitions on scab labour into the law and employers and trade unions conclude agreements on how to manage the issue.

The draft Labour Relations Bill is silent on the question of scab labour — also known as temporary replacement labour — allowing parties to draw up their own agreements, but the Cosatu-led union alliance has said it wants scab labour outlawed.

The parties meet today for the first time since Mr Mboweni tabled proposals last week to break the deadlock over issues such as Cosatu's demands for compulsory centralised bargaining.

Neither business nor labour have disclosed their responses to Mr Mboweni's proposals, but Mr Mboweni has won Cabinet approval for a timetable which will see a Labour Relations Bill being debated in Parliament on August 14.

Government officials in-

volved in negotiations are confident that sufficient consensus will be reached between the parties for the Bill to be sent to Parliament in August.

A union delegation led by Cosatu's Sam Shilowa had breakfast with President Nelson Mandela on Thursday. Mr Mboweni says most of the meeting, which Mr Mandela had to leave early, was devoted to non-union discussions.

Cosatu's Neil Coleman says Mr Mandela attended the meeting as president of the ANC. "It was an alliance meeting to give us a chance to explain our position to our allies."

Mr Coleman says Cosatu has also briefed ANC MPs who have positions on Parliament's standing committee on labour, and two provincial premiers.

He says there is no reason to be optimistic or pessimistic ahead of today's meeting. Much will depend on what the parties, including government, tables for discussion.

Mr Mboweni says his department has processed 2 000 pages of submissions, including organisations representing small business, on the proposed law.

He says the needs of small business "have to be accommodated".

Talks resume to break deadlock on labour Act

(132) (132) ARG 3/7/95
The Argus Correspondent

JOHANNESBURG: Government, business and labour leaders resumed talks to break the deadlock in negotiations on the draft Labour Relations Act confident that progress that would ensure the passing of the Act through parliament this year would be made.

Both organised business and labour federations have been studying Labour Minister Tito Mboweni's deadlock-breaking proposals presented to them two weeks ago and although the parties had made no formal responses, Mr Mboweni said there were indications that they were moving to a solution on the centralised bargaining issue.

The parties were to table responses to Mr Mboweni's proposals on centralised bargaining, closed shop agreements and workplace forums at a "bosberaad" at a secret Gauteng venue which was expected to continue today.

The bosberaad was to consider further proposals by Mr Mboweni on the thorny issue of the replacement of striking workers by temporary workers.

"A solution to this is clearly very important to ensure stability and peace during lawful strikes," he said.

National Economic, Development and Labour Council spokesman Lomin Saayman said the meetings might continue tomorrow.

Deadlocked talks to be resumed

(132)
~~(132)~~

Business and labour groups may be moving towards solution *Sowetan*

Sowetan Correspondent

GOVERNMENT, business and labour leaders yesterday resumed talks to break the deadlock in negotiations on the draft Labour Relations Act, confident that progress that would ensure the passing of the Act through Parliament this year would be made.

Both organised business and labour federations have been studying Labour Minister Tito Mboweni's deadlock-breaking proposals presented to them two weeks ago.

Although both parties have made no formal response, Mboweni said last week that indications were that they were moving to a solution on the centralised bargaining issue.

The parties will table responses to Mboweni's new proposals on centralised bargaining, closed shop agreements and workplace forums at a *bosberaad* to be held at secret Gauteng venue. The gathering will also consider further proposals by Mboweni on the thorny issue of the replacement of striking workers by temporary workers.

"A solution to this is clearly very important in order to ensure stability

and peace during ^{3/7/95} lawful strikes," Mboweni

National Economic, Development and Labour Council spokesman Mr Lomin Saayman said the meetings are scheduled to end today, but the parties have been requested to keep tomorrow free in case further talks are necessary.

Mboweni also revealed that the Cabinet had approved a new set of dates for the Act to be negotiated by the three parties.

He said despite the passing of the June 30 deadline originally set by the three players for the ending of negotiations, "the parties have shown their commitment to negotiations and we are therefore still on track for this year's legislative programme.

He said the draft Act would be presented to a special Cabinet meeting on July 26, and the final draft would be considered by the Cabinet on August 2 for final approval.

After further debate and hearings by the National Assembly and Senate select committees on Labour the Act will be presented to Parliament for adoption on August 18.

Labour embarked on mass action last month to force business to accede to its demands on the Act, but so far business has not budged.

STAN 3/7/95 (132)

Fresh talks on labour

Government, business and labour leaders resumed talks to break the deadlock in negotiations on the draft Labour Relations Act yesterday, confident that progress ensuring the passage of the Act through Parliament this year would be made.

Both organised business and labour federations have been studying Labour Minister Tito Mboweni's deadlock-breaking proposals presented to them two weeks ago.

Although neither party has made any formal responses, Mboweni said last week there were indications they were moving to a solution on the centralised bargaining issue.

The parties were expected to table responses to Mboweni's new proposals on centralised bargaining, closed shop agreements and workplace forums at the bosberaad at a secret Gauteng venue. — Labour Reporter.

Comment on labour policy

1992 11 20 13 17 195
Report of a working group

The Labour Market Commission appointed by Labour Minister Tito Mboweni to formulate a comprehensive labour market policy has called for written submissions by August 31 on aspects of the terms of reference.

The commission, established this year, consists of 17 members and is co-chaired by ministerial special adviser Dave Lewis and Gencor human resources manager Moss Ngoasheng.

The terms of reference "attempt to address the RDP's employment-related objectives through the integration of labour market policy with macroeconomic and industrial policy".

The terms of reference cover issues relating to employment creation, wage policy, productivity enhancement, the social implications of economic restructuring, eliminating labour market discrimination, the access of non-SA nationals to the SA labour market and the migrant labour system.

Labour bill debate near resolution

By THABO LESHLO
AND BRUCE CAMERON

Major stumbling blocks — including compulsory centralised bargaining — appear to have been crossed and new dispute resolution structures have been created to resolve outstanding issues by July 17, which will clear the way for the adoption of the disputed Labour Relations Bill.

Negotiating teams, representing government, labour and business, declined to reveal the full extent of progress yesterday after a further round of late-night talks.

But Tito Mboweni, the labour minister, said "I am smiling. There are wonderful and encouraging signs. We are confident that the process has regained potent momentum and we will be able to make progress."

Indications are Mboweni's compromise position of two weeks ago, which includes the rejection of compulsory centralised bargaining, has been accepted.

At the media conference, many

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of the questions were sidestepped by the spokesmen of the different groups, who appeared intent on presenting a final win-win settlement package rather than a blow-by-blow progress report.

Mboweni said a "principals" committee of himself, Sam Shilowa, Cosatu's general secretary, and Bobby Godsell, Business South Africa's deputy president, had been formed to oversee the last negotiating lap.

Three working groups, which will meet on July 5, have been appointed with instructions to report back by July 7.

On July 7 the principals will consider the reports of the working groups and they in turn will report to a plenary session of the National Economic Development and Labour Council on July 11.

On July 14 the council's secretariat will make available a report on the plenary session to the council's executive committee, which will meet on July 17.

Mboweni said "It would be naive to think we can score 100 per-



MEN AT WORK Labour legislation negotiators report progress at a media conference. From left Sam Shilowa, the secretary general of Cosatu, Jayendra Naidoo, the chief executive of Nedlac, Tito Mboweni, the labour minister, and Bobby Godsell, the deputy president of Business South Africa. PHOTO: JOHN WOODROOFE

cent on each issue. If we can score 99.9 percent it will be a major breakthrough."

He has recalled his legislation drafting team to start redrafting sections where agreement has already been reached.

The three working groups are

working group one which will deal with issues such as strikes, lock outs and strike ballots, working group two, which will deal with organisation rights issues, including deduction of union subscriptions, company disclosure of information, work place forums

and time off for union officials, and working group three which will deal with issues such as dismissals, retrenchments and alternatives to job losses.

Mboweni said the major issues, such as compulsory centralised bargaining, would be dealt with by

the committee of principals

Shilowa said "From the experience it was clear we can find one another to ensure we drive the process home. The country does not want details of the differences but wants to know whether we are inching towards a settlement."

Business, labour 'making progress'

ARG 4/7/95 (132)
JOHANNESBURG. — Business and labour leaders say they have made progress in talks on new labour relations laws, but no settlement is imminent on centralised bargaining, scab labour or strikes

The largest labour and employer groups met at a Johannesburg hotel on Sunday and talked into the early hours of yesterday in an effort to reach consensus on key issues blocking agreement on labour laws due to be presented to parliament.

"We are exploring the issues. Where we are now is that we understand where the other side is coming from and wherein lies the meeting point. We're inching towards a settlement even if it is slow," Cosatu general secretary Sam Shilowa told a news conference.

"Taking into account the exchanges we have had, it makes all parties confident that with the political will we have, it is possible for us to find one another. Even though it looks like we are

moving very slowly, that slowness will bear fruit"

Business South Africa co-ordinator Bobby Godsell told the news briefing his delegation had found the weekend talks useful.

"The discussions aren't concluded yet but I think we are making progress. We are committed to getting a new (Labour Relations) Bill this year"

Mr Godsell said the talks had unified white and black business leaders.

"We are absolutely unified in our sense of the policy issues and our sense of strategy (in the labour negotiations). I think we have a unity which is a pleasing by-product of this process"

Labour Minister Tito Mboweni told the briefing that the social partners of business and labour had agreed to establish a "committee of principals" — himself, Mr Godsell and Mr Shilowa — to oversee a negotiated agreement and to form three working groups to thrash out a deal.

"We are introducing a new system which will seek to quicken a process so that we can meet our deadline," Mr Mboweni said

The working groups would meet tomorrow and report to the principals' group by Friday.

A plenary meeting of government, business and labour would meet on July 11 to accept a report from the principals and in turn present its own report to the secretariat of the National Economic Development and Labour Council (Nedlac) by July 14.

Nedlac's executive would then examine the report on July 17. "This is in order to give the process sufficient time to proceed," Mr Mboweni said.

"We hope there will be no outstanding issues on July 17 that will delay the passage of the Bill (through parliament).

"But I think we would be naïve if we expected 100 percents. If we score 99,9 percent, that would be a major breakthrough," he said. — Renter.

LRA stumbling blocks beginning to crumble

■ BY THABO LESHILO AND
BRUCE CAMERON

Major stumbling blocks - including compulsory centralised bargaining - appear to be settled and new dispute resolution structures have been created to resolve outstanding issues by July 17 to clear the way for adoption of the disputed Labour Relations Bill.

Negotiating teams, representing the Government, labour and business, declined to reveal the full extent of progress at a media conference in Johannesburg yesterday after a further round of late-night talks.

But Tito Mboweni, the Minister of Labour, said: "I am smiling. There are wonderful and encouraging signs. We are

WE ARE building a new labour relations system for the 21st century, says Labour Minister Tito Mboweni

confident that the process has regained potent momentum and we will be able to make progress."

Indications are Mboweni's compromise position of two weeks ago, which includes the rejection of compulsory centralised bargaining, has been accepted.

At the media conference, many of the questions were sidestepped by the spokespeople of the different groups, who

appear intent on presenting a final win-win settlement package rather than a blow-by-blow progress report.

A new structure of committees and deadlines has been established.

Mboweni said a "principals" committee of himself, Cosatu General Secretary Sam Shilowa and Business South Africa deputy president Bobby Godsell, had been formed to oversee the last negotiating lap.

Working groups

Three working groups, which will meet on Wednesday, have been appointed with instructions to report back by Friday.

On that day the principals will consider the reports of the working groups.

(132) Stan 4/7/95
They in turn will report to a plenary session of the National Economic Development and Labour Council (Nedlac) on July 11.

On July 14 the secretariat of Nedlac will make available a report on the plenary session to the Nedlac executive committee, which will meet on July 17.

Mboweni hopes most issues will have been resolved by then.

"It would be naive to think we can score 100% on each issue. If we can score 99,9% it will be a major breakthrough."

He has recalled his legislation drafting team to start redrafting sections where agreement has already been reached.

"We are building a new labour relations system for the 21st century."

Mboweni sets up new committee

(132)

Hopes rise for deal on labour law

MD 4/7/95

Renee Grawitzky

GOVERNMENT, labour and business representatives emerged from their second National Economic, Development and Labour Council (Nedlac) meeting yesterday talking of a renewed commitment to ensure the enactment of the labour relations Bill this year.

Labour Minister Tito Mboweni announced a new timetable and the establishment of new structures to speed up the process to reach agreement on the core issues in dispute.

Mboweni said he was confident the process had regained its momentum and there was a readiness and capacity on the part of the parties to settle.

The parties were not prepared to elaborate on what had transpired during the two-day meeting.

This included the responses by labour and business to government's proposals tabled on centralised bargaining, workplace forums and agency/closed shop.

No detail was given about whether government had tabled any proposals with regard to scab or replacement labour. Prior to the meeting, Mboweni indicated that resolution of this issue would be crucial to agreement on a final package.

Cosatu general secretary Sam Shilowa said after the meeting: "Taking into account the exchanges and explorations, it makes all the parties confident that with the political will existing among ourselves we will achieve progress."

Business SA negotiator Bobby Godsell said the discussions had not yet been concluded, but said progress was being made.

Mboweni said the new process would entail the establishment of a principal committee consisting of himself, Shilowa and Godsell, while Nedlac executive director Jayendra Naidoo would be brought in from time to time.

This committee would oversee the successful functioning and operation of three working groups required to consider a wide range of issues, yet to be finalised. The working groups would refer issues they were unable to resolve back to the principal committee.

The principal committee would consider issues such as centralised bargaining and possibly the question of scab labour.

The three working groups, the composition of which had not yet been finalised, would consider the following:

- Union authorised strikes, ballots and defensive lock-outs;
- Organisational rights and the disclosure of information in the proposed workplace forums; and
- Dismissals and the disclosure of information with regard to retrenchments.

Mboweni said that the working groups would meet tomorrow and report back to the principal committee, which would meet on Friday.

He said he hoped all issues could be resolved by mid-July.

However, he pointed out that "it would be naive to believe we will score 100%".

Mboweni also announced that the ministerial task team commissioned to draft the negotiating document on the Labour Relations Act would be reconvened to commence drafting areas "where there is enough room to draft".

Theatre goes to the heart of workplace problems

By Ross HerBERT

STAFF WRITER

Politely attentive, you and your colleagues wait for the lecture on affirmative action to begin. The company memo said the meeting was mandatory. Just what does this assembly portend?

The internationally known expert is introduced and, after several opening pleasantries, begins to spell out the topic of his

talk to all gathered on a large flip chart: A-F-I-R-M-A-T-I-V-E-T-I-V-E-A-C-T-I-O-N

Low murmuring greets the misspelling. One man's disgruntled voice rises from the audience in a loud whisper: "Why should we listen to this fool? He can't even spell!" "Shhhhh, let him talk!" the others reply, and the speaker drones on, producing more and more inaccuracies.

The critical man's grumbling can now be heard throughout the auditorium. Finally he stands and openly challenges the speaker. An ugly verbal squabble breaks out as mortified audience members tell the man to shut up. Tempers flare.

The challenger shouts at the speaker and stalks out, then returns to explain the ruse both he and the speaker are actors and this is industrial theatre — a potent, creative form of communication. South African organisations are increasingly using to slash through social pretensions to get people openly discussing the most difficult problems.

The scene described was actually played out at the Council for Scientific and Industrial Research last year.

After the opening salvo, the two actors put

on several skits, this time comical, to illustrate the common emotions and everyday prejudices that surround affirmative action but which few people will speak of in mixed race audiences.

One skit involved a white teenager applying for a job with a black taxi association. Another revolved around a white patent going to his dentist to find he would be treated by a newly hired black dentist.

By the time the show was over, white and black workers, from directors to cleaners, were laughing freely.

From there, a facilitator led employees into group discussion of affirmative action and how it should be dealt with at the council.

"Industrial theatre is a hugely powerful tool," says Mike Groch, a member of the council's executive management board. "You could almost sense the atmosphere lighting up a bit to the point where you could have some constructive dialogue."

According to Groch, the council recognised that it increasingly had to work in consultation with rural communities on reconstruction and development programme projects as well as foster greater diversity in its own ranks.

The council needed a non-threatening way to get racial and cultural issues on the table and chose industrial theatre rather than more conventional communications.

"I think a play really engages people," says Wendy Luhabe, the president of the consulting firm, Bridging the Gap and the discussion leader for the council's programme.

"It's live. You are looking at real live people. Videos are simply not as effective."

Industrial theatre is now being applied to everything from product launches to adult education to company-wide transformations.

Its common threads are live actors in short, allegorical skits. Although it began as a means of communicating with illiterate workers, industrial theatre is showing itself to be equally powerful with

white-collar workers.

Work in the field was pioneered by the Blue Moon company and there are now a variety of firms offering industrial theatre services.

Organisational life can be a spider web of formalities and unwritten social rules that stifle candour. How can a worker realistically tell a boss that he is overbearing or implementing a bad plan? Similarly, issues of race, sex, culture, teamwork and competence can be difficult or impossible to talk about candidly.

Industrial theatre conveys its message by using its skits with humour and surprise. Stephen Francis and Harry Dugmore, who write the comic strip *Madam and Eve*, also write many scripts for industrial theatre.

"In the old days, when companies wanted to communicate something they'd put on a slide show and all the employees would fall asleep," Francis says. "People love to laugh. I think people are much more receptive when they are enjoying themselves."

"We'll have a foreman laugh and laugh and laugh, and then say 'I never thought of it that way. Maybe I do treat this guy that way'."

One successful play written by Francis and Dugmore is the show *Tshisanyama* ("hot meat") performed at Elandsrand gold mine.

The four-part play is about a boerewors shop that for the first time must face competition and cut its costs and improve productivity. The two boerewors partners, one black and one

Arkaney, continually work at cross-purposes and misunderstand each other.

Despite the simple-sounding premise, the audience laughs heartily and the actors' escapades provide an easy analogy for later discussions of what goes awry underground.

Mine manager Ian Cockerill says the overall programme has significantly boosted morale and productivity.

(132) (C) 1992 5/7/95



ON TARGET Miners at Elandsrand gold mine respond with amusement and recognition to the portrait of misunderstood shopowners in the industrial theatre production *Tshisanyama*.

But, he cautions, theatre alone will not do the trick without a broader initiative to change and reinforce a new company culture.

The production of *Tshisanyama* at Elandsrand began a day-long programme to change employer-management relations and train employees in new productivity concepts.

Workers were involved in writing a statement of company values that all agreed to fol-

low.

In addition, miners put through the programme were given cross-training so that they were knowledgeable concerning a variety of mining jobs. They were also given a new production bonus scheme to encourage initiative.

"You have to do all those other things. You can't just pull that one thing (industrial theatre) out in isolation," says Cockerill.

Workers who have been through the programme are now mining an average of 22m² of ore a month compared to 15m² for conventional workers.

Overall, Cockerill says, they have realised a 29 percent boost in productivity.

Industrial theatre also creates a kind of shorthand for otherwise complex ideas.

At Elandsrand the word "tshisa" or "hot" was part of a comical chorus the actors sang between skits. Employees now use "tshisa" as a form of greeting with co-workers who saw the show.

Careful attention to the script is crucial. Companies must fight the temptation to overburden it with too many messages — and crush the plot and humour.

Language must also be handled deftly. With audiences that speak a variety of indigenous languages, industrial theatre uses a medley of languages, using physical props to make its meaning clear. At Elandsrand, most workers are migrants who do not speak English or Afrikaans as their mother tongue, but all laughed at the punchlines.

In an industrial theatre play put on by Telkom to teach people about AIDS, actors played the roles of body cells and acted out swimming through blood vessels. Despite the medical complexity of how viruses function and how they are transmitted, the audiences understood the essential concepts.

One of the greatest strengths of the medium is the opportunity it presents to surprise. When Barlows Equipment scheduled a

launch of new Caterpillar earth-moving machines, guests arriving found a parter noisily through the entrance door.

He continued to make a racket and began to irritate people. Then the new-product video was shown, featuring the painter describing how his father had worked for Barlows.

On video he spoke about his personal experience with Barlows, presenting it as a people company.

just as the video ended, the painter rushed to the stage and, lit by spotlight, shouted "They are here, they are here," before rushing the surprised guests out to see the new models.

"Industrial theatre is not seen as some preaching thing or corporate propaganda," says Mitch Ramsay, the communications manager at South African Breweries' beer division.

Ramsay wanted a programme to discuss corporate values and culture, subjects sure to make cynical employees' eyes roll.

The script revolved around a man delivering a book of values to a company, only to have the book stolen.

The characters then set off on an Indiana Jones chase to find the book, which took them around and among the audience members.

Industrial theatre is not without difficulties.

A good script can take four to six weeks to develop and rehearse. Production companies usually charge a fee for each performance, which means companies often spend R100 000 to R250 000 for shows that reach a large workforce.

There is also the significant cost of pulling employees out of production.

Luhabe advises that the medium will not work without management at all levels playing a significant, visible role in the sessions as well as follow-up programmes.

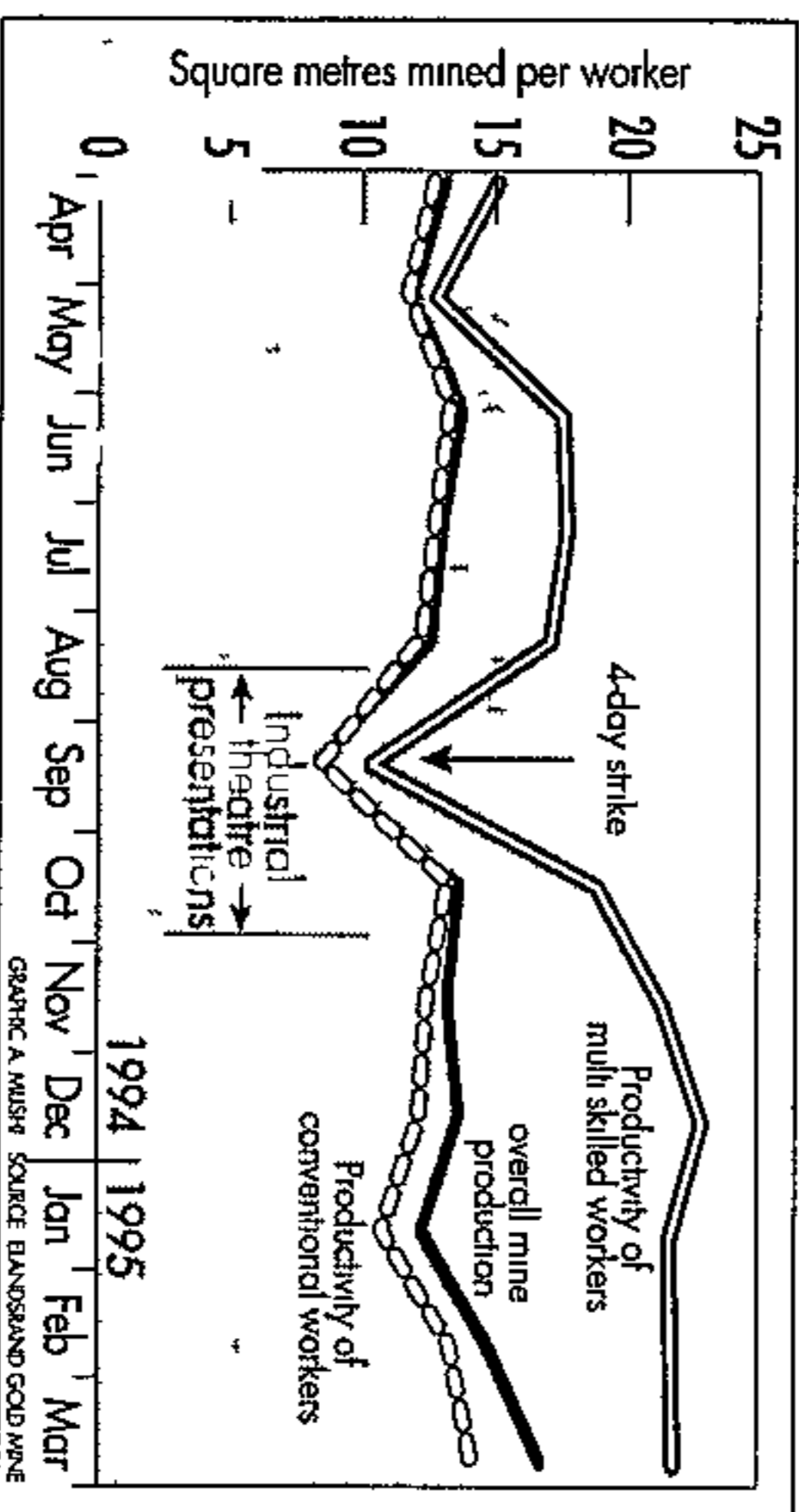
There is also the difficulty of actually proposing an industrial theatre production. Many people are sceptical when they first hear of the idea.

"When I first heard of industrial theatre, I thought it was all very nice but not very practical. But I saw a presentation from another company and I was immediately converted," Ramsay says.

"I don't think you can use industrial theatre to fix up your work relationship problems. The climate has to be right and you'll have to work pretty hard afterwards."

"But it is an incredible communication tool," Ramsay says.

"There is an element of perceived risk in doing something like industrial theatre. My recommendation is, if you feel the risk, take it. You won't regret it," Groch says.



Operating

Labour bill D-Day this week

~~112~~ (132) (PR) CT 5/7/95

BY BRUCE CAMERON

Friday is crunch day for the disputed Labour Relations Bill, when organised labour is due to give its final view on the key issue of compulsory or voluntary centralised bargaining

With both government and

organised business now determined that centralised bargaining cannot be enforced through legislation, Cosatu has apparently reviewed its demand.

The other major outstanding issue is "scab labour" Cosatu seeks its prohibition, which business continues to refuse



MEETING EXPECTATIONS Roelf Meyer, the minister for constitutional development, gives the opening address at the Rebuild South Africa conference in Kempton Park

PHOTO JOHN WOODROOF

Make labour deal now, says Motlana

By THABO LESHILO

STAFF WRITER

Prominent businessman, Nthato Motlana, yesterday made an impassioned plea to the parties at Nedlac to immediately strike a deal on the disputed labour relations bill in order to encourage foreign investment in the country.

Speaking at the Rebuild South Africa conference at the World Trade Centre in Kempton Park, he

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appealed to all stakeholders in the economy to show a greater dedication to education and training, an improved work ethic, and discipline in the workplace.

Dennis Fulton, from the department of trade and industry, said the country was well on the way to normal economic conditions.

He said South Africa's return to the global economy had hugely increased effective demand for local goods and services.

Opening the conference, Roelf Meyer, the minister of provincial affairs and constitutional development, said South Africa would have to meet its people's expectations for socio-economic development in order to safeguard its new democracy.

The business opportunities and exhibition conference comprises a tourism forum and a small and medium enterprise development conference. It ends on Friday.

Strike LRA deal 'now' to aid investment - call

(132) (10) SAN 5/7/95

■ BY THABO LESHILO

Businessman Dr Nthato Motlana yesterday made an impassioned plea to all parties at Nedlac to immediately strike a deal on the disputed labour relations bill in order to encourage foreign investment

Said Motlana "Unless labour, Government and the corporate sector can come up with some agreement that would give investors assurance, we have a big problem"

Motlana was speaking to local and international visitors at the Rebuild South Africa conference held at the World Trade Centre in Kempton Park

Dennis Fulton, from the Department of Trade and Industry, said the country was well on the way to normal economic conditions after a lengthy "anti-competitive and



Explaining ... a translator with Russian delegates at the conference.

PICTURE JOHN WOODROOF

anti-export" era during apartheid. He said South Africa's return to the global economy hugely increased demand for local goods and services, which was previously restricted to the small white population

Opening the conference, earlier, Minister of Provincial Affairs and Constitutional

Development Roelf Meyer said South Africa would have to meet its people's expectations in order to safeguard its new democracy

The conference comprises a tourism forum and a small and medium enterprise development section.

It ends on Friday.

Still no consensus on the draft labour Act

Renee Grawitzky

(132)

THE three working groups established to speed up consensus on issues in dispute around the draft Labour Relations Act did not complete discussion on all agenda items, but a report is still expected to be presented to the principal committee tomorrow.

The principal committee comprising Cosatu general secretary Sam Shilowa, Business SA Bobby Godsell and Labour Minister Tito Mboweni would consider any issues which were not resolved in the working groups.

Two of the three working groups finished early and did not complete discussions as Fedsal general secretary Dannhauser van der Merwe in group one had to leave early to attend the federation's executive committee meeting to finalise its position on some substantive issues in the negotiations.

Cosatu is holding its executive committee meeting today to finalise its position and Nactu meets tomorrow.

The first working group comprised government's Les Kettlebas, Business SA Adrian du Plessis and Rob Perott and labour's Cunningham Ngcukana, Van der Merwe and Kgalema Motlanthe. Union authorisation of strikes, strike ballots, picketing, defensive lock-outs and sympathy strikes formed some of the agenda items. Discussion appeared to have taken place around union authorisation of lawful strikes and issues around strike ballots.

Working group two consisted of government's Dave Lewis, Steve Lenahan and Graham Damant and labour's Ebrahim Patel and Ben van der Walt. Organisational rights, workplace forums and disclosure of information formed part of the discussion.

Working group three included government's Jessie Maluleke and Papi Moloto, business's Barry Shipman, Dave Carsons, Pak le Roux and a Fedsal representative from labour. Issues under discussion included dismissals, incapacity due to ill health and the commission for conciliation, mediation and arbitration.

It's not too late to heed this warning

(132) Star 7/17/95

The present draft Labour Relations Bill has evoked considerable interest and comment because of the serious consequences for this country if a sound and enduring employment and industrial relations system is not established at this critical stage.

Severe criticism of the Bill has come from what some may perceive to be an unexpected source. Professor Martin Brassey, who is also an advocate, and attorney John Brand have been in the forefront of the struggle for the recognition of the rights of workers and trade unions. They were among the earliest contributors to the Industrial Law Journal (published by Jutas) which first appeared in 1980.

In the latest issue of Employment Law, they regard the Bill as conceptually flawed. Earlier, in the same publication, they criticised the process of drafting a Bill as a negotiating document through Nedlac and warned of the dangers that lay ahead.

Countries adopt and develop different models to regulate employment and industrial relations depending on a number of factors, including the country's stage of economic and political development. For example in 1991 New Zealand scrapped a 100-year-old system which en-

STERN criticism of the draft Labour Relations Bill has come from what many South Africans would perceive to be an unexpected source, writes Graham Giles

couraged unions and compulsory arbitration and effectively deregulated its system by reducing the status of trade unions to that of voluntary associations and favoured individual contracts of employment. The State of Victoria in Australia is moving in the same direction.

In South Africa there is a particular need to reduce the exceptionally high rate of unemployment by creating new job opportunities and to stimulate growth and competitiveness and attract local and foreign investment. South Africa is moving in the direction of a consensual relationship between management and labour, but Brassey and Brand point out that the parties must have a measure of confidence in each other. This can only come about voluntarily.

They criticise the drafters of the Bill for failing to appreciate the distinction between integrative problem-solving and collective bargaining. They are critical of the proposed "workplace forum" and suggest "it will become yet another bargaining forum whose

proceedings are characterised by aggressive distributive bargaining in the plant itself."

They point out that majority trade unions will have the statutory power to create the workplace forum as the effective bargaining agent and thereby force the employer to negotiate over a wide range of topics in their words: "Going far beyond what the courts currently demand, the drafters give this agent the power to veto or retard the implementation of certain (as yet unspecified) managerial decisions. This is compulsory bargaining in full force. And if the unions only recognised it as such, they would welcome it with open arms."

Brassey and Brand discuss the question of centralised bargaining, and suggest it is really a non-issue because industry-level bargaining has existed since the mid-20s and most of the major players favour the extension of that system.

In their opinion the drafters have failed to provide an adequate solution to dispute resolution and they regard this

aspect of the Bill as unworkable and one of its foremost failings.

"Though intended, by encouraging co-operation, to enhance productivity and generate higher wages, it can, if too restrictive, hamper the mobility of labour and capital, stifle entrepreneurial initiative and discourage investment. Finally, it can threaten fundamental rights to liberty, equality and property.

"Liberty is lost if employers and, to a lesser extent, workers cannot freely contract, equality is compromised if developers and unemployed workers are kept out of the market by barriers to opportunity, and property rights are undermined if the acquisition, control and disposal of land and other assets is too tightly constrained. As a result, proper balances have to be struck."

They draw attention to the thousands of outstanding disputes in the industrial court, the high cost of sustaining the system and the additional sectors that will be covered by the Bill and conclude that "at present we simply do not have the people with the expertise to staff it and, even if we did, we do not have the money to pay them."

In their discussion of the additional rights granted to trade unions they state: "Some of

these rights go beyond what even the most enlightened employers currently concede in the future, they might find them more palatable. But accepting them voluntarily is one thing, imposing them by law quite another. For thousands of employers the Bill represents a far-reaching invasion of their liberty, property and privacy."

Very few, if any, other South African practitioners have had as much "hands-on" experience of employment and industrial relations as Martin Brassey and John Brand. Their concluding remarks in the article deserve particular attention.

The sentiments expressed also come from responsible citizens who have remained in this country and fought hard for more than 15 years in adverse circumstances for the recognition of the rights of trade unions and workers.

"This Bill goes further, far further, than any other labour dispensation of which we are aware. Its drafters would doubtless argue, with some justification, that desperate times demand desperate remedies. But these are altogether too desperate. They may work for a while, but as they gradually collapse, the results will become increasingly parlous

"Employers will discover that they are at the mercy of unions that opportunistically exploit the powers conferred on them for their own self-interest and individual workers will wonder what happened to their rights of job security. Serious industrial conflict will be the result, with consequences for the economy that are hard to over-estimate."

It is too late to do what they suggested in the first place and follow the usual acceptable procedure for introducing or amending important legislation. The Minister of Labour should be asked to take certain steps, urgently:

- Halt the "negotiations" at Nedlac.
- Establish a representative expert commission of inquiry.
- Instruct the commission to obtain information and opinions from a wide range of experts, examine all the issues properly and make recommendations to him.
- Formulate a proper response and allow all interested persons to comment and then only create an affordable and workable employment and industrial relations system that is capable of achieving the necessary objectives and meeting the real needs of the majority of people.

Cosatu lashes oil firms

CT 7/7/95 (132) (132)
JOHANNESBURG: Cosatu condemned yesterday the withdrawal of the South African Petroleum Industry Association from the Liquid Fuels Task Force (LFTF), describing the move as churlish and short-sighted.

The trade union federation questioned oil companies' commitment to democratic restructuring in the industry.

Oil companies pulled out of the National Economic Development and Labour Council's LFTF on Wednesday in protest against acceptance by most task group members of a report on tariff protection for Sasol, saying it favoured Sasol and had been swayed by the synthetic fuel producer.

The withdrawal follows a month-long disagreement between oil companies and Sasol over the report, which recommends that Sasol's tariff protection — which was R1 billion last year — be phased out until July 1999.

Progress on deregulation talks, which started in 1993, are likely to be delayed by the withdrawal. — Sapa

Labour bill may go straight to Parliament

CT 7/7/75

(132)

(48)

DURBAN: The Labour Relations Bill could go straight to Parliament to bypass a deadlock in the National Economic Development and Labour Council, Labour Minister Mr Tito Mboweni told a labour conference here yesterday

"One scenario is that we will submit the draft bill with all ele-

ments where there is agreement, fully intact," he said

"It is a scenario I don't particularly like, but it may be unavoidable. We have to govern the country — we can't wait forever."

The deadlock between employers and workers' organisations had created uncertainty within South

Africa and abroad

If the deadlock continued the government would consider submitting the bill to Parliament, hoping for agreement between the negotiating parties afterwards

South Africans should not expect full agreement between business and labour

Mr Mboweni said the Labour Ministry might have to intervene and use "the tools at its disposal" to facilitate agreement

Business and labour organisations recently reached stalemate in talks on a new labour relations bill, mainly over the issue of centralised bargaining. — Sapa

BUSINESS REPORT, FRIDAY JULY 7 1995

Labour negotiations hit new obstacle

Negotiations between the trade union movement and organised business have stalled, apparently because of divisions within Cosatu, sources close to the talks said last night.

Meetings between the parties went ahead Wednesday morning as scheduled, but labour delegates left the closed-door venue without warning at lunchtime, leaving only chief Cosatu negotiator Ebrahim Patel to explain labour's position, sources said. Sam Shilowa, the Cosatu general secretary, had apparently not been fully mandated to reach agreement on the new negotiating framework derived from talks involving Tito Mboweni, the labour minister, earlier this week.

A meeting of the principals from government, labour and business was still scheduled to take place today. Cosatu's negotiating team met yesterday to consider its position on the outstanding issues, which include replacement labour and centralised bargaining — Bruce Cameron.

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CT(MR) 7/7/95 (132)

Labour Relations Bill

deadlock set to break

WM 7-13/7/95

The labour ministry has brokered a compromise on the stalled Labour Relations Bill, report **Eddie Koch** and **Marion Edmonds**

LABOUR Minister Tito Mboweni is set to break the deadlock over the new Labour Relations Bill with a set of compromises that have won broad support from organised labour and also industry on flashpoint issues which have left the parties bitterly divided in recent weeks

Tripartite talks between the ministry, unions and employers are taking place to reach rapprochement on the ground-breaking proposals, so that the draft law can be submitted to parliament by the middle of the month — and some commentators are predicting a breakthrough as early as the weekend

After last month's spate of rolling mass action by disgruntled union members, the labour ministry and a team of advisers, headed by Halton Cheadle, moved rapidly to hammer out a set of concessions to both trade unions and employer organisations on key divisive issues in the draft law.

Mboweni held extensive discussions at Cabinet level and with officials from the International Labour Organisation (ILO) over ways of resolving the differences. It appears a broad consensus has already been reached on most of the bill's flashpoint clauses

Bobby Godsell, chief negotiator for business in talks on the bill, said it was a "little early" to predict a major breakthrough. "But considerable progress has been made in Cape Town and Johannesburg. The proposals which government put on the

table made a real contribution to the progress," he said.

Cosatu general secretary Sam Shilowa was not available for comment.

The Mboweni proposals offer compromises on the key issue of compulsory collective bargaining at industry level. Organised labour has steadfastly demanded that a statutory duty to bargain over wages and conditions of employment be included in the bill, much to the chagrin of employers, and small business in particular.

The new proposals appear to have already defused most of the conflict around other contentious issues. Union demands for a ban on the right of employers to use scab labour during strikes is probably the only major area of conflict that has not been successfully addressed by the ministry's consensus-seeking process

Issues on the verge of being resolved include union demands for rights to implement closed shops — a system that makes it obligatory for members of a company or industry to join a representative union — and also the heavily debated question of whether companies can lock workers out of the factories as a tactic to ensure compliance with management strategies

After discussions with officials from the ILO, Mboweni's advisers confirmed that there is no industrial relations system anywhere in the world that imposes a legal duty on all employers in a sector of the economy

to negotiate wages at industrial level — although there is agreement in the Cabinet that the country should have a strengthened system of centralised collective bargaining

The ministry's new proposals suggest that trade unions or employer associations representing a significant section of the industry and its workforce can apply for an industrial council — or statutory council — to be set up in industries where such bodies do not currently exist. The ministry's job will be to establish such a body by consensus, but can do so even if no agreement is reached.

This "statutory council" will then have the right to resolve major disputes in the industry, promote training and education schemes to enhance productivity, set up social welfare funds, and develop proposals on policy and legislation which may affect the industry

Importantly, the proposals do not prescribe a duty on these councils to bargain over the critical issue of wages and conditions of employment. Employer associations and unions on the statutory council will be able, by agreement after negotiations, to add wage bargaining to the council's list of duties, thus converting the institution into a fully-fledged industrial bargaining council

The proposals thus meet the Cabinet's requirement that centralised systems for industrial relations be strengthened, goes a long way to satisfying union demands for statutory industry-wide councils and, at the same time, satisfies concerns expressed by industry that the law should not impose rigid prescriptions on the collective bargaining process

Labour negotiators now in injury time'

Henso Grawitzky

(132) MD 7/7/95

DURBAN — The prolonged labour legislation negotiating process had created a sense of uncertainty inside and outside the country, Labour Minister Tito Mboweni said last night.

The protracted process had caused uncertainty abroad over what kind of labour relations system the country would adopt, he said at the opening of the eighth annual labour law conference in Durban.

At some point the country would need to create a level of certainty.

"We have run out of time. We are in injury time now."

There were broad areas of consensus but also many areas of disagreement.

However, it would be naive to expect that agreement would be reached on all issues, he said.

Mboweni outlined three possible scenarios. The first two — delaying the enactment of a new Bill until next year or abandoning redrafting a new Bill — he rejected. He did not comment on the third scenario, in which parties would submit a draft Bill that included areas of agreement as well as areas in which agreement was not reached.

If this happened, it would be with the proviso that the Bill could later be amended.

He cautioned that the cost and the benefits of this option would have to be weighed up carefully against one another.

In recent weeks the National Economic, Development and Labour Council (Nedlac) had been criticised as a waste of time. This was incorrect, he said. "Nedlac still offers important institutional mechanisms to build social consensus."

Nedlac's principal committee meets today to consider reports compiled on progress made by its working groups this week.

Mboweni asked how a government devised new labour legislation in a highly charged atmosphere where government had an alliance with the largest trade union federation.

Major differences were unavoidable as the parties were separate and independent. However, these differences would not break the alliance, he said.

Prof William Brown of Cambridge University, speaking on bargaining at industry level and pressure to decentralise, said SA's nurturing of centralised bargaining was not necessarily taking the country in a wrong direction.

It was necessary to create a flexible system to allow for consensual relationships. To ensure economic growth and democracy it was necessary to put down "deep roots" for collective bargaining, he said.

Cape Town service rated 'poor'

Ingrid Salgado

(238) MD 7/7/95

SHORTCOMINGS in Cape Town's service performance during the rugby World Cup have indicated the city would have to improve its infrastructure and service delivery if it was serious about its 2004 Olympic Games bid, a Wits Business School survey says.

Many of the 800 local and international respondents to the survey expressed dissatisfaction with a "total lack" of public transport, especially in Cape Town and Johannesburg, and more than 60% of foreign participants believed service back home was better than Cape Town's.

Throughout SA was rated excellent by 21% of all respondents, 58% thought it fair or unexceptional and 21% believed it to be "downright bad".

The medium and bad ratings were "too large for comfort" and could do SA a lot of harm, researcher Sid Cohn said. SA did better than expected but not well enough to

deliver world class service, he said.

Visitors gave fast food outlets and airport facilities bad ratings but SA fared well in its foreign exchange, airline, car hire, hotel, restaurant and cellular phone facilities.

Its rugby stadiums scored top points and were rated the best in the world by international visitors.

Johannesburg came in first among SA's largest cities — 16% of respondents believed service to be better at home and 48% felt it was the same. Cape Town lagged behind the national average, in which 46% felt service back home was better and 22% thought it worse. Only 13% felt service was better in Cape Town.

But foreigners had expected "Tourism World service" and had been pleasantly surprised, the survey said.


Cohn said service levels were inconsistent. "When service was good it was very good but when the service slipped it was very bad."

NEDLAC

Golden triangle on trial

FM 7/7/95

This undemocratic, secretive forum should not be given too much power

(132) 



Nedlac's executive council was due to meet on Saturday. But the gathering of the 72 members, in the new council chamber at Auckland Park, has been postponed to July 17, because the major issue

on the agenda — the drafting of the new Labour Relations Act — remains unresolved, despite assurances.

There are those who might be forgiven for thinking that Nedlac's task is precisely that resolution. And that, indeed, if it cannot resolve this issue, should it ever bother to meet again? After all, when labour took to the streets, it was an attempt to sideline Nedlac on a critical issue.

Nedlac (the National Economic, Development & Labour Council) is supposed to reconcile the interests of labour, business and government (the "golden triangle") into a consensus that will advance through compromise the interests of all three.

The *FM* has always been sceptical about Nedlac's ability to deliver. And we feared that, if it did reach consensus, the outcome would have inflationary implications, which would erode the sustainability of whatever economic growth was allowed to flow from its deliberations.

Some businessmen say Nedlac has expended energy and many man-hours going nowhere, often occupied more with process than matters of substance. And what should have been discussed rationally within the chamber was instead dealt with through disruptive rolling action in the streets.

Certainly, the speed with which labour fell back to mass action, last month, dismayed organised business. Some business organisations have debated whether Business SA should pull out of Nedlac.

David Brink, who represents organised business through Business SA, disputes that Nedlac has been sidelined: "There have been many hours of constructive negotiations within the Nedlac structure." He does not share the gloomy perspective. Nedlac, he says, "is alive and well and operating. The Labour Relations Act is being negotiated and debated constructively."

Raymond Parsons, director-general of the

SA Chamber of Business, says: "Business is willing to give Nedlac its best shot. But perhaps we have been too ambitious in our expectations. Perhaps Nedlac should not be asked to formulate legislation. It should rather be seen as a forum in which the stakeholders present their views as a basis for consensus. When there are serious differences, it may be more productive if both sides simply make direct representations (outside Nedlac) to the relevant Minister — and the Minister hears them out and makes

Parsons, "doesn't create a shared vision. It flows from a shared vision."

Where tripartism has worked elsewhere there usually has been a strong consensus on economic objectives. In social democracies (such as Sweden) there has tended to be consensus on the need to create and sustain jobs, with the community bearing the cost of social services that reduced the need for individual self-sufficiency. In the East there has tended to be consensus on the need to create wealth for the individual who, through his own ingenuity and prosperity, would be increasingly self-sufficient and able to look after himself.

Though the Swedish model was considered an unalloyed success, the events of recent years have shown that it has limitations. A case in point is the impact of centralised bargaining, an important element in Sweden's accord, on wage structures and the economy.

The argument in favour of centralised bargaining is that it mitigates unemployment. In a paper presented at an international conference, researchers Lei Delsen and Tom van Veen, from the universities of Nijmegen and Limburg in the Netherlands, explain: "With decentralised bargaining, parties may assume that other sectors in the economy will take care of prevailing unemployment. They may

simply shift the unemployment problem onto the rest of the economy and ignore the effects of their actions on the job opportunities for others."

Centralised bargaining, the argument goes, puts a brake on wage demands. In the event, it did not. Delsen and Van Veen point out: "For centralised bargaining to work well, wages must be set by the sector exposed to international competition and then the rest of the economy must step in line. What happened in Sweden was that public-sector jobs expanded (to over 35% of the work force) and the public-sector unions became too powerful, shifting wage leadership partly to this sheltered sector. In this environment, centralised bargaining becomes flawed."

The growth of the public sector and the influence of wage increases on prices had macro-economic consequences. Hans-Goran Myrdal, of the Swedish Employers Confederation, made the point in a paper compiled in 1991:



Cosatu's Sam Shilowa and Business SA's Bobby Godsell ... how representative are they?

his own decision. This will avoid the endless delays which could occur when consensus cannot be achieved."

This may fall short of the original concept of government by consensus but it could be more practical in the long run. "We will always eventually reach a point where government must govern," says Parsons, "and take the consequences if the decisions are wrong."

Nedlac executive director Jayendra Naidoo, however, does not consider Nedlac's role has been undermined. "It would be naive to expect this institution to mediate all contact between the stakeholders and government. In any negotiations there are discussions on the table and interactions off the table."

The problem may simply relate to the logistics of the moment. But some businessmen, economists and politicians do have doubts about the feasibility of a social accord, given SA's political environment and its conflicting ideologies. "Tripartism," says

P.T.O

Renewed thrust

201-7/17/95

Flanked by Business SA's Bobby Godsell, Labour's Sam Shilowa and Nedlac's Jayendra Naidoo, ever upbeat Labour Minister Tito Mboweni this week announced "substantial progress" in talks to resolve the outstanding issues in the draft Labour Relations Bill.

All three parties say they are committed to ensuring passage of the contentious Bill this year. The deadlock-breaker appears to be based chiefly on the "compromise" proposal on centralised bargaining tabled by the Minister in Cape Town last week (*Current Affairs* June 30)

The three sides met in a marathon session last Sunday and focused on the responses of business and labour to Mboweni's proposal.

"What is now happening," the Minister explained, "is that we are introducing a new system that seeks to quicken the process and ensure that we reach our deadline."

To this end, a "principals committee" has been established, made up of Mboweni, Shilowa and Godsell, with Naidoo in attendance. The committee will oversee the functioning of three new working groups. These will look at a number of issues, process them and report to the principals.

The working groups met and reported to the principals for the first time this week.

On July 11, the tripartite delegations will gather in plenary to receive a report from the principals. Three days later, the Nedlac secretariat will make a report available to the members of the executive council of Nedlac, which will again convene on July 17 — the new deadline.

The ministerial task team (which, under Halton Cheadle, drafted the labour Bill) has been reconvened to assist in the drafting of technical issues and sections where there is already sufficient agreement.

"What we have achieved, as the three parties here, is that we have managed to identify all the remaining issues that need to be dealt with in negotiations. We have set up the working groups to operate under the principals committee; we have succeeded in ensuring that the momentum for reaching our deadline is maintained and that the strategic initiative for ensuring we have a

new Labour Relations Act this year is maintained," says Mboweni.

The working groups will tackle union-authorised strikes, defensive lock-outs and ballots; outstanding issues on organisational rights, including the deduction of union subscriptions, time off for union work, information disclosure in workplace forums, and dismissals and information disclosure on options other than retrenchment.

Mboweni says a number of issues are increasingly being referred to the Commission for Conciliation, Mediation & Arbitration. He lists registration issues, constitutional requirements, financial statements, information to the registrar and the question of the private and public sector bargaining councils.

"We want the social partners, in the spirit of social partnership, to deal with these questions in the working groups, making it much easier to resolve remaining issues."

While there were "encouraging responses" to the Minister's proposal on centralised bargaining, "these still need to be



The principals . Godsell, Mboweni, Naidoo and Shilowa

worked on to reach finalisation, so it would be improper for me to disclose the full range of responses."

Shilowa says that, based on their exchanges, "all parties are confident that, with the sort of political will that exists among ourselves, it is still possible to find one another and ensure that we take the process forward."

Godsell says business found Mboweni's earlier proposals "useful as a way of going forward, but the discussions are not yet concluded and from (the weekend talks) we think we are making progress."

Shilowa added: "I think the country is more interested in what the settlement is going to be, rather than what are the differences now. We are inching forward."

CURRENT AFFAIRS

Asked whether he speaks on behalf of business, which appeared to be divided over the B. . . Godsell explained:

"The team, which includes Business SA and Nafcoc, has functioned more cohesively and more unanimously than at any time in 20 years (of organised business activity). We have reported back to our constituency in the form of our board of governors — an elected body — and our board of trustees — an elected body. We have reported back four times in the last four weeks. Business is absolutely unified in our sense of the issues, in our sense of the strategy."

Mboweni emphasised "that we should see all of these things within the context of the Nedlac cloak. It is the institution bringing all of us together within the context of building social partnerships and ensuring that Nedlac succeeds."

Labour negotiators (132) (133) now in injury time'

Renee Grawitzky

BO 7/7/95

DURBAN — The prolonged labour legislation negotiating process had created a sense of uncertainty inside and outside the country, Labour Minister Tito Mboweni said last night.

The protracted process had caused uncertainty abroad over what kind of labour relations system the country would adopt, he said at the opening of the eighth annual labour law conference in Durban.

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It was necessary to create a flexible system to allow for consensual relationships. To ensure economic growth and democracy it was necessary to put down "deep roots" for collective bargaining, he said.

Confidence grows for business, labour deal

By ESTHER WAUGH

POLITICAL CORRESPONDENT

Negotiations on the controversial Labour Relations Bill remained on track after talks yesterday, Government, labour and business said yesterday

Three working groups, set up a week ago, reported to Labour Minister Tito Mboweni, Cosatu general secretary Sam Shilowa, and Business South Africa's

Bobby Godsell at a meeting in Johannesburg

The meeting also discussed further outstanding issues on which Mboweni would submit proposals at a "bosberaad" on Monday

The Government - in a first for South African law-making - referred the draft legislation to the National Economic, Development and Labour Council (Nedlac) in the hope that con-

sensus would be achieved among Government, business and labour

However, talks deadlocked last month on the issues of centralised bargaining, lock-outs by employers, organisational rights and workplace forums.

Mboweni proposed deadlock-breaking measures to business and labour on June 21 during a 12-hour meeting. Since then several rounds of negotiations took

place, leading to the establishment of the three working groups last week in an attempt to nail down agreement on the draft legislation

Nedlac said in a statement last night that yesterday's meeting confirmed the negotiating process was on track.

The parties reiterated their commitment to seeking agreement on the Bill "within the agreed time-limits"

(132) ~~(132)~~ Star 8/7/95

RA! EXTRA!

What about do CP 9/7/95 (132) working class?

THE QUESTION that has been in the forefront of most South Africans' minds is whether the labour movement has made real – qualitative – gains since the ushering in of the new dispensation of an ANC-led Government of National Unity.

There is a real desire to know whether the interests of the working class have become paramount in the economic order of things since they are responsible for producing all the country's wealth.

The workers deserve the same as everyone in society. Owning a house, a car and a television and receiving good education should not be made to look like a luxury but rather a basic necessity for everyone, especially black workers who stay far away from their places of employment.

The workers have borne the greatest brunt of the struggle to dislodge the apartheid capitalist regime. They declared that they wanted to create a society free of exploitation of man by man – in short, they wanted to build a Socialist order.

The people who built South Africa's major cities live in abject poverty. They have no houses, no education or adequate hospitals. Are workers nearer to their goals now than in the apartheid years?

The labour movement has been one of the cornerstones of the struggle in South Africa. Over the years it was engaged in a struggle to democratise not only the workplace but the whole country.

They were always unyielding in their demands. They did not regard themselves as allies of the capitalist bosses and their executive section who call themselves government.

Over the years, the labour movement refused to have joint forums with the employers and the government.

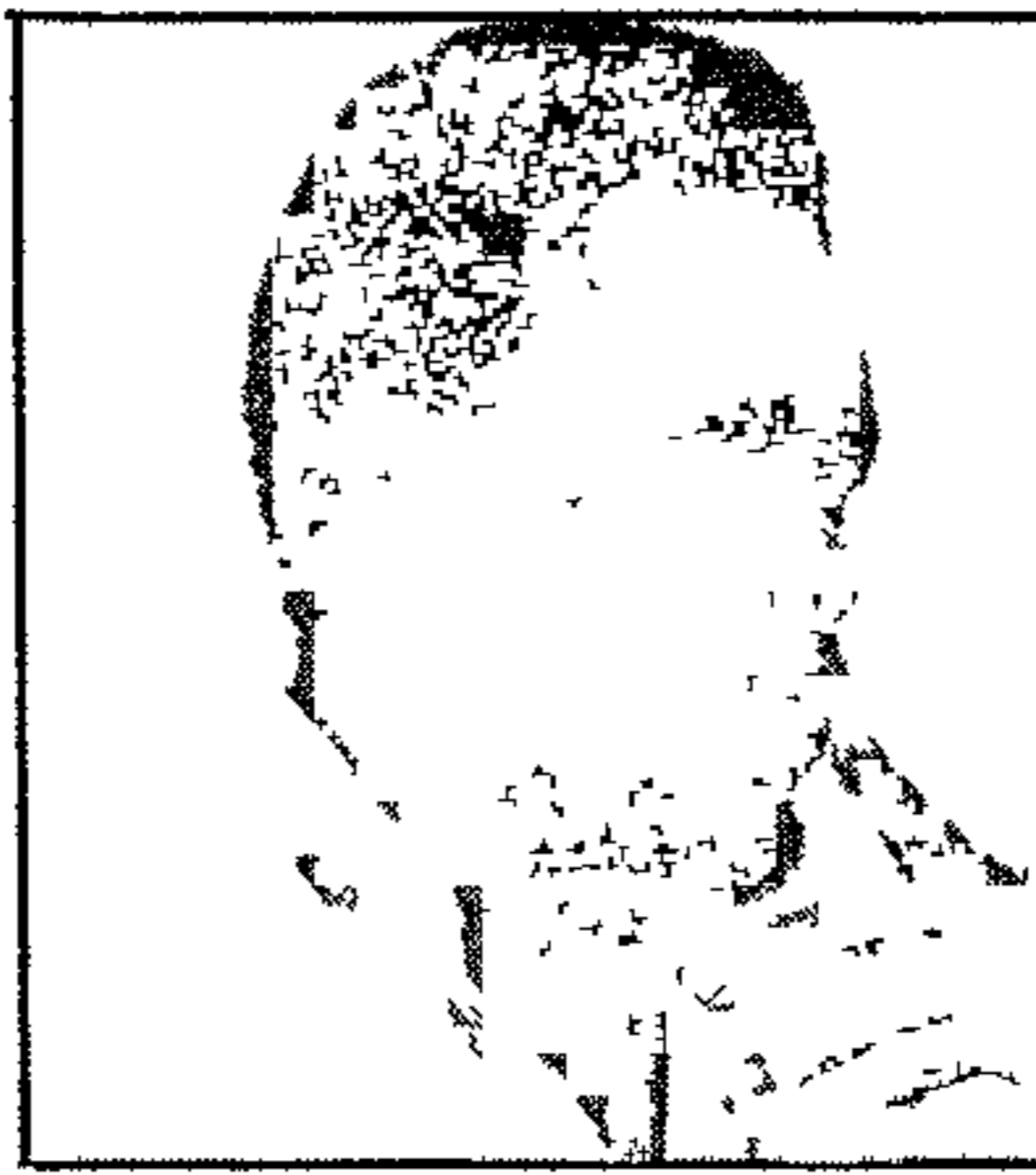
They refused even to buy shares (ESAPS) when offered them because they were aware of the treachery of the capitalist class.

It is called co-responsibility.

In my view, it is common sense that the workers must tirelessly work towards extricating themselves from forums of the bosses and those of governments.

The only government which deserves support of the workers is the government that is truly committed to the workers, and is unapologetically willing to attack and smash the privileged positions of the capitalists and thereby provide for the needs of the people.

Such a government, therefore, would be a government of



IN THE wake of the ongoing dispute between organised labour and big business **LYBON MABASA**, regional president of the Azanian People's Organisation in Gauteng, examines the position of workers in the new South Africa – and the rest of the world.

workers. The workers cannot expect the monied class to work towards freeing them.

As things stand, the present government, with a known preponderance of trade union leadership, has failed to support even one of the strikes of workers, except to say "they appreciate and understand".

Is it not true that they are responsible for unemployment through retrenchment, sackings and dismissals? Are they not responsible for illiteracy, disease and starvation through low wages?

This government has been at great pains to explain why workers should not strike. They fail to address issues around which strikes are taking place and trivialise issues in terms of the size of the union's membership. They want to insist on a moratorium on strikes to give the new government a chance – but they have joined those who are plundering the resources of our country.

The call by Azapo in the National Forum for the building of independent workers' organisations free of all bourgeois influences and trappings is still relevant. The essence of that call is that there is a need to organise working people away from the status quo, away from demands of big business and government.

All over the world the process is the same: the bureaucratic unions are being bought off.

They are being co-opted and made to believe that it is possible to be co-responsible for product, surplus and profits while the captains of capital fully control the means of production and distribution. On the whole the struggle of the working class is being subverted and their gains are short-circuited.

Their independence – material, financial and otherwise – is being subjected to an assault from forces of international monopoly ca-

pital.

These forces, in the name of organised labour, advocate together with the capitalist bosses the destruction of labour codes, reduction of employment, doing away with social security schemes and encouraging the formation of forums of co-operation between government, big business and unions. The greater the number of union leaders going into these structures the greater the risk of co-option of the entire labour movement.

In certain countries the labour unions are not able to make any move because their leadership has become a "pimp" leadership in the payroll of these mafia.

In Africa, Europe, Latin America and elsewhere, there is a great awakening – the labour movement is forming its own independent working class organisations geared to serve its own class interests.

In South Africa, there is no middle road for the working class. There is no socialism without working class control of the means of production and distribution.

The problems that face the working class in South Africa are the same facing the working class elsewhere in the world.

They may vary in degree but they remain basically the same because the capitalist system is organised globally.

The same capitalist multi-national will exploit workers in Africa, Europe, the Americas and elsewhere. That is why it is prudent for the workers to forge links all over the world to discuss the inter-connectedness of their struggle.

Artificial boundaries that facilitate exploitation must be broken as the workers find the commonness of their fate.

In every country when the workers rise and crush the capitalists, they do it not only for themselves, but for their class and humanity as a whole.

Labour Bill talks 'in a shambles'

(132) ST9/7/95 (EP)

By KEVIN DAVIE

LABOUR Minister Tito Mboweni was putting on a brave face this week but insiders say that behind the scenes negotiations on the Labour Relations Bill were a shambles.

The disarray culminated on Friday with Cosatu boss Sam Shilowa, one of the three-man "committee of principals", keeping Mr Mboweni and Business South Africa's Bobby Godsell waiting for an hour.

Confusion reigned from mid-week, one negotiator says, when labour did not return as agreed to participate in two of three working groups set up by the committee to forge an agreement on new labour law.

Ebrahim Patel, labour's chief negotiator, returned from a caucus on Wednesday to inform a working group that the lack of new proposals on the core issues had led labour to decide to revert to their principals to

seek new mandates. "It was clear labour didn't want to discuss any of the meaty issues," a negotiator said.

Two of the three groups did not meet after Wednesday while one has tentatively agreed to meet again on Monday night.

While the working groups were meant to provide detailed reports to a Friday meeting of the committee of principals, most groups chalked up little progress this week.

One group had seven items of business, yet had discussed only two relatively uncontentious matters before labour negotiators withdrew. Cosatu spokesmen did not return

calls to Business Times. Fedasat's Ben van der Walt says Fedasat negotiators decided they had to go back the Fed-sal executive.

"We are still negotiating, but things are at a very sensitive stage." Labour Ministry spokesman Sharmen Singh said "there may be difficulties here and there."

Nedlac's Jayendrah Naidoo says it was a mixed week. One group had shown good progress while another "had not got off the ground".

"But there was good progress today at the principals' meeting on some of the big issues."

A three-paragraph statement was issued after the meeting, saying the process was on track. The government will submit proposals on outstanding issues tomorrow ahead of a 10-a-side Nedlac *hosberaad* on Tuesday.

Labour and business on path to peace

By CAROL PATON

THE boardroom war between business and labour over the new Labour Relations Bill was almost over, with agreement in sight on all the "big issues", Labour Minister Tito Mboweni said this weekend.

But there was still no indication whether the parties would reach full agreement or whether it would be left to the minister to make recommendations for legislation to the cabinet on issues on which there was disagreement.

ST 9/7/95 (132) (132)
The three parties, which have been meeting in the National Economic and Development Labour Council (Nedlac) must reach agreement by July 17 if the legislation is to be passed by parliament this year.

Mr Mboweni said the latest round of talks had "narrowed the scope of the areas of disagreement."

A joint statement by the principals committee, composed of Cosatu general secretary Sam Shilowa, Business SA's Bobby Godsell, Mr Mboweni and Nedlac executive director Jayendra Naidoo, said the

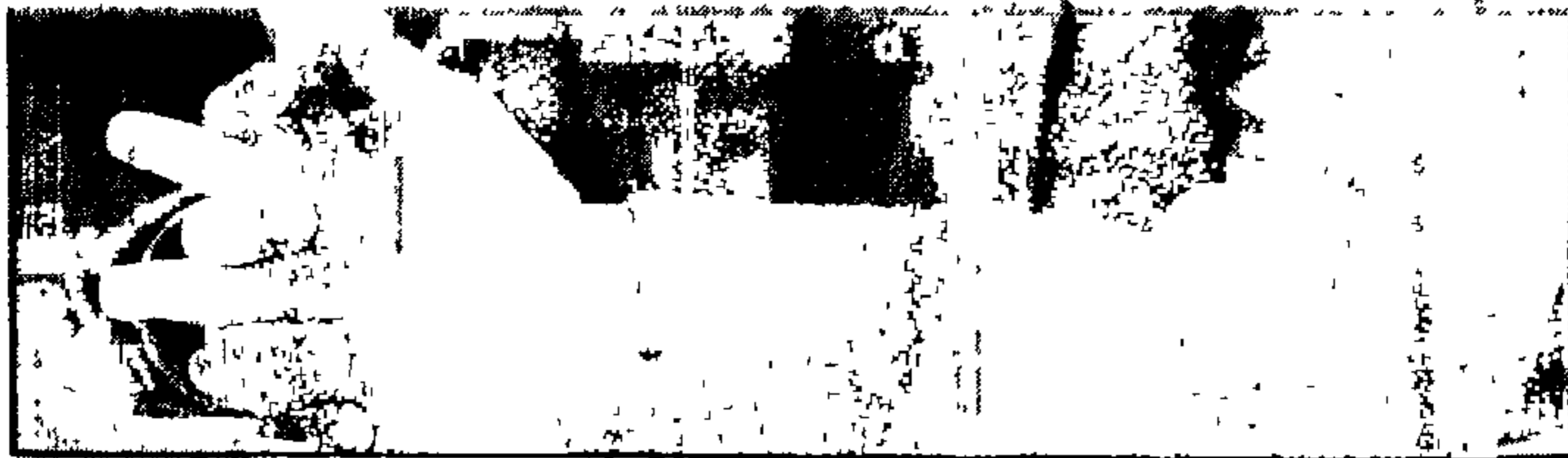
parties were committed to meeting the deadline.

All outstanding issues have been referred to the principals' committee which aims to tie up all major areas by Tuesday.

Despite the tension between labour and business during last week's talks, Mr Mboweni was optimistic.

The ministry put forward new proposals, which appear to have bridged the concerns of labour and business, and provided for a law "where everyone will come out winners".

● See Page 4



DEAL-MAKER... Jayendra Naidoo is confident Nedlac will succeed

Picture: RUVAN BOSHOFF

Baptism of fire as the heavyweights clash

ST 9/7/95
(132)

By CAROL PATON

JAYENDRA NAIDOO is looking remarkably calm and relaxed — which, given that he has only a week in which to deliver agreement on a crucial piece of labour legislation, is surprising.

Mr Naidoo, the executive director of the National Economic Development and Labour Council (Nedlac), is under severe pressure to forge an agreement between business, labour, and the government on the Labour Relations Bill.

Agreement must be reached by July 17 if the Bill is to be passed by Parliament this year.

After three months of negotiations and late-night hotel room caucuses, Nedlac's credibility is on the line.

Some of the criticisms are that Nedlac lacks the ability to broker a social partnership between business and labour; that it failed to sufficiently facilitate negotiations, and that there is no transparency in decision-making.

The Labour Relations Bill was Nedlac's first big task. Mr Naidoo, a former trade unionist, a skilled negotiator and one of the ar-

chitects of the National Peace Accord, was to have been the deal-maker.

"It's been one hell of a fiery baptism," he says, describing the Bill as "the biggest issue since the political negotiations".

He says it would have been easier if Nedlac had started with a "softer issue" than a Bill that will shape the working lives of all South Africans.

When Nedlac was launched in February, it was not anticipated that negotiations dealing with labour legislation would be so bitter.

After Cosatu's half-day strike on June 19 and threats by business to pull out, it appeared that the ability of business and labour to form a social partnership had been overestimated. It also seemed that Nedlac couldn't provide the framework for a common approach.

The adversarial relationship between business and labour took Nedlac by surprise, says Mr Naidoo. But this doesn't mean that in South Africa such a partnership is impossible. "It was unexpected and underestimated but with hindsight, understandable."

"We are in South Africa — a deeply divided South

Africa with an enormous legacy of conflict. To expect that all differences would be resolved is unrealistic."

Mr Naidoo is a master of process. He believes that many of the problems Nedlac experienced in negotiating the Bill can be solved by redesigning the negotiations process.

He suggests that more attention be paid to joint problem-solving methods and that there be an earlier identification of problem areas and ways to resolve them.

He also identifies the need for the Nedlac secretariat to play a greater facilitating role.

"My role in Nedlac was described as the deal-maker," he says. "But with the labour Bill I've had less space to play the role of the facilitator than I wanted. Partly this was because the Bill was already on the table. It was also because Nedlac was a new institution and was still finding its feet."

Backing up the need for better facilitation was one observer's comment: "When you put eight heavyweights into one room, you need to find them a mother."

When negotiations reached the final countdown this week, Nedlac changed tack, establishing three working groups and a committee of principals to tackle outstanding issues. In a break with practice, committees were chaired by the Nedlac secretariat.

Responding to the criticism of the lack of transparency, Mr Naidoo says that while he foresees the possibility that some sessions will be opened to the public, he insists on the need for privacy when it comes to deal-making.

"We have to find a balance between the moments where the parties are exploring that which is tentative, in order to take back joint recommendations to their members, and the points which are open."

As the minutes pass in what he describes as the "countdown to midnight", Mr Naidoo remains confident that Nedlac will find its feet: "As long as we remain alive to the issues, don't become complacent and learn as we go along."

Business and labour set for showdown over scab labour

CT(DR) 10/7/95 (132) (H)

By THABO LESHILO

STAFF WRITER

Given its critical importance to employers and trade unions during strikes, it comes as no surprise that the issue of scab or replacement labour is now the most important issue separating organised labour and business on the labour relations bill in the National Economic Development and Labour Council. Zwelinzima Vavi, Cosatu's assistant general secretary, said "Scab labour is the real do or die issue for unions. To us, it is a very emotional issue and a direct threat to any worker.

"It effectively weakens the power of workers against that of employers, who already derive immense power from the fact that they own the factories, have a right to employ or dismiss workers and make technological decisions.

"If there is no settlement on the scab labour issue, we will not be part of any deal on the new labour relations act."

Mahlomola Skhosana, the assistant general secretary of the National Council of Trade Unions, said allowing scab labour would greatly increase the potential for violence on the shopfloor.

Andrew Sparks, a researcher at labour consultancy Andrew Levy and Associates, said alternative labour was crucial to companies due to its diluting effect on strikes.

"It allows the company to continue production and withstand the impact of strikes for a much longer time."

However, Sparks denied that scab labour could break the power of trade unions. "I think it is overstating the case. Ever since the beginning of trade unionism, employers have been able to get alternative labour.

Incentive

"In fact, the poor quality of the work done by replacement labour is a very strong incentive for the employer to end the strike."

George Araujo, a partner at law firm Webber Wentzel Bowers, said outlawing temporary labour would artificially skew the power balance in favour of strikers and was contrary to the principle of collective bargaining.

Araujo said "The idea of a strike is to force the employer to give in to a demand by the strikers withdrawing their services.

"The minute the employer is

also deprived of the services of temporary staff, it artificially increases the power of the strikers whereas central bargaining enables the parties to conclude agreements based on their true strengths and weaknesses," he said.

"Traditionally, unions are strong when there is high employment and a shortage of skills. If employers withdraw their labour, the employers cannot find the skills elsewhere — that is a perfectly legitimate way that unions are able to get better conditions of employment for their members.

"On the other hand, in times of high unemployment, the employer is normally able to replace the strikers more easily. Therefore, the unions find it much more difficult to increase the price of labour."

Araujo argued that the fear of violence during strikes was no reason why scab labour should not be allowed. "One needs to address issues which are unacceptable.

"If one were to say that everything which has the potential for violence or harm must be done away with, then it could mean that we would do away with protest marches or strikes because there is often the potential for violence in each of them."

Scabbing now do-or-die issue in the Nedlac debate

Stan 10/7/95

■ BY THABO LESHILO

Given its critical importance to the power of both employers and trade unions during strikes, it comes as no surprise that the issue of scab or replacement labour is now the most important issue separating organised labour and business on the Labour Relations Bill in Nedlac.

Cosatu assistant secretary-general Zwelanzima Vavi said "Scab labour is the real do-or-die issue for unions. To us, it is a very emotional issue and a direct threat to any worker.

"It effectively weakens the power of workers against that of employers, who already derive immense power from the fact that they own the factories, have a right to employ or dismiss workers, and make technological decisions

"If there is no settlement on the scab labour issue, we will not be part of any deal on the new LRA."

Violence

According to Mahlomola Skhosana, assistant secretary-general of the National Council of Trade Unions, allowing scab labour would greatly increase the potential for violence on the shopfloor.

Andrew Sparks, a researcher at labour consultan-

cy Andrew Levy and Associates, said alternative labour was crucial to companies because of its diluting effect on strikes.

"It allows the company to continue production and withstand the impact of strikes for a much longer time"

However, Sparks denied that scab labour could break the power of trade unions.

"I think it is overstating the case. Ever since the beginning of trade unionism, employers have been able to get alternative labour

"In fact, the poor quality of the work done by replacement labour is a very strong incentive for the employer to end the strike," he said.

George Araujo, a partner at law firm Webber Wentzel Bouwens, said outlawing temporary labour would artificially skew the power balance in favour of strikers and was contrary to the principle of collective bargaining.

Said Araujo "The idea of a strike is to force the employer to give in to a demand by the strikers who are withdrawing their services.

"The minute the employer is also deprived of the services of temporary staff, it artificially increases the power of the striking workers, whereas central bargaining is a mechanism

to enable the parties to conclude agreements based on their true strengths and weaknesses"

He added: "Traditionally, unions are strong when there is high employment and a shortage of skills

"If employees withdraw their labour, the employers cannot find the skills elsewhere - that is a perfectly legitimate way that unions are able to get better conditions of employment for their members

Replace

"On the other hand, in times of high unemployment, the employer is normally able to replace strikers more easily

"Therefore, the unions find it much more difficult to increase the price of labour".

Araujo argued that the fear of violence during strikes was no reason why scab labour should not be allowed: "One needs to address issues which are unacceptable

"If one were to say that everything which has the potential for violence or harm must be done away with, then it could mean that we would do away with protest marches or strikes because there is often the potential for violence in each of them. It is inappropriate to deal with issues in that simplistic manner".

Labour gathering told court can still play role

Renee Grawitzky

THE views expressed at the eighth annual labour law conference in Durban last week indicated that the Industrial Court still had a role to play despite being sidelined by the draft labour relations Bill

The legislation favours a move away from the court, which was a key focus of the conference, to conciliation, mediation and arbitration as the most effective mechanisms of dispute resolution

Wits University Centre for Applied Legal Studies director Dennis Davis said the draft Bill reflected a profound distrust of the law and was predicated on this assumption

He said with the limited resources and facilities made available to the court it had developed a wealth of jurisprudence

KwaZulu-Natal Supreme Court judge Keith McCall said the area of dispute resolution exposed one of the greatest difficulties in previous legislation

He said the new SA presented parties with a unique opportunity of rectifying these deficiencies

While welcoming the proposed move away from litigation, he warned it was

insufficient to legislate to this end.

In addition, adequate human and financial resources were necessary to ensure the efficient resolution of disputes

Estimates of the cost of establishing the Bill's proposed conciliation, mediation and arbitration commission ranged from R70m to R100m

A similar agency in the UK costs the government about £22m a year, according to Advisory, Conciliation and Arbitration director Tony Shepherd.

In defence of the court, many delegates said the industrial and labour courts had been effective in moulding SA labour relations over the years.

Kenyan Labour Court head Saed Kockar cautioned delegates "not to forget we are part of Africa".

In Kenya, the court had a unique role in making awards on financial issues, including wage disputes.

For this purpose, a secretariat was attached to the court.

Officials will pay full rent

Business Day Reporter

EASTERN Transvaal officials would be paying market-related rentals for government housing following a report commissioned by the legislature which had determined the actual market value of all properties, spokesman Oupa Pilane said yesterday

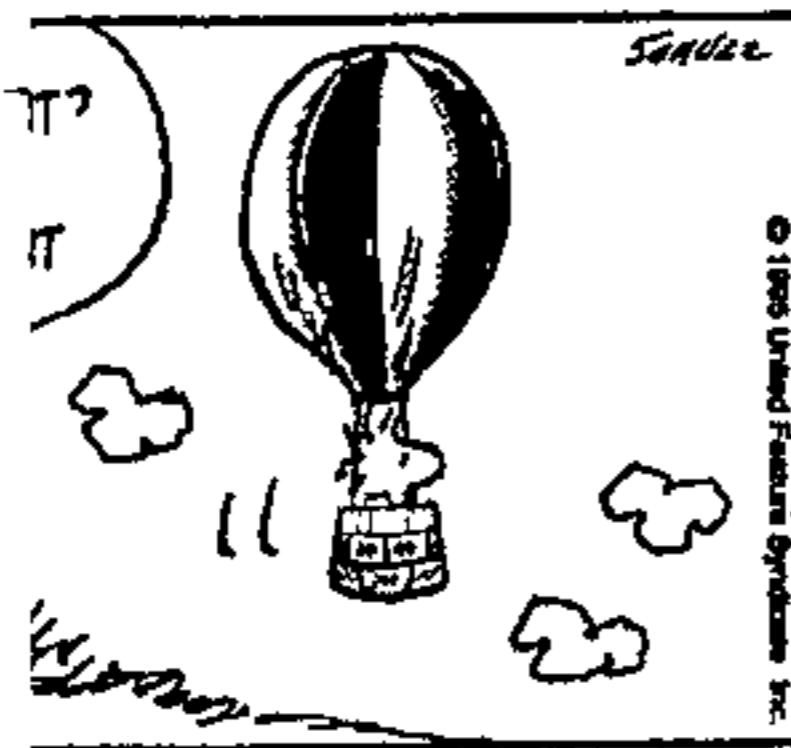
Reacting to a Sunday newspaper report that officials — including premier Mathews Phosa — were paying rentals of between R100 and R150 a month for houses valued at close to R1m, Pilane said instructions had been given to rectify the situation.

He said Phosa had rejected an offer of a luxurious house in Nelspruit and had instead chosen to live in a farm house within "a community of farm workers".

Phosa had renovated the house at a cost of R700 000 for which he had raised a bond on which he paid installments of about R10 000 a month.

Allegations that officials Jacques Modipane and Johannes Ka Shabangu had used more than R1m from a R19m provincial housing budget to renovate their rented homes without seeking prior treasury approval were also dismissed.

Charles Schulz



Mandela Shell House claim is part of police probe — Fivaz

Ingrid Salgado

Sam Shilowa in talks to unite business and labour

The Argus Correspondent (132)

PORT ELIZABETH. — Cosatu general secretary Sam Shilowa met Port Elizabeth businessmen and industrialists to discuss the establishment of a firm relationship between business and labour to rebuild the country's economy.

Mr Shilowa, who arrived in Port Elizabeth on Monday for a four-day visit to brief workers on negotiations on the draft Labour Relations Bill, said his meeting with members of the Port Elizabeth Regional Chamber of Commerce and Industry (Percei) would primarily be used to "hear each other's views".

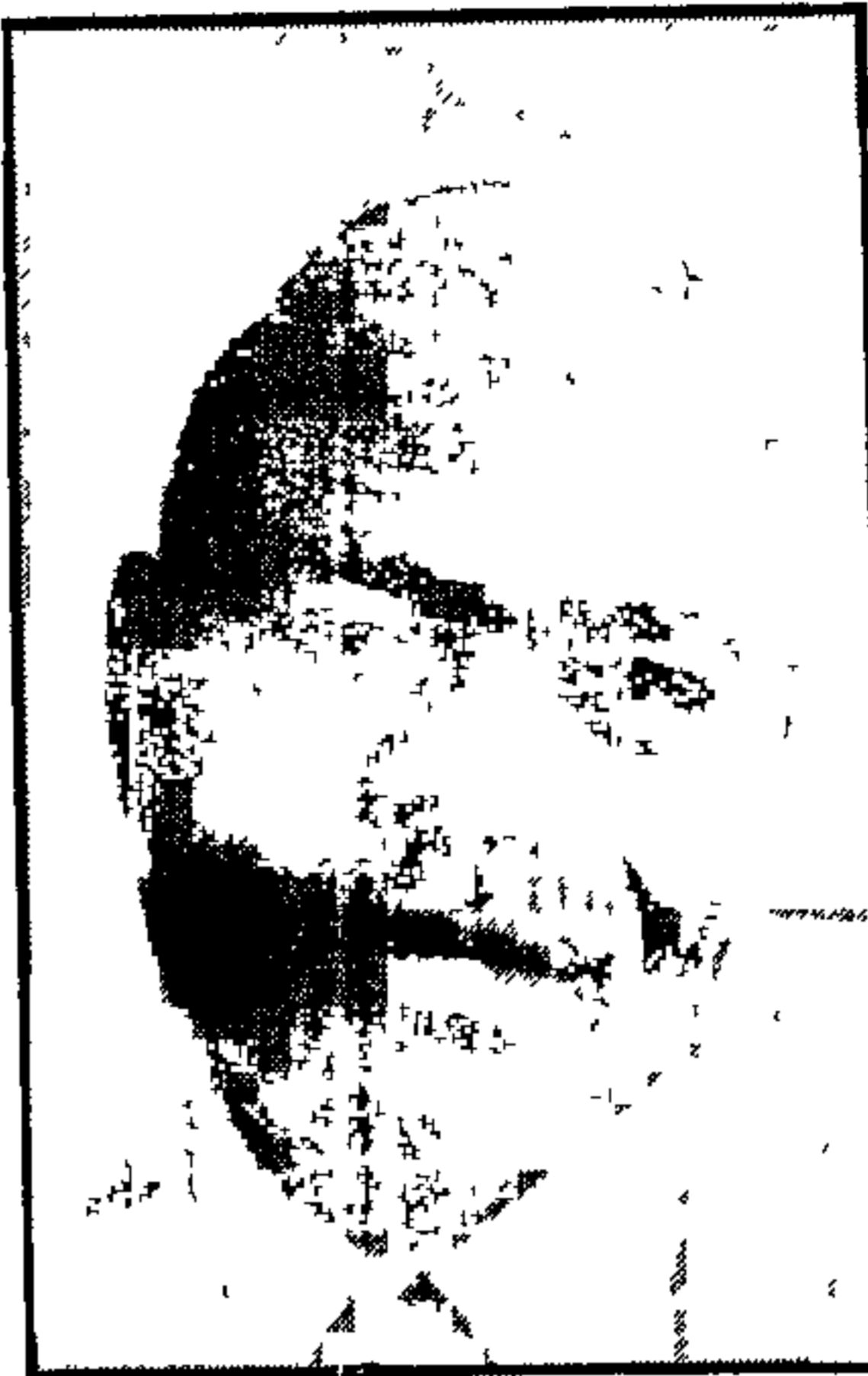
Speaking shortly before the meeting in North End yesterday, Mr Shilowa said: "One of the areas of co-operation with employers that we need to find a common approach on are issues on which we, as labour, take a confrontational approach.

"We will also look at what business and labour should do to rebuild the economy, and the role of both employer and labour.

"Another issue is the misnomer that productivity as a national policy should be the only thing that we should push for, and that there is no room for what I call re-distributive issues ARG 12/7/95

"My view is that you cannot separate these two," Mr Shilowa said.

During his stay in Port Elizabeth, Mr Shilowa said in addition to briefing workers on the draft Labour Relations Bill, he would seek to reinforce the union federation's relationship with the African National Congress and its alliances, es-



Sam Shilowa

pecially in relation to the Masakhane campaign.

He said: "We, as Cosatu, need to ensure that the Masakhane campaign is well understood by all and people generally realise that both the government and the community have a role to play of delivering."

On the current negotiations at Nedlac on the Labour Relations Bill, he said although progress had been made, he would not like to comment until after the meeting in Johannesburg.

Mr Shilowa's itinerary until tomorrow includes several visits to factories and other workplaces.

'Make or break' talks on labour Bill

Renee Grawitzky

(132) 130 12/7/95
LABOUR, business and government representatives began negotiations last night in what all parties acknowledged was a "make or break" meeting on new labour legislation

The labour market chamber of the National Economic, Development and Labour Council (Nedlac) met in what has been dubbed the final scheduled meeting to meet the deadlines set for submission of new legislation to Parliament next month.

The core issues which led to deadlock at the end of May are the focus of discussions. Contentious issues are centralised bargaining, workplace forums and disclosure of information, strikes and lock-outs, secondary strikes and protest action and organisational rights

Prior to the meeting, Labour Minister Tito Mboweni said despite a number of outstanding issues he was hopeful the parties would reach consensus and submit a report to Nedlac's executive council on Monday. This would form the basis for drafting a Bill.

Business SA spokesman Adrian du Plessis said: "There are some tough issues to be dealt with in the closing stages of these negotiations. We hope we can settle the core concepts"

Cosatu assistant general secretary Zwelenzima Vavi said "this is the real deadline and is a 'do or die' meeting"

● See Page 3

Proposal allows access to Nedlac

BD 12/7/95 (132)

John Dlodlu

MINISTER without Portfolio Jay Naidoo is expected to decide soon on a proposal to allow interested parties access to the National Economic, Development and Labour Council's (Nedlac) development chamber.

Nedlac co-ordinator for the development chamber Obed Zimande said yesterday the proposal, for a special dispensation to enable parties not represented in Nedlac to participate in the chamber's activities, had been tabled for the minister's decision.

Among key parties who are not represented in Nedlac's development chamber are non-governmental organisations, donor agencies and religious groupings involved in developmental work.

"We'd like to involve policy institutes, donor agencies and groups such as parliamentary standing committees which are responsible for whatever issue will be discussed in the chamber to have a chance of making an input," Zimande said.

He emphasised the need for the chamber to be inclusive and flexible in its approach.

Unlike its sister chambers, the development chamber has representatives from four constituencies la-

bour, business, government and organisations involved in community development

A special selection procedure was put in place by Naidoo to identify representatives for the community development interests

The community development constituency includes representatives from the National Women's Coalition, the National Youth Development Forum and the SA National Civic Organisation.

Recently, a recommendation was passed to include disabled people.

Further investigation of the possibility of including religious groupings with an interest in development work has been suggested.

In another development the chamber — which has been dubbed a problem child by cynics — has appointed four working groups to discuss key items on the programme, and terms of reference.

They will deal with social development issues, development at local government level, capacity building and organisational development, and infrastructure development

The groups, which are to meet for the first time tomorrow, will comprise representatives from each of the constituencies

Nedlac focus on 'charged' issues

John Dladla

(132) (132)
BD 13/7/95
NEGOTIATORS from business, government, labour and community organisations are meeting today in the four specialist chambers of the National Economic, Development and Labour Council (Nedlac) ahead of a crucial meeting of the executive council on Monday

Nedlac sources expect the spotlight to fall on the trade and industry and the labour market chambers, which are dealing with what one business source termed "highly charged issues" — an apparent reference to the running wrangle between business and labour over the draft Labour Relations Bill.

According to Nedlac documents, today's meeting of the labour market chamber may see the tabling of a report on the draft Bill on labour relations law.

The chamber's programme also includes discussions of International Labour Organisation conventions, National Training Board, public holidays and health and safety for Government and business representatives will table their responses on the controversial labour proposal

to link SA trade to social clauses at the trade and industry chamber

Labour wants SA trade partners to agree to a ban on child labour and all forms of discrimination

The partners should also respect the right to join unions, strike and use collective bargaining

According to Nedlac, business has already formulated its proposals. However, it was not clear yesterday whether government would table its response today

While business generally felt that pushing for the compulsory inclusion of these clauses in trade accords might amount to new forms of trade protectionism after tariff reductions — an unlikely alliance between business and labour around social clauses might emerge

Four countries — Malaysia, the Philippines, Cuba and Thailand — have refused to sign trade accords with SA because of the insistence on including social clauses.

A business source said government appeared to be divided on the subject of social clauses because of its historical alliance with labour

"Some (within government) feel morally bound to push for these

principles to be included in bilateral trade accords," he said

The business constituency is expected to suggest amendments to the proposed establishment of a new investment promotion agency "Business wants the existing infrastructure to be retained, although some reshaping might be needed"

Business, it is understood, felt the Industrial Development and Investment Centre — a sub-directorate of the trade and industry department — should be retained, but be made a quasi-government agency with representatives from the private sector

This is one of the areas of agreement that Nedlac sources feel will be tabled for rubber-stamping at next Monday's meeting of the executive council

Another central item on the chamber's agenda is government's presentation of a discussion document on long-awaited supply-side measures.

The public finance and monetary policy chamber is expected to discuss SA's exchange rate and the country's foreign exchange controls which are said to continue to haunt prospective investors

Business, unions in deal on labour law

JOHANNESBURG Business and labour said yesterday they had reached an agreement on key aspects of new labour laws contained in the draft labour relations bill.

Business, labour and government representatives told a news conference they had agreed on centralised bargaining, closed shops and socio-economic strikes

The agreement must be approved by the National Economic Development and Labour Council's executive.

Agreement must still be reached on picketing rights, scab labour and employers' recourse to lock-outs.

● See Page 15

(132)

(~~132~~)

CT 14/7/95

30 hours of talks result in agreement on key issues

Brave new labour deal

(132) SAN 14/7/95

ACCORD close on three remaining disputes — scab labour, picketing and lock-outs

■ BY JUSTICE MALALA
LABOUR REPORTER

The Government's bid to put in place a stable and investor-friendly labour market is back on track after 30 hours of talks between labour, business and Government culminated in agreement on key aspects of new labour laws.

Leaders of the three stakeholders agreed yesterday that their deal marked the beginning of a new era in labour relations.

The agreement was reached in a series of National Economic, Development and Labour Council (Nedlac) meetings in Johannesburg over the past three days. This marathon negotiating session followed two months of intense negotiating on the draft Labour Relations Act released by Labour Minister Tito Mboweni in February.

Mboweni, who confessed to having slept for only four hours in the past three days, said "A couple of months ago no one would have believed that labour and business could agree on centralised bargaining, for example. But this has been a very important process and it has scored a first on many important and different issues."

He said the finer details of the agreement, which have now been forwarded to the drafting team, will be put before Nedlac's executive committee on Monday and, after approval, will be forwarded to Cabinet's special meeting on July 26.

After Cabinet's decision the draft Act will be presented to Parliament on August 3 for debate and adoption this year.

A Johannesburg press conference was told yesterday that the parties had agreed on the thorny issue of centralised bargaining; closed shops; strike ballots, agriculture as a non-essential service, the establishment of bargaining councils; disclosure of information; organisational rights and socio-economic strikes (aimed for example at putting pressure on the Government over policy matters).

But the crucial issues of "temporary replacement labour" or scab labour, the right to picket and the right to lock-out have still not been resolved.

Labour leader Sam Shilowa, however, said "agreement was imminent" on these issues,

► To Page 3

Labour deal is imminent

◀ From Page 1

which have been referred to a technical committee for resolution before Monday.

Government negotiators were led by Mboweni, business's by Business SA president Andre Brink and labour's by the general-secretaries of the three major union federations in the country.

Brink said the process leading up to yesterday's agreement was like giving birth to a roll of barbed wire, but had been worth it.

In the two months that talks have taken place, labour embarked on mass action and the two parties' positions seemed irreconcilable.

"This agreement is a watershed for the tri-par-

tite process in SA. One hopes in the future it will be less gruelling as we get used to it," Brink said.

A labour negotiator said: "We have managed to secure a great level of protection on strike ballots, socio-economic strikes and organisational rights. The talks around scab labour looks quite promising for us and we truly believe that to a great extent we have done well for workers. If you compare our victories in these negotiations with laws in other countries, you will see that we come out looking quite good," he said.

Shilowa said: "The issues we have agreed to here will represent a quantum leap into the future for workers."

Transparency is not just a matter of convenience

Renee Grawitzky

(132) (132) BD 14/7/95

IN THIS era of supposed openness and transparency, negotiations around new labour legislation in the National Economic Development and Labour Council (Nedlac) have provided food for thought. In essence, the talks have been shrouded in secrecy except when media or public attention has suited one or other of the parties.

When Nedlac was launched in February the intention was that discussion and processes within the four chambers would be accessible to the various constituencies and the public. This was, not least, because participation in similar institutions such as the National Economic Forum had caused problems for both labour and business in terms of obtaining mandates and interaction with their membership — because those members felt excluded from the process.

These good intentions have come to little. The parties to the labour chamber tabled their initial responses to the draft negotiating document on the Labour Relations Act on May 4. The media, instead of being briefed on the opening positions tabled and on what had transpired, were treated to a round of innocuous statements.

The next day labour presented its position to the media while business "leaked" its position.

It was unclear whether this was business's official position. Government was not at all forthcoming in presenting its initial position.

This auspicious start set the tone. The media, realising that they were not going to be privy to discussions taking place within Nedlac, began to rely on their own speculation.

Thereafter, Nedlac officials called an informal discussion with a few journalists. They indicated they were not, in principle, averse to the labour chamber (or any other) proceedings being

opened. However, the parties to Nedlac evidently feel less comfortable about this idea. In effect, it is the parties within the labour chamber which have prevented Nedlac from ensuring that interested parties are kept up to speed on developments.

At the recent labour law conference in Durban, Wits Centre for Applied Legal Studies director Dennis Davis indicated that Nedlac, in effect, operated like a "super-Parliament" as the constitution provided that it had to be consulted before any labour legislation could be tabled in Parliament. Advocate Martin Brassey pointed out that deliberations in Parliament were open to public scrutiny, so why should Nedlac be closed? He said it was acceptable that party caucus meetings be closed.

It would be naive to expect all forms of interaction between the parties to be open to the public. In delicate and sensitive negotiations where the stakes are high, a certain amount of leeway should be given to the parties during certain periods — for example, when parties are trying to find common ground and they pursue certain options without obtaining mandates from their constituencies.

This excuse has, however, been used throughout the process in an attempt to keep information from the media and the public, hampering efforts at informed reporting.

Perhaps as important as open Nedlac sessions would be regular and informative information briefings.

For the parties to Nedlac, however, glimpses of transparency have been reserved for those times when a particular party wants some leverage over its opponent. In the weeks and months to come, the public will need to be educated on the "new face of labour legislation" Government, labour and business will have to use the media to achieve this. Will this be a convenient time to become transparent?

'Labour may drop social clause'

John Dladu BD 14/7/85

THE labour constituency at the National Economic, Development and Labour Council might eventually back down on its proposal to link trade to social clauses, Nedlac trade sources said last night.

Labour wanted SA trade partners to agree to a ban on child labour and all forms of discrimination, uphold rights to join unions, to strike and to collective bargaining.

According to the proposal tabled at Nedlac's trade and industry chamber, SA should refuse to sign trade accords with countries refusing to uphold these social clauses, both in bilateral and multilateral accords.

A business source at Nedlac said although labour representatives had not officially backed down, a new spirit of pragmatism had emerged at yesterday's meeting of the chamber.

"It appears that it (labour) has

realised what is practically possible. Labour listened to other parties in the chamber on the issue"

Business felt that insisting on the inclusion of social clauses in bilateral trade accords could amount to new forms of trade protectionism after tariff reduction practised by the developing world. Instead, these principles, already enshrined in the interim constitution, should be pursued vigorously in multilateral trade forums such as the World Trade Organisation, the source said

A possible compromise might be to insist on the inclusion of social clauses in preferential accords. An example was the system of the generalised scheme of preferences, which dropped tariffs for developing countries. However, the source cautioned that such a practice, if it became official policy, could open a floodgate of requests from countries requesting

preferential accords with SA.

Four countries, Malaysia, Thailand, the Philippines and Cuba, have refused to enter into trade accords with SA due to the insistence that these agreements include social clauses.

Negotiators from labour, government and business also approved a proposal for the creation of an investment promotion agency, although business felt that such a structure should be non-statutory in nature to avoid prescriptiveness.

However, business would not commit itself to funding such a structure.

In terms of proposals prepared by SRI International, the investment promotion agency should be jointly funded by government and business.

Government asked for more time to study proposals prepared by the Industrial Development Corporation on suitable GATT-friendly supply-side measures.

Only three issues still in dispute

Parties reach accord on Labour Bill

(132) (132) (132)
Renee Grawitzky
BD 14/7/95

LABOUR, business and government representatives announced yesterday they had reached agreement on all except three of the core issues in dispute in the draft Labour Relations Bill.

There was agreement on the critical issue of centralised bargaining which could occur only by mutual agreement and not on a compulsory basis as originally demanded by labour.

Settlement was also reached on the closed shop issue, strike ballots, agriculture as a "non-essential" service for the purpose of industrial action, disclosure of information, organisational rights and socioeconomic strikes.

Issues where agreement has not yet been reached include picketing during strikes, lock-outs and the use of temporary replacement labour during strikes.

These issues have been referred to a technical committee made up of government special adviser Halton Cheadle, labour's Ebrahim Patel and Business SA's Bobby Godsell. They will try to resolve them by Monday when a final report will be considered by the National Economic, Development and Labour Council's (Nedlac's) executive council.

No reference was made to the status of workplace forums, but it is understood that these will also be considered by the technical committee.

Labour Minister Tito Mboweni said the process represented a first for the post-apartheid SA where the social partners were able to reach agreement on fundamental issues of difficulty.

Cosatu general secretary Sam Shilowa said the new legislation would represent a "quantum leap for workers and for the management of industrial relations".

He said the combined initiative of Cosatu, the National Council of Trade Unions and the Federation of South African Labour Unions marked a step towards the establishment of a single trade union federation in SA.

Godsell said the deal struck the right balance between growth and equity, and between establishing labour rights while facilitating an economic capacity to compete in the world.

Nedlac director Jayendra Naidoo told a news conference the agreement on collective bargaining was roughly in line with Mboweni's recent compromise proposal. Where no bargaining council existed in an industry, either management or labour could apply for the establishment of a statutory council to consider issues such as social welfare funds and training.

By mutual agreement, such a council could negotiate industrial policy questions, as well as wages and conditions of employment. It provided for the establishment of statutory councils which initially would not be able to consider wages and conditions of employment.

Labour won an agreement that closed shops should be permitted, subject to regular ballots testing workers' views on the arrangement.

Participants in socioeconomic strikes would be protected from dismissal subject to certain tests and procedural re-

Continued on Page 2

Labour Bill

(132) (132) (132)
BD 14/7/95
Continued from Page 1

quirements. Details were not spelt out.

Business SA won agreement that strikes should be preceded by a strike ballot, although their conduct would not affect the lawfulness of a strike.

It was agreed that organisational rights would be based on "sufficient representi-

ty". Disputes between management and labour on this question would be adjudicated by the proposed commission on mediation and arbitration.

The parties indicated that the final positions adopted were being drafted and more detail would be available after the Nedlac executive council meeting on Monday.

© See Pages 3 and 8

Star 15/7/95

No delay in labour Bill, says Tito

(132) ~~132~~
By ESTHER WAUGH
POLITICAL CORRESPONDENT

The Government, labour and business reached agreement on the draft Labour Relations Bill this week — but the public sector has yet to make its recommendations on it.

Labour Minister Tito Mboweni said he did not foresee the public sector's recommendations delaying the Bill. He was expecting a report from Public Service Administration Minister Dr Zola Skweyiya on negotiations in the public sector bargaining chamber.

Sources close to the negotiations said agreement had been reached on "most of the issues" dealt with in the Bill.

It was understood that the public sector had reaffirmed its current position on centralised bargaining, which was that it took place within the bargaining chamber.

However, the view has been expressed that the bargaining chamber should be restructured to deal with public servants in different sectors. It has yet to be decided whether the police service will take part in the bargaining chamber.

Sources said there was agreement that the State, as an employer, would have the right to lock out workers, while workers would have the right to strike. The chamber agreed that workplace forums should be open to all workers and should not be union-based.

Mboweni gets labour reforms flying again

(132) ~~132~~
ST(MT) 16/7/95

TRIUMPHANT Labour Minister Tito Mboweni has forged a deal between business and labour, setting the scene for a new era of labour relations in South Africa.

The deal shows tripartite negotiations can produce results so long as the parties are given strict deadlines and government provides the necessary leadership.

"Government's role took business and labour by surprise. They're used from the National Economic Forum days to a lame duck government," one government negotiator says.

Mr Mboweni said in an interview on Friday that, "left to themselves, business and labour could have discussed the draft Labour Relations Bill forever".

He sat through 30 hours of negotiations this week, including a 15-hour session which ended at 6am on Wednesday.

The government's intervention during the past three weeks got the process back on track, meeting this week's deadline to conclude negotiations in time to get Cabinet approval this month before the draft law goes to Parliament later in the year.

Mr Mboweni says he is "pro-labour", but "that doesn't mean that I endorse every demand of the union movement".

"Labour also knows that we are not business bashing. We want better wages but also want to improve

By **KEVIN DAVIE**

competitiveness"

He stresses that if consensus is not reached on the relatively minor outstanding issues, these will nonetheless be covered by the new Act in terms of recommendations he will make to the Cabinet.

A remaining contentious issue is the sympathy strike. Labour supports the right to sympathy strikes, business is opposed.

Business is understood to have proposed that these strikes can only be extended to employers directly involved in the dispute.

Both parties had sufficient time from February, when the draft Labour Relations Bill was tabled, to develop their positions.

Mr Mboweni was guided by international labour practice in his interventions, but "this is something unique" in SA.

Agreements struck this week fall short of union demands for compulsory centralised bargaining.

Statutory forums will be set up for industries not covered by voluntary centralised bargaining, but there will be no compulsion to negotiate wages.

Workplace forums can be set up at the union's request, but all workers rather than just union officials can participate.

The issues to be discussed by the forums will be by agreement.

Closed shops will be permitted, but will be set up

by agreement rather than by legal compulsion.

Cosatu wanted exemptions from bargaining council agreements to be decided by the councils, but an independent body will rather decide exemptions.

Halton Cheadle, principal author of the Bill, is re-drafting the Bill to include the agreed changes.

Professor Cheadle says the "quite substantial" changes improve the Bill while not altering its spirit.

The new statutory councils will manage pension schemes and other benefits for workers. Workers who remain employed in the same industry will be able to transfer their pensions.

"This will help relieve the burden on the fiscus to provide social pensions," says Professor Cheadle.

The statutory councils offer the potential for improving skills.

While individual employers may be reluctant to train workers who may leave to work for opposition firms, training schemes at industry level should increase the skills base without hurting individual employers.

Mr Mboweni says the negotiations have improved the legitimacy of the proposed law. "This gives it a better start when we begin to implement it."

Cosatu's Sam Shilowa called the agreement "a quantum leap for workers" while Business South Africa's Bobby Godsell said "it strikes the right balance between growth and equity".

'Toys' help seal labour's new deal

ST 16/7/95

(132)

By CAROL PATON

FIFTEEN minutes before signing the new deal on labour relations, the labour contingent broke into a hurried caucus. Anxiously drawing on cigarettes, they huddled around the tall figure of Cosatu boss Sam Shilowa before rushing back into the Carlton hotel ballroom.

With only minutes to go before tying up an agreement on all but three points of the new Labour Relations Bill, there were still things that could be said only in whispers.

Later, at a hastily convened news conference to announce the deal, unionists, bosses and government officials alike were still reluctant to talk, afraid that anything they said would spark another debate.

Their last-minute deliberations, in the National Economic Development and Labour Council (Nedlac), had been shunted off into a partitioned section of the ballroom after the delegation had overstayed its welcome by two days.

At 6am on the second day, weary hotel staff, kept up all night by orders for coffee, eventually persuaded the diehards — business's Bobby Godsell, Mr Shilowa and Labour Minister Tito Mboweni among them — to leave.

A makeshift conference table was set up in the middle of the ballroom and talks resumed a few hours later under the light of the giant chandeliers.

After 30 hours of talks in three days Mr Shilowa, Mr Godsell, Nedlac executive director Jayendra Naidoo, Mr Mboweni and exhausted members of their negotiating teams faced the media red-eyed. They issued a brief statement. "The talks were short on detail, but great on humour," Mr Godsell told reporters.

But by the time the news conference was convened, Mr Godsell no longer cared about the quality of the humour. He seemed to have lost the ability to discriminate, and laughed through most of the proceedings.

Mr Godsell's bantering also provided light relief



SLEEPLESS NIGHTS . . . Cosatu's Sam Shilowa, Labour Minister Tito Mboweni and business's Bobby Godsell

during negotiations. After a particularly long government caucus during which business and labour were kept waiting, Mr Godsell took out his cellular phone, dialled Mr Shilowa — who was sitting across the table from him — and tried to cut a deal, while Nactu president Cunningham Ngcukana bargained with Raymond Parsons.

On returning, the government team was surprised to find the room filled with talk and laughter. "The boys had taken out their toys," said government spokesman Shireen Singh.

But if there had been an award for stamina, it would have gone to labour's key negotiator, Ebrahim Patel "He can carry on and on

and on and on . . .," said Nedlac's Lomin Saaiman.

"It was tough," said Mr Mboweni, who said he had managed only three hours sleep in three days. "You lose concentration for a minute and you're in trouble . . . then people want to go outside and smoke, others get difficult . . ."

The minister also had other problems. He had run out of fresh shirts, and had resorted to buying new ones.

But although the Bill took more than 15 days of meetings to negotiate, it still cannot be described as a deal struck by exhaustion.

Even after two sleepless nights, there was still time to refer the stickiest issues to another committee.

Nedlac reviews its chambers

John Dlodlu

(132)

THE executive council of the National Economic, Development and Labour Council today holds its second and most crucial meeting since its inception last February

In terms of Nedlac's founding documents, the executive — which is charged with defining broad mandates for Nedlac's structures — meets at least quarterly.

Nedlac programme manager Debra Marsden said the meeting would discuss reports on the work of various chambers and review their programmes

"Importantly, the meeting will consider agreements reached by the chambers to date. We don't have a myriad of agreements, but there has been progress."

The meeting, initially scheduled for July 7, was postponed to allow parties at the labour market chamber to thrash out a deal on the disputed aspects of the Labour Relations Bill

Agreement on the critical issue of centralised bargaining, strike ballots, disclosure of information and organisational rights was reached last Thursday, and

^{BD 17/7/95}
Nedlac was on Friday busy drafting a report to be tabled at today's meeting.

The trade and industry chamber had agreed on a framework for the promotion of inward investment, including the creation of an investment promotion agency, and this would be submitted to the council for consideration, Marsden said.

However, further work on the thorny subject of policy instruments, including fiscal incentives, to be used to buoy investment still had to be done.

The proposal for an investment promotion agency was based on proposals drafted by SRI International, an international firm of consultants

The development chamber, which started its work later than its sister chambers, had recommended that government and Nedlac co-manage both the municipal infrastructural development project as well as the Masakhane campaign, she said

Today's meeting would also consider Nedlac's proposals prepared by the public finance and monetary policy chamber — one of the less talked about chambers in Nedlac — on the budgetary process.

Agreement on draft labour act

(132)
The Argus Correspondent

JOHANNESBURG — Business, labour and government agreed that the draft Labour Relations Bill should become law in spite of differences on three critical issues.

The National Economic, Development and Labour Council's (Nedlac) executive council agreed yesterday to recommend to cabinet that the draft bill be adopted subject to revisions on contentious issues.

The bill will now be submitted to cabinet on July 22 before going to parliament.

The parties are still deadlocked on employers' right to use scab labour during lockouts and the notice period when it comes to using such labour, the tightening of the bill's provisions regarding picketing, and the agenda and dissolution of workplace forums.



Sam Shilowa

The parties indicated they were close to agreement, except on scab labour. Labour wants restrictions on the right to hire replacement labour.

The parties yesterday emphasised that negotiations had been fruitful and said agreements far outweighed the disagreements.

Congress of SA Trade Unions general secretary Sam Shilowa — speaking on behalf of labour — said the fact that there were still reservations on all sides on the three issues did not mean there was opposition to agreed clauses in the bill.

"The bill, as a package meets the criteria that we set ourselves at the beginning of this process," he said.

The meeting yesterday, attended by Labour Minister Tito Mboweni, brings to an end the bill's passage through the body, which was supposed to ensure there was agreement on it before it was put before cabinet and parliament.

Mr Mboweni said a committee of himself, Mr Shilowa and Business SA deputy president Bobby Godsell would continue to work on the outstanding issues.

Bill on table by next month

Renee Grawitzky

(132)

BD 18/7/95

A REDRAFTED Labour Relations Bill will be tabled in Parliament next month although several outstanding issues have not been resolved. Labour, government and business have expressing reservations about the outstanding issues.

The report on the negotiation process which outlined areas of agreement and disagreement on the draft Bill within the National Economic Development and Labour Council (Nedlac) labour market chamber was approved by Nedlac's executive council yesterday.

At a media briefing the parties remained tight-lipped on the final stage of the negotiations and the status of the unresolved issues. The parties would not dis-

close whether they would use the parliamentary committees to press their positions on the unresolved issues.

Cosatu general secretary Sam Shilowa and Business SA's Bobby Godsell said the draft Bill "enjoyed full support from the social partners"

This view was expressed despite differences of opinion on the limitation of replacement labour during lock-outs, the use of replacement labour during strikes and the right to strike over unfair dismissals. These differences could either be left to Cabinet or the committee of principals — Labour Minister Tito Mboweni, Godsell and Shilowa — to resolve.

Labour proposed the restriction on the

Continued on Page 2

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Continued from Page 1

use of replacement labour during lock-outs while business did not support this but indicated it would not prevent agreement being reached. Government indicated its willingness to accept this limitation.

Shilowa said labour had reservations about the use replacement labour during a strike. Provision is made for such use provided an employer gives seven days' notice to the commission for conciliation, mediation and arbitration or the relevant bargaining council. Business and government opposed labour's call for a right to strike over unfair dismissals. The draft Bill ensures dismissals will be subject to third party arbitration.

Shilowa said reservations from both sides "will not stop the process". He said "we will use whatever channels" to reconcile these differences and "we will manage the parliamentary process".

Nedlac executive director Jayendra Naidoo said Nedlac as an institution had been strengthened by the resolution on the Bill and the parties were ready for social partnership.

Mboweni said the drafting team would incorporate the agreements reached.

Of the issues referred to the technical committee, agreement was reached on picketing, sympathy strikes and workplace forums. Workplace forums would not be union-based but accredited trade union representatives would participate in forum meetings. The forum would be called by a representative trade union and could be dissolved at the union's request provided a majority of workers voted for this.

Issues for consultation would include the partial or total closure of a business, mergers and transfers, job grading, education and training, workplace reorganisation and criteria for merit increases or discretionary bonuses.

Joint decision-making issues would include the formulation of disciplinary procedures as well as rules relating to non-performance of employees, changes in the rules of pension funds and the appointments to boards of such funds.

Sympathy strikes would be permitted provided a balance was found between the "right to engage in a meaningful sympathy strike and its functionality".

At the same time unions would have to comply with the same procedure of giving notice as an employer who wished to use replacement labour.

Union vows to continue fight

Benno Gravitky
(132) PD 18/7/95

DELEGATES at the Food and Allied Workers' Union national congress at the weekend resolved to continue fighting for union-based workplace forums and centralised bargaining.

Fawu assistant general secretary Ernest Buthelezi said delegates resolved to continue supporting Cosatu's original position on centralised bargaining and, despite a compromise reached on the issue, the union would continue to fight for amendments to the proposed new Labour Relations Act.

Discussion around the National Economic Development and Labour Council (Nedlac) had focused on the process of report-backs and the flow of information throughout the union, Buthelezi said.

Differences but Nedlac goes ahead

BY JUSTICE MALALA
LABOUR REPORTER

Representatives of business, labour and government have agreed that the draft Labour Relations Bill should be passed in spite of remaining differences on three critical issues

The National Economic, Development and Labour Council's (Nedlac) executive council agreed yesterday to recommend to the Cabinet that the draft Bill be adopted subject to revisions on contentious issues

A Bill will be submitted to the Cabinet on July 22 before going to Parliament

The parties are still deadlocked on employers' right to use temporary replacement or scab labour during lockouts and the notice period when it comes to using such labour, the tightening of the Bill's provisions regarding picketing, and the agendas and dissolution of workplace forums.

The parties indicated that they were close to agreement on two of these issues. The exception is replacement labour. Labour wants the right to hire replacement labour during lockout restricted in law, while business is opposed to this.

The parties emphasised yesterday that the negotiations process leading to the agreements on the Bill had been fruitful and the agreements far outweighed the disagreements.

Congress of SA Trade Unions general secretary Sam Shilowa, speaking on behalf of labour, said the fact that there were still reservations on all sides on the three issues did not mean that there was opposition to the clauses in the Bill as agreed upon.

"There have been far more agreements than disagreements and the Bill, as a package, meets the criteria that we set ourselves at the beginning of this process," he said.

The meeting yesterday was attended by Labour Minister Tito Mboweni.

He said a committee of himself, Shilowa and Business SA deputy president Bobby Godsell would continue to work on the outstanding issues while the parliamentary process was going on to ensure that as much agreement as possible was reached.

Draft Labour Bill can become law

(132)

Sowetan 18/7/95

Sowetan Correspondent

Nedlac agrees to submit labour Bill to Cabinet despite outstanding issues

REPRESENTATIVES OF business, labour and government have agreed that the draft Labour Relations Bill should be made into law in spite of remaining differences on three critical issues

The National Economic, Development and Labour Council's (Nedlac) executive council agreed yesterday to recommend to Cabinet that the draft Bill be adopted subject to revisions on the contentious issues

The Bill will now be submitted to Cabinet on July 22 before going to Parliament.

The parties are still deadlocked on

employers' right to use temporary replacement or scab labour during lock-outs and the notice period when it comes to using such labour, the tightening of the Bill's provisions regarding picketing, and the agenda and dissolution of workplace forums

Congress of SA Trade Unions general-secretary Mr Sam Shilowa, speaking on behalf of labour, said the fact that there were still reservations on all sides on the three issues did not mean that there was opposition to the clauses in the

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"There have been far more agreements than disagreements and the Bill, as a package, meets the criteria that we set ourselves at the beginning of this process," he said

Yesterday's meeting, attended by Labour Minister Tito Mboweni, brings to an end the Bill's passage through Nedlac, which was supposed to ensure that there was agreement on it before it was put before Cabinet and Parliament

Labour pact: Win some, lose some

Argus Correspondent.
JUSTICE MALALA

AMID the cigarette butts, empty water jugs and masses of scrawled notes that lay in the Carlton Hotel ballroom after the last, 15-hour lap of negotiations on new labour laws on Thursday was a scrawled message that characterised the nature of the talks over the past two months

"It is being turned down, but it'll take 10-15 minutes before you notice it," the message said

After bruising negotiations in the National Economic, Development and Labour Council since May 4, the parties agree that they have struck a deal which would be beneficial to the country and to their constituencies

But at the end of the day the question will be asked, whose proposals were largely turned down, as the scrawled message put it? On whose side is the Bill tilted? Did labour register the victories they embarked on mass action for? Has business managed to entrench the "voluntarist" perspective it brought to the negotiations in the new laws?

The one party which has clearly come out tops is government, represented by Labour Minister Tito Mboweni. Besides the fact that the Bill is central to his bid to put in place an investor-friendly and stable labour market, on Monday the parties reached agreement on what is referred to as his baby, the workplace forums

They agreed that a representative trade union, or more unions in a workplace acting jointly, may apply to the new Council for Conciliation, Mediation and Arbitration for a workplace forum to be put in place. This agreement, which is supported by both parties, ushers in a new era for co-operation between employers and workers

The one main issue which the three parties are still not agreed on and which parliament might have to make a final ruling on is that of employers' right to hire temporary replacement or scab labour when they feel that their business is in danger of collapse during a strike. Labour wants the hiring of scabs restricted in law

But generally, both parties came to the negotiating table with pro-

posals which they both knew would be watered down until agreement was reached. On the major issues, here is how they fared

Centralised bargaining: Initially, business indicated it supported this "in principle" but was opposed to labour's demand for it to be made compulsory. Labour was adamant that the Bill should require employers to bargain with trade unions centrally, with national bargaining councils set up in all industries

The agreement reached after Mr Mboweni's intervention ensures that if trade unions organise enough workers they can initiate for the formation of a centralised bargaining forum. It proposes that where there is no such forum a trade union or employer association with at least a membership of 30 percent in the industry can initiate the formation of one

The forum will be responsible for the establishment and administration of social welfare funds, the promotion and establishment of training and education schemes and dispute-resolution functions

Most important, the forum may agree to negotiate wages and con-

ditions of employment, development of industrial policy for the concerned industry and may amend its constitution

The new deal is a victory for employers in that it does not enforce the formation of bargaining councils. But it is also a victory for labour because for them to ensure that councils are set up in an industry they have to organise sufficient workers for their objective to materialise

The closed shop: Labour wanted a closed shop — an agreement between an employer and a trade union that the union will be the sole representative of workers in that workplace — to be permitted and yet room be made for constant review of the agreement by holding secret ballots among workers testing their agreement

But to limit the power of the union in terms of this agreement, unions will have to command 66 percent support of all workers to have this agreement put in place. If at any time 33 percent of the workers require a ballot to test the validity of the agreement, then one should be held

This agreement will shift the balance of forces in workplaces — where in the past mainly white unions have had closed shop agreements with employers — to the unions which can now do the most organising. The labour movement, particularly Congress of SA Trade Union affiliates, will gain power with this new dispensation as they command majority membership in most workplaces

Workplace forums: Business held that it should not be the sole right of a representative trade union to apply for the establishment of a workplace forum, but that those rights should be extended to all employees or the employer

This issue marked a significant victory for labour, in the sense that at the end the parties agreed that the workplace forum must be set up by initiation of the trade union. Although most of the issues it could handle will be confined to wage bargaining forums, the forums will have wide-ranging powers to handle matters of co-operation between the parties such as retrenchments and restructuring

Disclosure of information: Business's main concern with union access to confidential information was that it would not be able to ensure that this information did not reach other parties

The Bill will now provide that where the employer feels that he should not provide confidential information, the Commission for Conciliation, Mediation and Arbitration (CCMA) shall determine whether the employers' reservations are valid and will give a ruling

The CCMA will take into consideration the union's past record in terms of confidentiality, and may impose a sanction for proven breaches of confidentiality by the union. This marks a victory for employers, who will have protection of information they consider vital for competition

The parties agree that the process has seen a lot of giving and taking and hopefully the winner is South Africa, which will have a more coherent, integrated and worker-friendly Labour Relations Act

Sexwale to help Fassie

Vusi Khoza

SINGER Brenda Fassie, who has admitted to being addicted to drugs, will spend the next six months in a rehabilitation clinic following advice from Gauteng premier Tokyo Sexwale and singer Chicco Twala, who responded to her plea for help.

Sexwale said yesterday he had returned from a holiday in Cape Town to attend President Nelson Mandela's 77th birthday and finalise arrangements for Fassie's treatment.

Sexwale and Twala also plan to set up a helpline to assist all drug addicts. This follows the death of Fassie's friend and housemate Patricia Sihlahla who died from a drug overdose.

Fassie said this would be her second visit to a rehabilitation centre. Fassie admitted to still being on drugs, but said she hoped the rehabilitation would help her "discover" herself.

She challenged everyone to "check on me" and asked her followers to "pardon me" I have disappointed you enough," she said.

Twala said Fassie would put her career on hold until next year. Twala, who is paying for the rehabilitation, refused to name the clinic or reveal how much the treatment would cost.

Referring to Fassie, Sexwale said "we can't let this diamond wither away".

Business and unions 'must make choices'

Renee Grawitzky (132)

THE agreement between labour and business on the draft Labour Relations Bill was the most important achievement and it represented everything which the union movement had strived for in the past, Minister without Portfolio Jay Naidoo said yesterday.

At the fourth Them and Us worker and management conference organised by IR Network, Naidoo said that in order for the RDP to succeed, all constituencies including labour and business had to make certain choices.

Labour had to decide whether "we meet the needs only of workers in the formal sector" while business, if it wanted to become competitive in world markets, would have to consider investing more heavily in training and education.

Delivery on the RDP necessitated the "collective responsibility of government through the process of the National Economic Development and Labour Council (Nedlac) to make this successful", Naidoo said.

He said the job of the RDP office was to create a strategic framework for government. It was not his responsibility to deliver on the RDP.

National Union of Metalworkers of SA (Numsa) general secretary Enoch Godongwana said the intention of labour during the negotiation process around the draft Bill was to try to bring business closer to labour's position which was to the left of the Bill.

He said it was difficult to ascertain whether the final agreement was to the right or left of the Bill.

Transport and General Workers' Union general secretary Randall Howard said regardless of the infighting and the process around the negotiation of the draft Bill, the parties had arrived at a new industrial relations framework.

He said the Bill "allows more for a voluntary system of labour relations to allow both parties to conduct labour relations more effectively".

Howard said the basis had been laid and how it was implemented was dependent on labour and business.

Government, he said, was attempting to ensure that a balanced approach was adopted in dealing with the social partners.

The Bill also endorsed majoritarianism and it was important for employers to accept that it was in their interests to deal with strong industrial unions.

Labour, business and Government finally reached agreement last week on contentious clauses of the draft Labour Relations Act. Labour Reporter Justice Malala reports on the parties' gains and losses.

What does SA gain with new labour Bill?

Star 19/7/95

132

Amid the cigarette butts, empty water jugs and masses of scrawled notes that lay in the Carlton Hotel ballroom after the last, 15-hour lap of negotiations on new labour laws last Thursday was a scrawled message that characterised the nature of the talks over the past two months.

"It is being turned down, but it'll take 10-15 minutes before you notice it, the message said.

After bruising negotiations in the National Economic, Development and Labour Council since the beginning of May, the parties have agreed that they have struck a deal which will be beneficial to the country and to their constituencies.

But at the end of the day the question will be asked whose proposals were turned down, as the scrawled message put it?

Did labour register the victories they embarked on mass action for?

Has business managed to entrench the voluntarist perspective it brought to the negotiations?

The one party which has clearly come out tops is the Government, represented by Labour Minister Tito Mboweni. Besides the fact that the Bill is central to his bid to put in place an investor-friendly and stable labour market, on Monday the parties reached agreement on what is referred to as his baby, the workplace forums.

They agreed that a representative trade union, or more unions in a workplace acting jointly may apply to the new Council for Conciliation, Mediation and Arbitration for a workplace forum to be put in place.

This agreement, which is supported by both parties, ushers in a new era for co-operation between employers and workers.

The one main issue which the three parties are still not agreed on and which Parliament might have to make a final ruling on is



Looking good Transport workers demonstrated in Johannesburg last week but labour leaders believe that with the agreements on the draft Labour Bill, strikes will be thing of the past. PICTURE THEMBA HADEBE

that of the employers' right to hire temporary replacement or scab labour when they feel their business is in danger of collapse during a strike. Labour, by contrast, wants the hiring of scabs restricted by law.

But, generally, both parties came to the negotiating table with proposals which they both knew would be watered down until agreement was reached. On the major issues, here is how they fared.

Centralised bargaining: Initially, business indicated that it supported centralised bargaining in principle but was opposed to labour's demand for a duty to bargain centrally to be made compulsory.

Labour was, on the other hand, adamant that the Bill should require employers to bargain with trade unions on all matters at a central level, with national bargaining councils set up in all industries.

The agreement that was reached after Mboweni's inter-

vention ensures that if trade unions organise enough workers they can initiate for the formation of a centralised bargaining forum.

The agreement proposes that where there is no such forum in existence, a trade union or employer association with at least a 30-strong membership can initiate the formation of one.

The forum will be responsible for the establishment and administration of social welfare funds, the promotion and establishment of training and education schemes and dispute-resolution functions.

Most importantly, the forum may agree to negotiate wages and conditions of employment, development of industrial policy for the concerned industry and may amend its constitution.

The new deal is a victory for employers in that it does not enforce the formation of bargaining councils. But it is also a victory for labour because for them to ensure that councils are set up in

an industry, they have to organise sufficient workers for their objective to materialise.

The closed shop: Labour wanted the closed shop - an agreement between an employer and a trade union that the union will be the sole representative of workers in that workplace and that a constant review of the agreement be held by holding secret ballots among workers, testing their agreement with the obtaining position.

But to limit the power of the union in terms of this agreement, unions will have to command 66% support of all workers to have this agreement put in place. If at any time 33% of the workers require a ballot to test the validity of the agreement, then one should be held.

This agreement will shift the balance of forces in workplaces where in the past mainly white unions have had closed shop agreements with employers to the unions which can now do the most organising. The labour

movement, particularly Cosatu affiliates, will gain power with this new dispensation as they command majority membership in most workplaces.

Workplace Forums: Business held that it should not be the sole right of a representative trade union to apply for the establishment of a workplace forum, but that those rights should be extended to all employees or the employer.

This issue marked a significant victory for labour, in the sense that at the end the parties agreed that the workplace forum must be set up by initiation of the trade union.

Although most of the issues it could handle will be confined to wage bargaining forums, the forums will have wide-ranging powers to handle matters of co-operation between the parties such as retrenchments and restructuring.

Disclosure of Information: Business' main concern with union access to confidential information was that it would not be able to ensure that this information did not reach other parties.

The Bill will now provide that where the employer feels that he should not provide confidential information, the Commission for Conciliation, Mediation and Arbitration (CCMA) shall determine whether the employers' reservations are valid and will give a ruling.

The CCMA will take into consideration the union's past record in terms of confidentiality, and may impose a sanction for proven breaches of confidentiality. This marks a victory for employers, who will have the protection of information they consider vital for competition.

At the end of the day, the parties agree that the process has seen a lot of giving and taking and hopefully the winner is South Africa, which will have more coherent, labour legislation.

THE "consensus" reached at the National Economic Development and Labour Council (Nedlac) this week over the draft Labour Relations Bill has been proclaimed rightly as a breakthrough for the "social partners". But experience from new democracies elsewhere is that the real challenge is yet to come when ordinary workers lose confidence in tripartite arrangements which fail to deliver in the short term.

The significance of this week's achievement is best illustrated by comparing it with the Eighties. In 1988, after extensive consultation with employers, government tabled new labour legislation in the form of the Labour Relations Amendment Bill. The purpose was to curb union power and rights won through industrial courts.

The threat posed by the Bill galvanised the unions. Over the next two years the labour movement held summit meetings and launched a campaign of protests, stayaways, and bans on overtime in protest against the Bill, which became law in a drastically amended form after negotiations with labour, triggered by the protests in September 1990.

The contrast between 1988/89 and 1995 is dramatic. Labour "took to the streets" twice during the two-and-a-half-month negotiations following the tabling in February of the draft Labour Relations Bill. But real negotiations took place elsewhere in the 149 hours spent in formal meetings between labour, employers and government and in late-night "conversation groups".

"The conversation group made more progress that night (between 11pm and 6am last Tuesday in the Carlton Hotel) than had been achieved from that date backwards," a triumphant Labour Minister Tito Mboweni declared.

Comparative experience suggests that the minister has put his finger on the key to successful economic reform in new democracies. Put simply, tripartite arrangements are the best way of carrying out a programme of economic reform during the transition from dictatorship

The true challenge to tripartite deals is yet to come

MM 20/7/95 (132)

EDDIE WEBSTER

"This," writes American political scientist Adam Przeworski in his most recent book, "is the source of the dilemma facing new democracies how to create incentives for political forces to process their interests within democratic institutions when material conditions must decline in the foreseeable future." Put differently, under corporatism government expects workers to forgo short-term benefits for long-term advantage.

In exchange for wage restraint — plus increased productivity — from their members, government cedes to union leaders a bit of their monopoly on policymaking.

This dilemma — what could be called the "dilemma of leadership" — arises from the need to respond to the immediate needs of workers during a period of economic reform, while simultaneously drawing out long-term objectives. The dilemma can be resolved only by a more nuanced use of power: a shift from the mobilisation of power, to the use of influence in the heart of decision-making at the plant, enterprise, industry and national levels.

But a condition of successful corporatism is that the organisations representing workers (and employers) must be sufficiently representative of their members to have control over their own affiliates. It is precisely the perceived "failure to deliver" which contributes to the loss of confidence in tripartite co-operation. This has been called the "interpretation gap" — a gap between what the leadership perceives as the long-term interests of members and what these members perceive as their immediate interests.

The close link between Cosatu and the ANC is likely to facilitate bridging this gap in the labour movement. Ironically, it is the existence of this "left pressure" inside the alliance that is likely to ensure the success of Mboweni's bold experiment. In this sense, all South Africans have an interest in labour's continuing alliance with the ANC.

□ Webster is professor of sociology at Wits University.

protest, the leadership of one of the key social partners was signalling to its membership that it was an autonomous actor.

Tripartitism assumes a pluralistic society where autonomous groups with divergent interests recognise each other's existence while promoting their own distinctive views.

By channeling their demands and organising their conflicts within the framework of representative institutions, the conflicts that took place in and around the Labour Relations Bill were playing a real role in shaping policies that influence work and living conditions.

Concern has been raised that "the Nedlac process" may usurp the function of Parliament and turn it into a "rubber stamp". But this will happen only if parliamentarians do not do their jobs. The idea behind tripartite co-operation is that representative democracy is complementary to parliamentary democracy. While the interests of employers and workers are promoted by political parties, these interests are diluted in national parliaments, which are forums where the needs of all constituents are considered.

The heart of the challenge facing Nedlac is that SA's transition to democracy is taking place under conditions of intense global compe-



MBOWENI

reached by representatives who act on the basis of proper mandates. In other words, the negotiation process draws all parties into an identification with the proposed reforms.

Third, consultation helps consolidate democratic institutions. This point is central. Many commentators saw the mass action campaign in June as a challenge to the democratic process. Quite the opposite is the case. By engaging in peaceful

to democracy. Nedlac is also the clearest institutional manifestation of a shift towards "bargained corporatism" in SA.

Corporatism is a policy style that entails consultation and negotiation beyond the parliamentary actors to unions, employers' associations, or other interest groups. It emerges when the state is not sufficiently powerful to dictate public policy but is powerful enough to resist being captured by particular interests.

Those who argue that with a democratic government there is no longer any need for time-consuming and elusive attempts to build consensus in civil society, misunderstand the role of tripartite consultation in policy formulation. There are three reasons why tripartite policy style matters.

First, consultation may improve the quality of decisions. The proposed statutory councils are a case in point. They emerged in the process of consultation and were agreed to as amendments. They will manage pensions and other benefits. By promoting and establishing training schemes they will help overcome the reluctance of some employers to invest in employee training.

Second, negotiation may build political bases of support for the proposed reforms. The central objective of Nedlac is that agreement is

EBRAHIM PATEL

Toeing the hard line

FM 21/7/95
(132) (122)

Labour's convener in Nedlac, Ebrahim Patel (32), is strictly hardline when it comes to worker rights. Even comrades in government's corner of the tripartite talks on the labour Bill refer to him as the fundamentalist — in the legal sense, that is.

The youthful deputy general secretary of SA Clothing & Textiles Workers' Union (Sactwu) clearly has a naive faith in the ability of the law — provided it's pro-union — to regulate industrial conflict and deliver harmony. And therein, some contend, lies his biggest miscalculation as Cosatu's would-be chief strategist that an ANC government would simply kowtow to union demands and ignore business anxieties in framing a new Labour Relations Act.

The story is told of how during one session of protracted talks on centralised bargaining, "EP," as he is fraternally known, seriously proposed that the composition of an industrial wages council be 50% union — with the rest drawn from government appointees and academics. Everyone was dumbstruck, until somebody popped the obvious question: "What about employers?"

This illustrates his approach. Unlike many who would tend to tailor their bargaining position by gradually pitching towards the centre, Patel's negotiating style appears to be to stick to his opening gambit

— backed by a sharp intellect and grasp of the issues second to none

His hard line may be behind Labour Minister Tito Mboweni's observation that labour and business, left on their own, would have haggled over the draft Bill till doomsday. It may also have been the reason for Mboweni's decision last week to set up a three-man committee of principals — including himself, Business SA's Bobby Godsell and Cosatu's Sam Shilowa — to speed up the search for consensus, duly wrought after talks through the night

When the parties reached effective agreement, Patel was one of few who still looked completely unruffled. Romance aside, his indefatigable stance on legal certainty in the Bill (as opposed to dreamy notions of the "spirit" of tripartism) has a lot to be said for it. He is, after all, a unionist who will exploit to the hilt the openings left for unions to pursue centrally determined wages and



Patel . . . sticks to his opening gambit

working conditions.

To his credit, Patel seems utterly committed to the union cause. His involvement dates from high school, where he ran a students' support committee for striking workers. After obtaining a BA at UWC he joined the labour research unit at UCT, where he started a union for university employees, becoming its first general secretary in 1985. He later joined and led the National Union of Textile Workers, forerunner of Sactwu, and played a strong role in the Na-

tional Economic Forum, Nedlac's predecessor. With regard to restructuring clothing and textile, Patel favours the gradual lifting of tariffs to protect jobs and local industry.

Yet he remains an enigma — which is not helped by his refusal to talk to the "reactionary" *FM* unless and until Cosatu takes a collective decision on this burning issue.

□ On Sunday, Patel was involved in a car accident; he's recovering in Groote Schuur. ■

LABOUR AND BUSINESS

Devil in the detail

FM 21/7/95

Despite failure to agree on certain crucial issues — notably replacement labour during employer-initiated lockouts, picketing, and strikes over unfair dismissals — Nedlac “social partners” business, labour and government have given the green light to the draft Labour Relations Bill under consideration since February

As a result, Nedlac’s full executive council resolved this week to recommend that Cabinet adopt the Bill “subject to the necessary revisions and stated reservations of the parties,” promulgate it into law this year, and that the committee of principals (Labour Minister Tito Mboweni, business’ Bobby Godsell and labour’s Sam Shilowa), “remain seized with the matter during the parliamentary process.”

“That is the deal,” Mboweni announced to a somewhat sceptical press corps on Monday night. “I think you should congratulate us. I must say the executive council clapped hands and was very pleased with our report”

However, as Sacob’s Raymond Parsons points out, there is still unfinished business on certain provisions to be negotiated before legislation can be finalised: “The road through the parliamentary process will be characterised by further debate, negotiation and lobbying. No doubt we will find, as always, that ‘God is in the principle — but the devil is in the detail.’”

There seemed to be a touch of anxiety on Mboweni’s part regarding the Bill’s passage through parliament, as if to suggest that it could just unravel at some stage.

On the issue of replacement labour in lockouts, labour proposed its restriction; government “indicated its willingness to accept such limitation” and business opposed but this “would not detract from its support of the Bill and the agreement as a whole.”

It was, however, agreed that an employer would be required to give seven calendar days’ notice of his intention to use replacement labour after a dispute had been referred to the conciliation commission, or bargaining council, or in terms of any collective agreement

Similar notice provisions would apply to sympathy strikes where it was agreed that “a balance had to be struck between the right to engage in a meaningful sympathy strike and its function-

ality” To give effect to such balance, the three parties are to appoint lawyers to find a formula or mechanism within a week.

On the right to strike over unfair dismissals, business felt strongly that where a remedy for unfair dismissal was a drastic invasion of managerial prerogative, there could be no right to strike on the issue. Government’s concern was to reduce the level of strikes and where an effective alternative remedy was provided workers should not have the right to strike. Labour did not support this position

On picketing, it was agreed that a non-statutory code of conduct on the right to picket be drafted by Nedlac and that the conciliation commission play a greater and more proactive role

On workplace forums, it was agreed that the powers and functions include the following additional proposals for consultation: partial or total plant closures; export promotion; product-development plans; mergers and transfers of ownership in so far as they affect labour

Various outstanding matters are listed, including severance pay, retrenchment criteria, dismissal for misconduct and vicarious liability of union officials

Godsell waxes almost lyrical, though conceding that the parties have reservations. “I think this Bill will emphatically make labour a full and equal partner in the economy. It’s going to create a situation where we have a legitimate, post-apartheid set of rules and institutions to play by”

Shilowa concedes that the new law will not end all strike action but says it will ensure rights and procedures which will re-

move strikes on “flimsy, made-up issues” and “discourage the need to start from the point of fighting”

Parsons says we must be realistic about what tripartism can achieve and not allow timetables to become more important than substance. “Negotiation by fatigue is not conducive to good decision-making”

Nothing wiser than that was said during the entire process. ■

TRANSNET STRIKE

Signs of sanity

FM 21/7/95

Though the Transnet strike lasted only a week, and seemed therefore to have been a victory for reason, it need never have happened. The unions were clearly mobilising for industrial action before Transnet had made its final offer.

The demonstration was expensive, especially at container ports where there was already congestion. Sacob’s Peggy Drodskie says it’s impossible to estimate the overall cost of disruption to public transport but the delay for container vessels alone is estimated at US\$1 000/hour/ship. At the peak of the strike, ships were delayed by between 36 and 150 hours. Add to this the short term knock-on effects of late or nondelivery and the long-term effects on SA’s reputation as a reliable exporter and the cost in the sector rises dramatically.

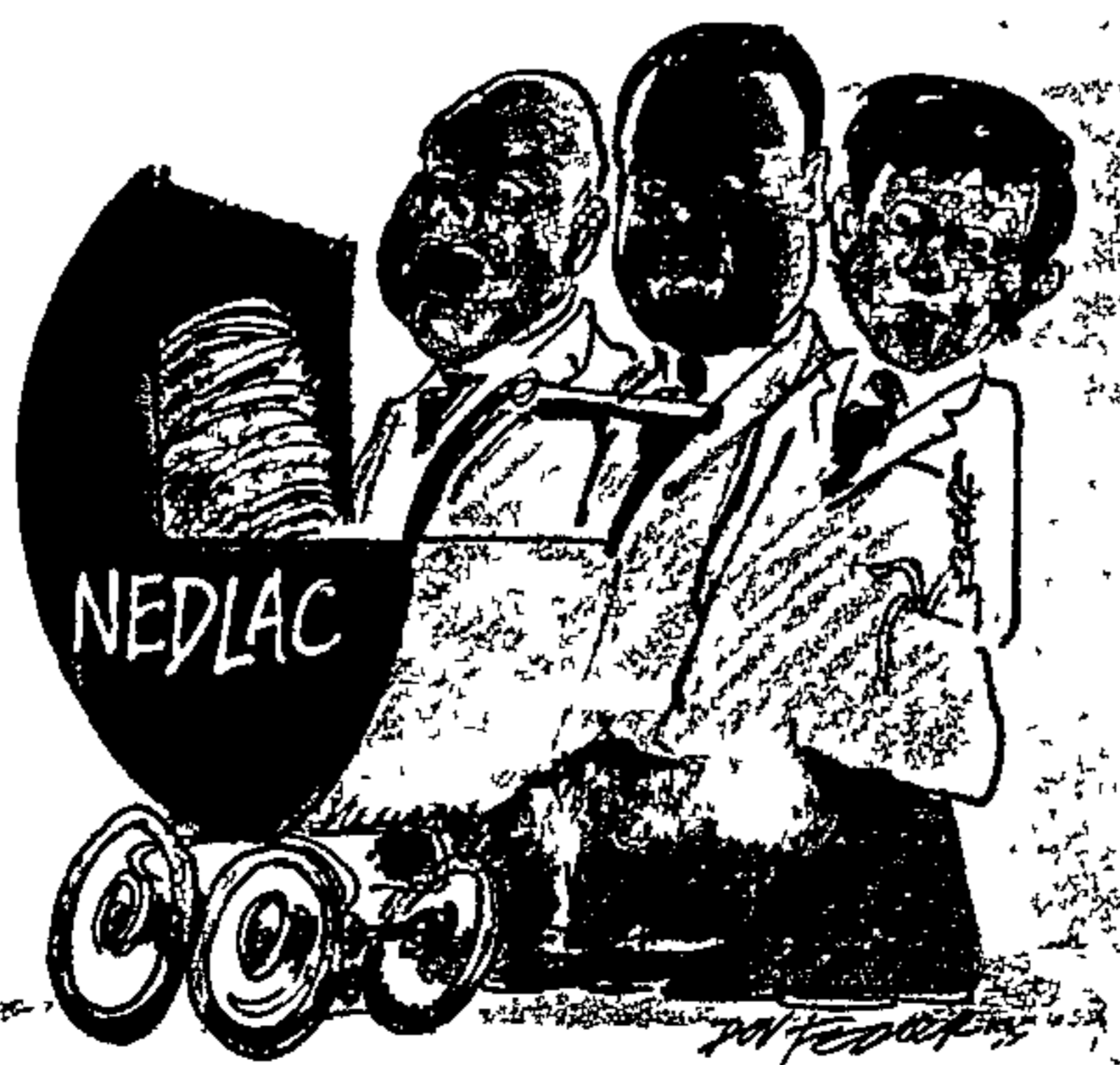
Drodskie stresses, however, that Sacob is delighted that the unions have settled, particularly as the signs were that the strike had the potential to last a lot longer.

But, if the strike was a case of using a hammer to crack a nut, the settlement appears to have been reasonable. In terms of the agreement, workers at the lowest end of the scale will receive an increase of about 20% — bringing the minimum to R1 200/month in pensionable income plus R300/month nonpensionable pay. The previous minimum total was R1 227

Workers earning above R16 000/year will get a 10% across-the-board increase plus a sliding nonpensionable allowance of R130/month at the lower end, down to R75/month for higher earners.

There is also an agreement to hold more discussions on pensionable income in August. Basic annual leave increases by four days and a committee is to be established to discuss ways of reducing working hours but increasing productivity

According to Pat Stone of labour rela-



FORUM

Negotiating council passes first major test

SHOP FLOOR



By KARL VON HOUT

As a forum for arbitration, Nedlac has proved it can take the pressures from all sides

Negotiation of the draft Labour Relations Bill has been the first major test for the National Economic Development and Labour Council (Nedlac). Although set up as an advisory body to reach consensus between the social partners, Nedlac's role in law making and in government remained unclear. Those relations could only be defined as the social partners negotiated and tested possibilities.

Thus is what made the labour negotiations so important for shaping the future of Nedlac. The law goes to the heart of power relations between employers and labour.

Nedlac has come out of the negotiations remarkably strong. It has proved its ability to contain a high level of conflict and reach a resolution satisfactory to all parties.

In jockeying for position, both Cosatu and the employers questioned Nedlac's potential. Cosatu, faced with employer intransigence,

threatened to seek redress through enforcing parliament. Employers, faced with mass action, threatened to walk out of Nedlac.

This brings us to a second observation. The negotiators were not equal partners. The government set the terms of the debate. Employers and labour were essentially responding to government proposals.

When they proved unable to negotiate over their responses, Theo Mbeweni and his advisers intervened to drive employers and labour to agreement.

It is highly unlikely that any agreement could have been reached without this kind of government intervention. This may well set a pattern for issues Nedlac debates in future.

Thus, it is significant that Nedlac could not reach agreement on everything. Unresolved issues will go to Cabinet and be debated in parliament. Nedlac's success, then, does not depend on it reaching total consensus. Parliament remains the final arbiter.

The success of Nedlac does mean it has usurped to a considerable degree the powers

of parliament, especially of the labour party. Nedlac has a mandate to consider, the same thing may happen regarding the Budget for example. Nedlac will be encroaching on the terrain of parliament's finance committee.

Thus is no reason to curb Nedlac's powers, but there should be serious debate about ways of reconciling the parliamentary and extra parliamentary processes.

What about the role of mass action? Labour's recourse to mass marches and parades was presented in much of the media as undermining negotiations. Yet, the mass participation in these actions constituted an overwhelming mandate for change from tens of thousands of workers whose working lives are governed by the labour laws.

Mass action also helped mobilise support for labour's views within the ANC, and strengthened the hand of union negotiators.

While the power of employers and the government is located in control of structures and finance, the power of labour is based on its capacity to mobilise. Such action does not mean negotiations are over, it means labour is taking negotiation seriously.

It is questionable however whether labour will be able to sustain such a high level of involvement in Nedlac.

Nedlac is a creation of Cosatu. It was formed through the amalgamation of the National Economic Forum, established as a result of the Federation's anti-VAT campaign, and the National Manpower Commission, revitalised by Cosatu after the success of its campaign to reform labour law.

In this way labour has made an important contribution to the economic and democratic life of our country.

The writer is consulting editor at SA Labour Bulletin



DIRECT APPEAL The government is reminded of who put it into power
PHOTO: WWW.MANUA

Labour acquires rights 'equal to the world'

Renee Grawitzky

(132) (E)
20 21/7/95

THE National Economic Development and Labour Council (Nedlac) had stood and survived its first test with compromises having been reached on key areas of the Labour Relations Amendment Bill and in areas where differences were wide, Business SA spokesman Adrian du Plessis said.

Speaking at a joint Afrikaanse Handels-instituut and International Labour Organisation seminar this week, he said labour had emerged with rights and entitlements equal to any labour movement in the world while not denying business their's

Du Plessis said business needed to get back to business in a new era of industrial relations and address the broader economic issues.

On the question of tripartism, Du Plessis said it was not a process of collective bargaining and the social partners within a tripartite structure should not import a system of collective bargaining into their behaviour or the agenda.

He said ultimately government should govern, but it would do this better with advice from its social partners.

Seifsa's executive director Brian Angus said the agreement to establish statutory councils would result in increased pressure being placed on employers by unions in sectors where industrial councils did not exist to bargain at a centralised level.

He said consideration would have to be the provision of exemptions when considering the type of centralised bargaining system Angus said he supported the draft Bill's proposal that the granting of exemptions be considered by an independent body. He said exemptions should be dealt with in a fair and equitable manner.

Vice-chairman of the IMSSA Board of Trustees Felicity Steadman said, in contemplating whether to embark on centralised bargaining at industry or company level, it was not always necessary to make a choice on a specific level.

She suggested an approach which could accommodate benefits of both national and plant level bargaining.

LABOUR BEARS A NEW ERA

The process leading to

the acceptance of the new Labour Relations Bill is more important than the outcome, argues **Andrew Levy**

In terms of a long-running show, with episodes regularly ending with the parties close to the edge of the cliff, the negotiations over the draft Labour Relations Bill seem to have (for the time being at least) come to the end of their run. Ego! can breathe freely again!

The outcome, certainly in terms of content, probably holds few surprises — the range of possible settlement was really quite limited. There seemed, on any rational analysis, little or no chance that the unions would obtain compulsory centralised bargaining, or that employers would be able to avoid the certainty of workplace forums in some form or other.

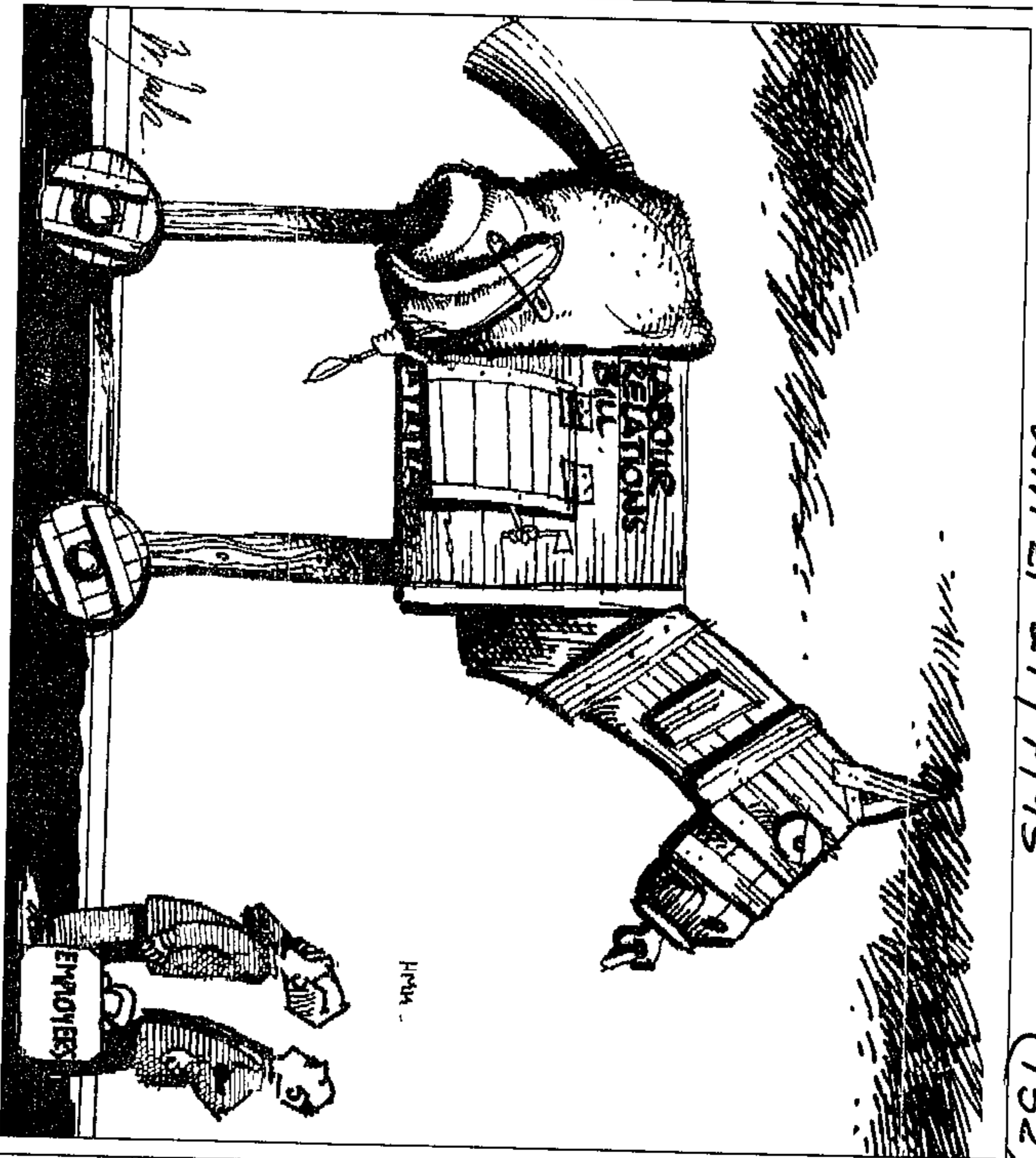
Although there are many details yet to be worked out, or communicated, and undoubtedly a few more slips 'twixt the cup and the lip, the most important comment that I can make, is that the process itself seems to have been infinitely more important, and a greater triumph for all parties, than the outcome.

On the ground, as we are wont to say these days, change will probably be slow and evolutionary, rather than a radical revolution in the way that we do our labour relating. It will be at least two years before we see the new system coming into its own, and whether this will usher in a messianic era of industrial peace has yet to be seen. I, for one, have short-term doubts. However, the parties have learned a lot about each other in the process, and this bodes well for the future.

Star of the show, it seems to me, is Labour Minister Tito Mbowen, who managed the process of consensus-building in a particularly slick way. While making it quite clear that the Bill would go through, he managed to bring the parties together, without alienating, at least as far as the public is aware, either of them. My guess is, however, that he would have had to do a fair amount of headbanging behind the scenes. The fact that there has been no public rift in the alliance is testimony to his political agility.

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Much of the Bill is technical, and much of it is sophisticated and competent. In revising the manner in which we handle our dismissals, Halton Cheadle has done much that will bring sanity to a branch of our employment practice that was suffering serious abuse. The real contentious stuff lies in the area of collective relationships. Reality here, at least in the medium term, will probably fall a little short of Cheadle's vision. Centralised collective bargaining of wages would have been an unmitigated economic disaster at this stage of our development but, nevertheless, the principle of voluntarism (as understood and applied by strong unions to reluctant employers), is an acceptable democratic solution and, indeed, those issues that

have been set down for centralised debate, such as training, provident funds and the like, are suitable for regulation at this level

While there is no doubt solid ground to employer fears that they have been sold nothing other than a Trojan Horse, it seems equally probable that the smallest employers and the informal sector will be excused. This is as it should be, for it is here that job growth occurs, and jobs, it seems to me, have a greater national importance at this stage than Cosatu's living wage Exemption, should this come about, should not be seen as a charter for wholesale exploitation, for those who are employed in the corporate productive sector of our econ-

omy are, to a large extent, already covered by wage negotiating arrangements at a centralised level — as mining, automotive and metals testify.

Workplace Forums too, in Cheadle's mind, were a bold attempt to catapult us into the industrial relations equivalent of the Age of Aquarius — all peace, light and love. Once again, the Mbowen option seems to focus on letting the players sort it out for themselves — a pretty good option for a society that values free, collective bargaining — although there does appear to be a position reserved for unions on these bodies, which does not accord with the original drafter's intention.

Of course, things are not entirely balanced, and many blue-blooded employers are still apoplectic about the protection of strikers in certain circumstances. However, given that this right is conferred in our Bill of Rights and, in fact, had been well-established by some 10 years of industrial court decisions, what did they really expect? By the same argument, Sam Shlowa could not, in a lucid moment, have believed that we would have unfettered protection — especially for workers who take the law into their own hands and break every procedural rule in the book. While the detail has yet to be clarified, the principles appear sound.

We will undoubtedly find ways of defining areas of information sharing, consultation and participation, and the issue of scab labour, but these will all come out in the wash. To me, the important issue is still the process.

For the Bill to have been delayed or defeated would have been a major slap in the face for Mbowen, as well as the RDP. This has been avoided, despite the threats from die-hards on both sides. Mbowen has his agreement, both parties appear to be reasonably happy/unhappy, and are still talking. Nedlac, too, has delivered and, while there is still a huge programme of labour reform in the pipeline (undoubtedly with measures of candy and castor-oil for both sides), the way ahead is clear. Thus, for the time being at least, it appears to be a case of all's well that ends well.

Levy is senior partner at labour consultants Andrew Levy and Associates

Parliament could still delay labour Bill

Renee Grawitzky

AFTER Monday's tripartite agreement on the terms of the Labour Relations Amendment Bill, and almost certain Cabinet approval of it next week, the attention will turn to the parliamentary process. At issue is whether the select committee on labour will, in effect, rubber stamp the agreement, or override the compromise reached within the National Economic Development and Labour Council (Nedlac).

Earlier this week, Labour Minister Tito Mboweni fudged the question, saying the momentum needed to be maintained in the parliamentary committees to ensure the Bill is passed this year, but at the same time said: "We do not want to take away their democratic right to process the Bill."

The committee of principals, consisting of Mboweni, Cosatu general secretary Sam Shilowa and Business SA's (BSA) Bobby Godsell, has yet to decide on how the parliamentary process will be managed.

The committee which meets to hear public submissions during the second week in August, could quite easily become bogged down with new submissions by outsiders or attempts by the Nedlac parties to "have another bite at the cherry". This could not only delay the process but also undermine the consensus reached.

The intention of the original draft Bill published on February 2 was to promote labour peace, economic development and social justice. These objectives are an attempt to balance labour and business concerns — entrenching worker rights and promoting growth and equity. The Bill also claims to take into account unorganised workers and small- and medium-size enterprises,

which are generally not influential in larger employer bodies.

A number of issues remain outstanding, such as the inclusion of the SA Police Services within the scope of the Bill, the specifying of severance pay and selection criteria for retrenchment and issues around dismissals.

There are also issues where the parties have expressed reservations. These issues — the limitation on use of replacement labour during lockouts, the use of replacement labour during strikes, the right to strike over unfair dismissals and some wording around sympathy strikes — will either be left to the Cabinet to decide or to the minister's technical committee to resolve.

How different are the areas of agreement reached to the draft negotiating document tabled in February?

On centralised bargaining, which gave rise to the deadlock in negotiations, the draft Bill said it promoted collective bargaining at sectoral or industry level but it did not wish to "prescribe or impose this policy". The Bill did provide for Nedlac to devise a "coherent industrial or sectoral division by agreement".

The agreement reached provides for centralised bargaining only by mutual agreement. Where no bargaining council exists in an industry a union or employer association representing "the required threshold" of 30% of employees in the industry can apply to the Commission on Conciliation, Mediation and Arbitration (CCMA) to facilitate its establishment. If no agreement is reached the minister can establish a statutory council. The council will have the power to consider issues relating to social welfare funds and training and, by agreement, could consider wages and the development of

industrial policies. Thereafter the constitution should be amended accordingly. Workers will be able to embark on industrial action over a dispute about agenda items.

The draft did not specify the statutory threshold for organisational or collective bargaining rights, which caused some degree of discussion as labour attempted to entrench the proposition of majoritarianism as opposed to business' view of an "all-comers" system which would imply a low threshold. The parties agreed that representativity for collective bargaining would be based on "sufficient representivity".

On the disclosure of information, the draft provided that where an employer was engaged in consultation or collective bargaining all relevant information should be disclosed "so as to allow the representative trade union to engage effectively in such consultation or collective bargaining".

Provision was made where an employer was not required to disclose information, some of which have now changed. Provision is now made for the referral of disputes about disclosure to the CCMA to determine whether the information is relevant and whether it will prejudice either the union or employer. The CCMA will determine disclosure "subject to appropriate measures for the protection of the confidentiality of the information".

The draft endorsed agency shops but made provision for the phasing out of closed shops as it was seen to be in contravention of the constitution and freedom of association.

Now, closed shop arrangements can be introduced if two-thirds of employees vote in favour. A ballot to test continuation can occur every three years at the request of 33% of employees.

In terms of industrial action, the basis of the draft is largely retained.

Agreement was reached that striking workers would be protected from dismissal. BSA submissions that firms should be able to dismiss if "irreparable harm" to the business was threatened failed. Employers will however be able to retrench strikers based on "operational requirements". Picketing will still be allowed with CCMA involvement in facilitating agreement on picketing rules.

Sympathy strikes will be allowed but the parties still have to find wording which will give effect to the agreement requiring a balance between the "right to engage in meaningful sympathy strikes and its functionality".

Workers participating in socio-economic strikes will be protected from dismissal subject to a number of measures, including an attempt by the parties to resolve the issue or unless a court order is breached.

Despite opposition from labour, strike ballots will be embarked on before a strike, but the technicalities will not affect the lawfulness of a strike.

Despite agreement being reached between the social but not equal partners, much debate is still taking place, certainly within business, as to whether this Bill is conducive to economic growth and whether it will provide the flexibility it needs to be able to compete in the global markets. Labour's concerns revolve around whether the Bill ensures sufficient central control, the entrenchment of union power and the protection of certain worker rights.

The question is whether this "Rolls Royce" Bill will be able to guide SA through a path of reconstruction and development to a new economic order?

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F SOME politicians are known for twisting words, Labour Minister Tito Mboweni has shown that they can twist arms too. Mboweni's intervention to win a deal on the Labour Relations Bill may be as important politically as it is economically.

Like his fellow ministers, Mboweni faced a dilemma common to all in government, but particularly acute here. This government is the first in our history to enjoy a mandate from the citizenry. Not only does it have a licence to govern; voters expect it to do just that by pushing through the programme of change it promised.

But it also knows (and needs to continue knowing) that it can do little without the consent of those powerful organised interests which hold immense influence in the world outside government offices and it must, therefore, negotiate with them.

Its problem is not only that white interests remain strong enough to damage government programmes if ignored, within the ANC's camp, there is a host of organised interests which demand a say in government decisions which affect them.

These conflicting pressures have led some ministries apparently to abandon governing lest this offend someone important. They are not helped by the knowledge that they are denounced by opinion-makers for lacking firmness (when they do not do what the speaker wants them to do) as much as for showing firmness (when they do not give the speaker a veto over what they do).

In Mboweni's sphere, these problems are most obvious, since he has to steer policy through the country's two most powerful private interests, business and labour.

There are few if any market economies in which governments can ignore the "big two". This is why the new government has, like many others faced with the same problem,

Mboweni knows when to cajole and when to be firm

PA 24/4/95

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STEVEN FRIEDMAN

Even if that happens, however, Mboweni may be justified in arguing that the costs of having to patch up the Bill in a year's time are less than those of waiting at least a year to start labour law reform.

It is also worth remembering that Mboweni represents only one arm of government, the executive. The legislature, Parliament, is also supposed, through its committee system, to play a vigorous role in a democracy. If Parliament's labour committee decides it does not like parts of the deal the minister hammered out, the tension between the private interests' powers and those of the elected authority will reappear. This, of course, applies not only to this deal but to any others cut at Nedlac.

It will, therefore, be some time before we know whether the need to include private interests in decisions can be balanced with Parliament's need to wield power over law-making. But if that does happen, Mboweni's ministry, having shown a taste for governing as well as bargaining, will be obliged to work just as hard to bring Parliament on board as it has to take labour and business along.

N one of this necessarily means that Mboweni's tactics can be cloned by other government ministers. Labour and business may be our most powerful interests, but they are also the ones most able to cut deals under pressure: they have had 20 years to work out that they have to live with each other. So the Mboweni method is not a sure-fire winner in conflicts between students and university administrators, medical companies and health pressure groups and the like.

But the minister has shown some of his colleagues that the choice between governing and negotiating is not as stark as it seems.

□ Friedman is Centre for Policy Studies director.

ing his duty to voters.

But if he had rammed it through over the private interests' heads, the Bill probably would not have been worth passing since there is little point in imposing new rules on the economy if those governed by them refuse to abide by them. However, Mboweni may have shown it is possible to govern and to secure the agreement of those who must live with government decisions.

His method, of course, was to hold a gun to the two parties' heads, to use the (implied) threat that he would go ahead without them to press them into settling. In the process, he has reminded business and labour that Nedlac's decision-making chambers have a third party, elected government, which has the power to influence negotiations since it alone can pass laws.

In a sense, his ministry had signalled this at the outset of the Labour Bill process: it had, after all, drafted the Bill on its own before presenting it to the other two parties. But he has also acknowledged

that government decisions may have little effect unless they enjoy the support of the other parties.

Those who suggest, therefore, that Mboweni's pressure tactics have weakened three-sided bargaining between government, business and labour miss the point. In reality they have strengthened it, by showing that the table has three sides — all indispensable.

The argument about whether government needs to consult more or govern more has not been settled. Certainly, those who complain that Mboweni's department drafted the Bill on its own, or that it pressed the others into agreeing, forget that elected governments are entitled to enact their programmes.

But that does not always mean that they get their strategy right. We do not yet know how firm business or labour's consent to the Bill really is. If either begins rebelling against the rules, we may find that the minister rushed an agreement which might have had a better chance of working if he had been prepared to wait for the other two to hammer out a deal with which those they represent could live.

New deal to prevent strikes

CT 29/7/95

PETER DENNEHY

(132)

IN the midst of a massive strike by municipal labourers, the Cape Metropolitan Council (CMC) and the SA Municipal Workers' Union (Samwu), among other parties, have reached an agreement aimed at preventing future strikes

The Metropolitan Chamber Agreement will not affect the present strike as it will take three months to set up the structures under the new deal.

Yesterday the CMC resolved to sign the deal, negotiated between various unions and local authority groups, that will establish a 13-a-side wage negotiation forum called the Metropolitan Chamber, under the auspices of the Industrial Council for local government

The chamber will deal with annual wage and salary adjustments for all employees in the metropolitan area. Disputes will go to mediation and then arbitration, and the arbitrator's decision will be final and binding on all parties.

The separate wage negotiation forum of the Cape Town municipality will fall away when the city signs the new deal

Labour law move on ex-homelands

BD. 28/7/95

(132)

Renee Grawitzky

THE harmonisation of labour laws — extending the Labour Relations Act (LRA), the Basic Conditions of Employment Act and the Wage Act to the former homelands — was discussed by the labour market chamber of the National Economic Development and Labour Council (Nedlac) yesterday.

According to a government report-back, regulations giving effect to this extension have been drafted and should be promulgated shortly.

The Commencement of Integration of Labour Laws Act, No 49 of 1994, published on December 2 1994, provided for the extension of all SA labour legislation to homelands.

However, regulations providing only for the extension of the Unemployment Insurance Act and the Workmen's Compensation Act have been promulgated, with some delay experienced in the drafting of regulations giving effect to the extension of the LRA, Basic Conditions of Employment Act and Wage Act.

According to union sources, since the reincorporation of the homelands, unions have been unable to extend existing industrial council agreements to these regions.

The committee of principals established within the negotiation process to reach consensus on the draft Labour Relations Bill — it consists of Cosatu general secretary Sam Shilowa, business's Bobby Godsell and Labour Minister Tito Mboweni — meets today to continue finalising outstanding issues.

John Dlodlu reports that Nedlac's government representatives had again asked their business and labour partners for more time to finalise a discussion document on appropriate

supply-side measures, Nedlac programme manager Debra Marsden said last night.

In terms of the new timetable, government would now unveil the long-awaited document — being drawn up with the help of the Industrial Development Corporation — at the next meeting of the trade and industry chamber planned for August 10.

Marsden said the document, covering human resources development, investment incentives, training and technology enhancement by firms, would become a central feature of the chamber.

Because of the detailed nature of the document and its sensitivity among partners, the paper was expected to take more than a single chamber meeting to discuss, to allow negotiators more time to study the proposals and formulate responses.

Government has said that alternative supply-side measures would be financed, among others, through savings made from the controversial general export incentive scheme, which was to be ended in 1997.

Government has failed to respond to the labour proposals aimed at linking trade to social clauses. Labour asked SA trade partners to agree on a ban on child labour and all forms of discrimination as well as to uphold workers' rights to join unions and to go on strike.

Marsden said government was still working on its "consolidated response" which could be tabled at the next chamber meeting.

Regarding studies on economic sectors to assess the competitiveness of the SA economy, negotiators agreed that the chamber and its sub-committee known as the Japanese Grant fund would determine future studies to be carried out.

Labour Bill still in for sticky ride

ARC 29/7/95

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Business Editor

CELEBRATIONS over an agreement between business and labour on the draft Labour Relations Bill may have been premature. The bill could still be in for a sticky ride before it becomes law, according to Johan Baard, human resources director at the Cape Chamber of Commerce and Industry.

A Department of Labour task team is working round the clock to redraft the controversial Labour Relations Bill, due to be debated by the Cabinet early next month.

Mr Baard, who has represented the Chamber on the SA Council of Business labour committee, said sticking points for business included the question of "scab labour", protection for workers against dismissal, joint decision-making in workplace forums, and disclosure.

The last two issues would be a crucial test of whether or not South African legislation could "make Wall Street smile".

The existing draft bill would allow workplace forums to debate a range of issues from re-tooling, investment, relocation, to career paths, training. But, said Mr Baard, the legislation was silent on how the agenda was to be drawn up and on

whether there had to be joint decision-making or just consultation.

"Decisions in business have to be taken fast. What if management can't afford to delay for consultation on some issues?"

"And what if a joint decision has to be taken and the parties disagree?"

"We're supposed to refer the issue to the Commission for Conciliation, Mediation and Arbitration and then to arbitration if necessary. So the tough ones will go to arbitration for crucial decisions. We'll have an economy managed through arbitration, by arbitrators who don't need to live with the consequences of their decisions."

Mr Baard said business would like the parties to the forums to structure their own agendas.

On disclosure, he admitted that Europe and the United States had tougher legislation than South Africa — so foreign investors were not likely to be frightened off by changes in the South African law.

"But capital and labour in these countries have shared values. In South Africa, the trade unions — and some parts of business — as a rule have a more narrow, short term, self-serving outlook. We need to change mindsets before we change the legislation on disclosure."

"We need to develop a com-

mon vocabulary."

Other sticky issues included.

■ Employers' rights to use replacement or "scab" labour, where, said Mr Baard, "the debate seems to be going against business",

■ The level of protection against dismissal for striking workers, and

■ Definitions of representativity.

He said Minister of Labour Tito Mboweni "can take lots of credit" for the progress made but on some issues business and labour were still "miles apart".

What was hailed earlier this month as a "breakthrough" was not really an agreement, he said, in the sense that neither the business nor the union representatives at the negotiations had mandates to sign an accord.

The new draft will be referred to a committee consisting of Mr Mboweni, Cosatu's Sam Shilowa and Business South Africa's Bobby Godsell, before being discussed by the Cabinet.

It is due to be debated in parliament next month.

Decisions will also have to be taken on labour relations in the public service and on whether the police should be subject to the new law.

■ Cosatu spokespersons could not be reached for comment yesterday.

Nedlac agrees on promoting SA

By THABO LESHILO

STAFF WRITER

The management committee of the National Economic Development and Labour Council (Nedlac) accepted recommendations yesterday by the body's trade and industry chamber for the development of a framework to promote investment in South Africa

The suggested framework was based on the report prepared by Washington-based SRI International, which was commissioned by the

trade and industry working group of the National Economic Forum, which preceded Nedlac, to investigate the best practices of investment promotion for South Africa

The report, which calls for the establishment of a national investment promotion agency, has been accepted by the partners in Nedlac.

The SRI report said that since South Africa's transition, "foreigners have not rushed in, but instead have taken a wait-and-see approach until they are convinced that fundamental political and economic

stability has taken root"

The report recommended that South Africa should maintain a policy that promotes macro-economic stability. The country's policies in this regard were seen as responsible by international standards, said the report

The researchers urged South Africa to maintain investment stability. "In the past South Africa's commercial policies changed often, with tax rates rising and falling and incentives introduced and removed," it said

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Trade unions the worst enemy of the jobless — Rupert

ARLT 2/8/95 (132)

Business Editor

TRADE unions are the worst enemy of the unemployed, says Rembrandt group chairman Johan Rupert.

Speaking after the group's annual general meeting in Stellenbosch yesterday, Mr Rupert said "The unions hold themselves out as friends of the unemployed, but it's the opposite

"Those countries that try to protect jobs, lose jobs"

The United States, where it was easy to fire workers, had the best job creation record in the world, he said

Tough policies on dismissals and minimum wages would scare away investors

"Money and ideas are mobile. People disinvested with their hearts, but they will reinvest in South Africa with their

heads. It has to be worth their while

"Otherwise, Eastern Europe has just as much moral right (to investment flows) as we do in the eyes of investors"

Mr Rupert said business had to win the battle over the right to lock out striking workers

"If a mine or a company can't lock out, they might as well throw the keys away.

"Then foreign investors won't be interested. Instead of bringing their portable computers, they'll come here with their wives and kids and play golf"

Mr Rupert said the terms of trade would turn against importers of intellectual property.

The government had to make the country attractive to

investors so that hi-tech businesses would come to South Africa.

"Then we can share in the new world. Otherwise, we will have to export more and more raw materials to import more technology

"In the end we will be a holiday resort with holes in the ground which used to be mines

"Those who dominate new technologies and can generate, process, disseminate and control knowledge will control power"

Rembrandt was considering partnerships with black businesses, but would not "give assets away"

"It's easy to spin off assets, but it's harder to make the thing work"

Nedlac proposes investment body

Tim Cohen

(132) (244)
P/D 2/8/95
CAPE TOWN — The National Economic, Development and Labour Council (Nedlac) management committee yesterday recommended the establishment of a national investment promotion agency, but it deferred a decision on reducing the corporate tax rate.

The committee's decisions follow discussions on recommendations in a report commissioned by Nedlac's predecessor, the National Economic Forum, on measures to improve SA's attractiveness as an investment destination.

The report, conducted by the Washington-based Stanford Research Institute in consultation with SA role players, recommended the establishment of a national agency to promote investment.

Nedlac yesterday recommended government establish such an agency to coordinate investment promotion and provide a point of contact for local and foreign investors.

Among other terms of reference, Nedlac proposed that the body create a database

for economic and investment-related information to facilitate joint venture matchmaking and monitor investment trends.

Nedlac agreed that the agency would not have the power to be prescriptive with regard to investors or investment and that it should not be a statutory body but a section 21 company.

Business representatives indicated that business would not commit itself to financing future expenses of such an agency.

The Stanford report also proposed that SA should consider other measures, including the reduction of the corporate income tax rate, combining STC into the general tax rate and a shift from a grant-based incentive system to a tax-based system.

In its discussions Nedlac recommended that a "specific co-ordination process" be developed to ensure that the issues be effectively addressed. It agreed debate was necessary on the mechanisms for realising the suggested options.

In other cases the parties would need to debate the merit of the option itself, the management committee said.

Union undeterred by failure at Nedlac

Renee Grawitzky (132)

BD 3/8/95
THE Chemical Workers' Industrial Union said yesterday it was disappointed the parties at the National Economic Development and Labour Council (Nedlac) had not concluded an accord providing for compulsory centralised bargaining on wages and conditions of employment

The union's national centralised bargaining campaign co-ordinator John Apollis said although the union was disappointed with Nedlac, it would refer to the spirit of the agreement, which made provision for industrial action in order to pursue demands relating to centralised bargaining

He said. "Our assessment is that employers are not intending to reach agreement on the question of centralised bargaining and we are of the opinion that they are employing delaying tactics."

He said if the conciliation board did not facilitate an agreement the union would call its members out on a national strike, which would cover all demands, including wages

The vast majority of union members in the chemical industry had not received wage increases this year as the union had suspended plant level negotiations pending agreement on centralised bargaining

Apollis said the union was not under pressure from membership because of this — "members see this as the fight of a lifetime"

He said if employers agreed to centralised bargaining, wage negotiations could continue at plant level. The union's wage demand this year was for a 20% increase across the board

Apollis said certain preconditions for agreement tabled by employers were intended to frustrate agreement on centralised bargaining. For example, he said, employers wanted to negotiate productivity at plant level while the union said a broad framework should be agreed to at central level

He said agreement could not be reached only with those employers agreeable to demands relating to centralised bargaining. He said the establishment of centralised bargaining forums could not work if a large number of employers remained outside the process because that would fragment industries

BP, Engen, Sasol, Shell and Total yesterday said petroleum employers had agreed in principle to the union's demand to centralised bargaining

Employers said the union's response had been that no agreement would be reached with the oil industry alone and "they have reiterated their wish to assess where the other sectors within the chemical industry stood"

Apollis said meetings were continuing with the other unions operating in the chemical industry. He said all of them were supporting centralised bargaining

Labour bill nears passage

CT (BR) 4/8/95

By THABO LESHILO

STAFF WRITER

Protracted negotiations on the labour relations bill are about to end, enabling Tito Mboweni, the minister of labour, to concentrate on his five-year job stimulation plan.

Mboweni said yesterday "The ministry of labour has come out of the labour relations process satisfied that South Africans can indeed sit down and negotiate agreements"

This week the cabinet ratified agreements in Nedlac on the pro-

~~132~~ 132
posed law. The agreements include a ban on the use of scab labour during employer-initiated lockouts and that employers give a seven-day notice before employing replacement labour during strikes.

Mboweni said his drafting team had already started working on the final wording of the bill. It had to be finalised before it could be considered by Cabinet and debated in parliament.

Dave Brink, the president of Business SA, said organised business was committed to a law that balanced rights of both workers and employers.

FORUM

Labour institutions need to be rebuilt

ET (AA) 4/8/95 (132)

SHOP FLOOR



By KARL VON HOLDT

New labour commission will weigh dilemma of union rights versus job creation



JOB'S FOR SOME When will the economy deliver? Unemployed workers wait in line outside ABI's Germiston factory hoping for a job

PHOTO WILLIAM MATAIA

What policy options are available for promoting rapid, job-creating growth and at the same time protecting workers' rights, ensuring decent pay and conditions of work? This is the core question being faced by the labour market commission established earlier this year by Tito Mboweni, the minister of labour.

South Africa has an extremely fragmented labour market. At one pole are the relatively skilled, higher paid permanent workers engaged in the formal sector, mostly with trade union and collective bargaining rights. Then there are vast numbers of permanently unemployed people.

In between there is every kind of permutation of the more or less employed worker contract, temporary, casual and sub-contracted workers, small business employees, informal sector workers and the self-employed.

Far too many South Africans eke out an existence on insecure, transient jobs and informal activities. They are citizens in the formal political sense — but they are excluded from the rights of economic or social citizenship.

Job creation is therefore the most urgent priority for our newly democratic society. But how to create those jobs?

Many business and free market

economists argue that a powerful trade union movement with strong union rights is a fetter on the potential to create jobs. They argue that the Asian tigers built their economies through low-wage, low-skill, export-orientated, mass-manufacturing industries. That is the way to attract job-creating investment in South Africa, they say.

Model

Quite apart from the important economic question as to whether low wages and the lack of union rights are in fact the decisive factors in this growth, this argument fails to explain how such a model of industrial development is to be implanted in a country where democracy has been won after a long struggle, and where trade unions played an important role in the struggle.

Cosatu, on the other hand, tends to argue that the challenge of international competition should be met with a high-skill, high-productivity, high-wage strategy, rather than seeking competitive advantage on the basis of cheap labour.

However, while this strategy may be appropriate for the most advanced sectors of our economy, it is labour-reducing rather than labour absorbing, and cannot help

solve the unemployment problem.

The issues are more complex and the differences more nuanced than I have presented them here. Nonetheless, it is clear that the debate involves sharp differences and conflicting interests.

It is this set of dilemmas that the labour market commission, co-chaired by Moss Ngoasheng and David Lewis, has to try to resolve. As Lewis said: "Are growth and equity incompatible goals, in that the more you have of one, the less you have of the other? Or are they compatible, or complementary?"

The challenge is how to put together a framework that can produce labour-absorbing growth and protect minimum standards and collective bargaining, he said.

The commission has been given a wide-ranging mandate to investigate a range of questions.

□ Wage policy, including whether it is desirable to introduce a national minimum wage and other minimum conditions of employment, particularly in unregulated sectors.

The commission is also investigating whether wage levels and bargaining arrangements are an impediment to small and medium enterprises, and if so, how this problem should be dealt with?

□ Redressing discrimination in the labour market, in particular through a framework for affirmative action.

□ The need for a policy framework for dealing with access to South African jobs by non-South African nationals.

Distinct

Apartheid labour market policy created distinct labour markets — with the black labour market differentiated between coloured, Indian, urban African and migrant African segments.

For whites there were training institutions and social benefits such as unemployment funds and workman's compensation. For blacks there were restrictions on movement and employment, distinct housing, land and education poli-

cies, and at the core, the machinery of the pass laws.

By the mid-1980s the black labour market policy had come apart, and white labour market policy had ceased being capable of serving either white interests or the economy's needs.

The result, said Lewis, was that when Mboweni took office, he was faced with discriminatory but collapsing labour market institutions, and a legacy of desperate unemployment and skill shortages.

The commission aims to provide a broad framework for new labour market policies. This is a complex but urgent task, given the impact of a labour market crisis on people's lives and on the economy.

The commission's final report is expected by the middle of next year. It is likely to generate intense debate on what are among the most critical and controversial issues for democracy and development in South Africa.

□ Karl von Holdt is consulting editor of the SA Labour Bulletin.

BSA split over draft labour Bill averted

Renee Grawitzky

(132)

A POTENTIAL split within the ranks of Business South Africa (BSA) over the draft Labour Relations Bill has been averted after the Afrikaanse Handelsinstituut (AHI) clarified its position regarding its stated reservations on the proposed law.

The AHI, a member of BSA and party to the negotiations on the draft Bill at Nedlac last week, circulated a document to all Cabinet members in which it outlined its reservations on certain clauses of the draft Bill and highlighted possible negative consequences.

However, following a sharp reaction by Labour Minister Tito Mboweni, the AHI sent another letter to Cabinet members saying it supported the Nedlac agreement, despite its reservations.

The AHI said Mboweni had advised it that its comments could jeopardise passage of the Bill and could undo unanimous support for the Bill in Nedlac.

AHI manpower policy committee chairman JP Landman said the AHI's aim all along had been "to promote small business, job creation and economic growth".

Mboweni said he did not foresee the agreement being unravelled during the parliamentary process.

AHI's areas of concern relate to centralised bargaining, lock-outs, scab labour, workplace forums, severance pay, the manning of the dispute settlement system and the closed shop

'Open labour council to public'

Staff Reporter

(132) ARG 4/8/95

THE Institute of Personnel Management has urged that deliberations of the National Economic Development and Labour Council (Nedlac) be made accessible to the public.

Nedlac, which is in final deliberations on the proposed new Labour Relations Act, is a tripartite partnership of labour, business and the state.

"One of the promises of the government of national unity was transparency," the institute said.

"While some areas have been truly transparent, it is of concern that the negotiations at Nedlac have been subjected to so much secrecy, with each party 'leaking' information to suit its own agenda."

While the draft Labour Relations Act was "broadly lauded" as an auspicious start to improved labour rela-

tions, it would be measured on its ability to deliver to business and hundreds of thousands of workers

"If the Department of Labour is not to fall into the criticism of non-delivery besetting so many government departments, it is imperative that its proceedings at Nedlac be totally transparent and involve — even as observers — as many stakeholders as possible," the institute said

"The fact is that whatever deal is brokered at the Nedlac negotiations, implementation is going to occur on the shopfloor — the exact area where members of the institute are involved

"To this end the institute will lobby Nedlac for observer status. Such participation would allow us to thoroughly brief our members on the legislation as it is being drafted and ensure that comments from the coalface can be fed into the process timeously"

Union warns: scrap Nedlac

(132) (132)
Renee Grawitzky

BD 8/8/95

Newly formed trade union federation the South African Independent Trade Unions Confederation has called for the disbanding of the "government-created" National Economic, Development and Labour Council (Nedlac) and the scrapping of the agreement which was reached on the draft Labour Relations Bill.

Federation co-ordinator Themba Ncalo said the body's 15 unions had agreed to form a new federation because they had not been consulted on the Bill.

He said the federation would fight for the disbanding of Nedlac and for the LRA negotiating process to start afresh.

Labour Minister Tito Mboweni would be informed that if these demands were not met the federation would consider nationwide action, he said

Calls to uphold labour rights

John Dlodlu

(248) BD 14/8/95 (24) (132)

SOUTHERN African countries using special investment incentives which contravened labour and human rights could risk termination of their preferential trade links with SA, it emerged at the weekend

Trade unionist Lionel October, spokesman for the labour constituency at the National Economic, Development and Labour Council, said labour hoped to strike an agreement with its government and business counterparts to have all SA partners in preferential trade agreements

agree to uphold social rights.

These included rights to join unions, rights to collective bargaining, and a ban on child labour as well as all forms of discrimination.

October felt a new bilateral agreement with Zimbabwe should include these four clauses

October felt a revamped customs union agreement, currently being thrashed out, should also have social clauses in it.

Agreement on the social clauses has been delayed by government's failure to table its response to the labour proposal

Centralised bargaining demand rejected

Renee Grawitzky

BO 15/8/95
THE Chemical Workers' Industrial Union said yesterday that close to 20 out of 400 companies had rejected its demand for centralised bargaining and refused to endorse the agreement reached at the conciliation board last week.

The union said companies including Lever Brothers, Continental China and Rand Rubber had rejected the agreement.

A Lever Brothers spokesman said it was still considering the agreement and had requested the additional time in which to

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consider and respond on the agreement. He said "the company had not rejected the agreement out of hand".

The union said members in those companies which did not agree to centralised bargaining would begin balloting soon. The union warned that "workers from companies exempted from industrial action will embark upon solidarity action against those intransigent employers".

The union said plant level bargaining in those companies where agreement had been reached on centralised bargaining would begin after August 21.



On the march ... a familiar sight on the streets of South Africa in the not so distant past

The dramatic decline in industrial action this year marks the beginning of a new realism in employer-employee relations, writes **Labour Reporter Justice Malala**

Business and

unions find a common goal

Star 18/8/95 (132)

For years, as the annual round of wage negotiations began, South African businesses would brace themselves for bruising battles with unions, often leading to lengthy court battles

As late as last year, when the auto industry nearly collapsed under the pressure of a debilitating strike, the main vein running through all negotiations has been punctuated by conflict.

In this country, the adversarial business-worker divide used to be deepened by the unyielding apartheid legislation, to the detriment of the country

The advent of the new SA did not seem to have much impact on this scenario. The calm that was expected after the April election was shattered by the expression - through punishing strikes and other forms of industrial action - of increased, sometimes unrealistic, worker expectations

On the other side of the coin were the bosses' unreasonable, largely knee-jerk, responses to legitimate worker demands

The bitter, sometimes violent, dispute which hit the Spar chain was an example of neither side being willing to give in

In 1994 alone, the number of days lost through industrial action rocketed to the highest point since 1987. In its report this year, the Manpower Commission said 2,1-million mandays were lost in 804 strikes in the first 10 months of 1994. The number was the highest reached since the 5,8-million recorded in 1987

But this year has shown a marked turn for the better. Labour consultants Andrew Levy and Associates recorded that only 95 000 days had been lost in industrial action in the first half of this year compared to 1,2-million in the same period last year

Although a major contributor to the high number last year is undoubtedly pre-April election activities, the huge drop is quite significant.

Labour analysts had feared the worst for this year's wage talks

Workers were getting increasingly impatient with the uhuru they had fought for not being translated into food on the table - and a section of conservative businessmen were moving into openly hostile positions with unions

Workers were getting increasingly impatient with the uhuru they had fought for not being translated into food on the table

And a large section of conservative businessmen was moving towards an openly hostile position with the unions, feeling that the Government was pro-worker and anti-business

The unions were set on transforming the world of work, taking it beyond the apartheid model into a brave new future. This was seen, for example, in the National Union of Mineworkers and National Union of Metalworkers of SA's demands made at pre-negotiation bargaining forums

Both these unions coupled increased productivity in the workplace with better remuneration, the removal of apartheid wage models and their replacement with a phased-in, improved wage model which would jack up the pay packets of the poor

In essence, their demands were intended to shake the very foundations of business in the country. Both sides were getting ready for battle

For business, giving most of their workers increases of up to 100% to turn the apartheid wage cycle around was seen as tantamount to suicide

But despite these seemingly irreconcilable differences when

the talks - essentially the first under the new dispensation - began, pragmatism won the day

Although many of the talks were resolved through mediation, the agreements that came out displayed both a commitment to change on the business side and a readiness to compromise and be patient on the side of unions

There are many reasons why there is a new turn towards pragmatism on all sides

The unions have come face to face with the reality that change cannot come in a day, or a year, nor perhaps in the lifetime of the Government of National Unity

The demand for the closing of the apartheid wage gap, a demand that goes to the heart of the transformation of SA society, is both a laudable and necessary one

But the fulfilment of this demand, the unions and their militant members have come to recognise, will be a process rather than one moment of great change which will drop luxury and equality in their laps.

For employers, many of them only now starting to realise that the installation of a new Government will not mean the beginning of plunder by workers, a new outlook and maturity has started to set in

That profits must be made is

In essence union demands were intended to shake the very foundations of business in the country - but for employers to grant increases of up to 100% to turn around the apartheid cycle was seen as tantamount to suicide

still central to employers, of course. That is the nature of the capitalist system and businessmen would argue that without profits they would simply close down since there would be no money to grow businesses

But within this perspective has come a realisation that the wrongs of the past need to be rectified. A workforce that continues to be rewarded on the basis of sex and race is not the stuff that great economies are made of

Thus the drive to close the wage gap has not found as much resistance from business as one would have expected.

The new political dispensation has also meant that the economy no longer belongs to one sector of the country alone

Where once Congress of SA Trade Unions and National Council of Trade Unions affiliates were looking at not only cutting a fair deal for the worker and bringing down the apartheid economy, they are now thrust into the position of a partner in the revival of this economy. Both sides recognise that stability is a prerequisite for much needed foreign investment

Hence, when unionists sit down in negotiations, there is a greater awareness of the whole, of being a partner in the process.

The successful conclusion of the negotiations on the new Labour Bill also sent out good signals. Despite the seemingly insurmountable hurdles that lay in the path of the negotiators, agreement was reached

Most importantly, the agreement - brokered by Labour Minister Tito Mboweni - sent out the message that despite differences solutions are possible

Much of what labour justly wants still has to be achieved. In many industries pay and conditions remain dreadfully poor. It will take strong and concerted action over very many years to turn this around

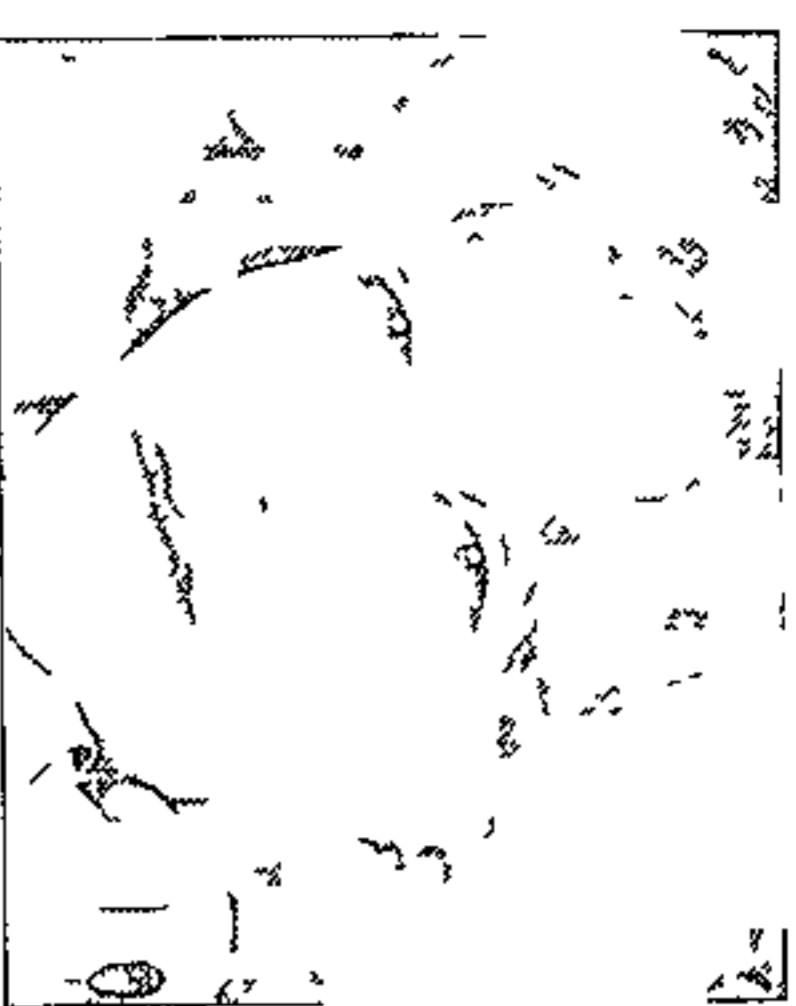
It may be slow, but this process is starting to take shape.

We are becoming a normal country, strikes and all

Common touch not lost in Mboweni's ministry

(132) Star 19/8/95

THE MAUREN ISAACSON INTERVIEW



The spotlight was on Labour Minister Tito Mboweni this week when he got the thumbs-up from the Cabinet. However, he is keen to make it clear that he has not lost the common touch

Amazing revelations come straight from the mouth of the Minister of Labour in the Saturday breakfast frenzy of Melville's, Cafe de la Creme and, later the Question Mark bistro. Hands up those who knew about the ins-curity in the Cabinet.

And did you know that only President Nelson Mandela's and Deputy President Thabo Mbeki's jobs are safe? That even so, elections could depose them? You'd better believe it. He tells me this in an attempt to demystify his position. I say there's glamour in it, he says, there's not.

Mboweni calls for his scrambled eggs to be made just so and pots of steaming rootbros tea. All right. Let him string my perceptions about hot-shot cabinet yuppies of his age, which is 36. But what about that slate-grey BMW 540i, that Killarney flat. How about those workouts at the Health and Racquet Club, dinners at the Herbert Baker Restaurant. I ask. (Even the clothes — unbuttoned-out leather jacket, later a chic zoot suit for the photograph — tell you that here's a mover-and-shaker if ever there were one.) Please, he says. Before his appointment several big companies wanted to "zap" him for directorships. So he's not in it for the money, okay?

Besides which, if he had really had his way he'd have become a medical doctor (for which he was one distinction short). And he still wouldn't mind hooking his sights on a quiet professorship. But destiny had other plans for him. Before elections it gave him nominations for the Gauteng province, the Western Cape province, for positions in high places all over the show. Tempted him with prospects in the civil service and the Reserve Bank. His appointment came as a surprise. When he points out that this makes life easier for him than for those whose expectations were not realised, is it with brute honesty or plain arrogance? Does it matter?

"The job needs to be done." So far, so good. I get to glimpse the draft Labour Bill that was to be presented to the Cabinet this week. He stresses its accessibility and clarity, saying "I'm excited to have it passed on so I can get on to other issues on labour market restructuring. Have you seen our five-year plan?"

Look, he says, this position is not a career move but a continuation of the struggle, of transformation, of history. "These kinds of offers don't get made by the president twice." So forget glamour. "Where's the glamour?" he asks. More than once he tells me there is no royalty involved in being a cabinet minister. "If you don't work, you're out."

No chance of Mboweni not working. Thanks to his hotel chef dad Nelson, who warned him that if he did not study he would share the plight of the AboMac — the Joubert Park hoboes.

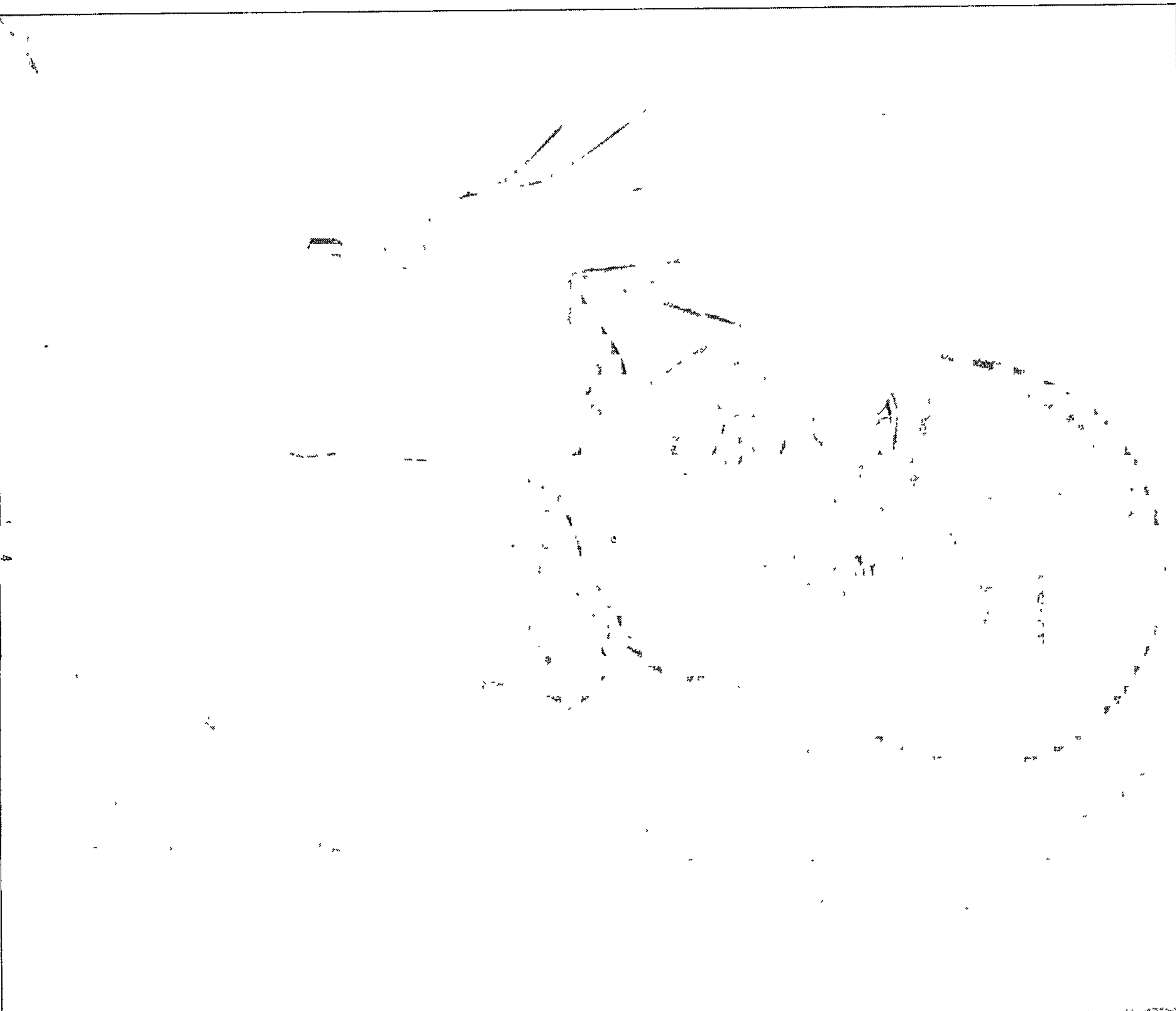
By 1990, when he returned from England's East Anglia University with an MA in development economics and a proficiency in military combat (learnt in Angola from a Russian MK trainer), his dad had been dead for seven years. He had visited him

There's no glamour involved in being a cabinet minister, he says. 'If you don't work, you're out'

the night before he left, not able to tell him he was going. There was a strike at Turfloop University and life had become insufferable.

Although his CV mentions police harassment, he says "We cannot pretend we were hunted down like lions."

He prefers to talk about the tension he felt when the friend with whom he crossed the Caledon River into Lesotho, Pule Tshepi, dropped his spectacles at the border and had to go back for them. Ten years later, when he



DESTINY HAD OTHER PLANS: Labour Minister Tito Mboweni knows what it's like to get his hands dirty. While he'd rather have been a doctor, he feels he's still contributing to the struggle. PHOTOGRAPH JOHN WOODROOF

returned home to Tzaneen, his parents' house was gone. He had seen his mother, Peggy, only three times during his absence and distanced himself from his family in an attempt to evade the pain of separation.

You can get this guy to talk about concrete matters like society under transformation, but forget about emotional issues. Yet he does know that his mother says he is so busy looking after others that he neglects himself. The youngest of three, he was the only child in his family to matriculate. From his uncle, a priest in the Apostolic Faith Church, he did not inherit religion, his visits to church are occasional. "I am not a priest, nor am I a philanthropist."

I'm trying to add up how he got from Azaso secretariat member at Turfloop in 1980 to co-founder of the ANC's department of economic planning in Johannesburg (where trade and industrial policy — not labour — was his area). 10 years later. He draws an indecipherable diagram to illustrate his natural political transition. "We had to be more radical in those days. The radical response was the only response."

He joined the ANC in Lesotho and graduated from the National University of Lesotho with a BA (Hons) in economics. In London he threw his energy into the underground political machinery of the ANC office in Lusaka. Steve Tshwete — now Minister of Sport — was his boss in the internal political committee.

Very impressive. Yet the CV makes no mention of a proper job. Which does not mean he did

He had to beat the dog to the bread and tea loaded with sugar he was never asked whether he wanted

not once work in the goods department at the Breamfontein OK Bazars. Nor does it mean that as a student he did not work as a gardener in Tzaneen.

In the mornings his madam would scream "T!T!T!U-S! Come and get your breakfast. Hurry!" He had to beat the dog to the doorstep slice of bread and jam and the huge mug of tea. It was loaded with sugar. She never asked whether he wanted.

"You see, I am not afraid to dirty my hands." Now Marxist concepts are the tools of his analysis. "Some of

Marx's writings — like his analysis of the circulation of money and capital, and primitive accumulation — are as correct in South Africa as they were when he wrote them."

Tito Mboweni calls himself a social democrat. He considers himself "part of the Left." He says "At moments I am very left wing." He is currently reading John Hoffman's *Beyond the State* and says he is interested in writer Antonio Gramsci's "challenge of how to deal with what looks like the contradiction of coercion and consent." He is then so good as to explain, asking me why I will pay the bill

Marxist concepts are the tools of his analysis. He calls himself a social democrat

when we leave the bistro, why I don't park my car in the middle of the road or drive through red traffic lights.

He would like to make me understand that society has coerced me into following a set of behaviours, but already he has been generous with his time.

He has turned the conversation on and off the record like a disco light. But surely he won't mind you knowing that for him, independence is an essential quality.

He has it. Women should have it. When I decline an offer from the waitress for more food on behalf of both of us, he points out that I have "undemocratic tendencies", then declines anyway. To Tito Mboweni's credit is his articulate interest in women's issues.

This morning everybody recognises the minister and he complains about having to work on a Saturday. I think he protests too much. And after all is said and done, he wants to know why all this interest in high-profile people?

When I think about it, with his busy life and his artificial sweeteners, he could well be one of those "ordinary" people he tells me to interview. Of course he is on his best behaviour and most probably I have been duped by his intellect.

But hell, the man loves Joan Armatrading and Vusi Mhlabisa's music. He's vbeiy and alive, he's into jazz and blues. He could well turn out to be the life and soul of the party.

Cosatu slates state intervention

BY THABO LESHILO

STAFF WRITER

The government should stay out of core industrial relations issues, John Gomomo, the president of Cosatu, said yesterday

"We do not believe in a commandist approach to the economy, just as we do not support commandism politically," Gomomo told delegates at Cosatu's fourth annual Them & Us conference in Johannesburg.

However, he said the state had a role to play in reversing years of accumulated disadvantage and discrimination

Gomomo said: "Economically, (the state) needs to ensure that it addresses the need for appropriate

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industrial and technology policies, investment in research and development, national training and education, trade and tariffs, and beneficiation of our natural resources "

The government needed to reform labour laws and labour market institutions

But core industrial relations issues, including negotiations over wages, working conditions and industrial restructuring needed to be driven by centralised and localised bargaining between employers and trade unions

"In this respect, Cosatu is opposed to heavy-handed state intervention. With regard to minimum wages, for example, we don't believe that state regulation should replace agreements between

employers and workers" However, this did not mean that the state had no role in these matters "Where organised workers are involved, for example, the state has a duty to protect them from super-exploitation," said Gomomo

"Further, where employers are not prepared to address issues through negotiations, they force the state to resort to direct intervention," he said

Cosatu did not favour power plays between employers and workers, characterised by employers defending what they saw as their managerial prerogative against the tide of change and workers using their collective strength to enforce democracy on the shopfloor

Parsons takes the reins from Godsell

Renee Grawitzky

(132)

SA CHAMBER of Business (Sacob) director-general Raymond Parsons has succeeded Anglo American director Bobby Godsell as Business SA's convener for the National Economic, Development and Labour Council (Nedlac)

The move is seen by some as an attempt to accommodate small- to medium-size business and to deal with a perceived hostility by Sacob towards BSA. Godsell resigned from the position after his appointment as Anglo gold division CE

Nedlac executive director Jayendra Naidoo said he had been notified of Parsons's nomination and "if this is acceptable to Nafcoc then it is entirely their business to choose their own convener"

The decision was taken at BSA's meeting of the board of trustees last week where discussion also took place on the current and future role of BSA as the voice of business and recent allegations of lobbying by various members of BSA to undermine the Nedlac agreement

Parsons said he was fully aware of the heavy responsibility he was taking on as chief spokesman for business

BSA president Dave Brink said Parsons would be overall co-ordinator of the four conveners of the Nedlac chambers.

The current conveners would retain their positions.

Brink said he welcomed the appointment of Parsons, who headed up the big-

B028/8/95 Continued on Page 2

Parsons (132) 20 28/8/95

Continued from Page 1

gest organisation affiliated to BSA. "Often the biggest problems come from the biggest organisations and BSA is now in a better position to keep its constituency happy and that will benefit everyone"

Cosatu general secretary Sam Shilowa said. "If it is true that Parsons has been appointed business convener then he will have to change his ways and conduct with the SA public and in relation to his dealings with labour."

Shilowa said the Nedlac negotiations

proved that mandates did not result in a settlement being achieved but rather individuals and their personalities. He said past dealings with Parsons had shown that he was "not willing to listen to reason"

Brink said BSA reinforced the view that its role should be restricted to those matters its members wished it to deal with.

BSA would concentrate at a national level on Nedlac and internationally on the relationship with the International Labour Organisation and the International Organisation of Employers.

Black business rejects Parsons

Renee Grawitzky

(132)
THE National African Federated Chamber of Commerce (Nafcoc) yesterday rejected the appointment of Raymond Parsons to replace Bobby Godsell as business convener at the National Economic, Development and Labour Council (Nedlac).

Nafcoc president Joe Hlongwane criticised the manner in which Business SA (BSA) appointed Parsons without consultation or discussion with Nafcoc, which formed part of the business caucus within Nedlac. The move was undemocratic and showed that BSA "takes us for granted".

He said Parsons was not the kind of person with a mind to drive black economic empowerment. Parsons would rather push Sacob issues than issues affecting the broader business community.

BSA said its failure to consult Nafcoc was an oversight. *PD 29/8/95*
Parsons was elected to replace Godsell,

who resigned from his BSA position after his appointment as Anglo American gold division CE.

BSA president Dave Brink said Parsons had been appointed to replace Godsell and to take over his job and the functions he performed on behalf of BSA in relation to Nedlac, including that of overall business convener. He said it was assumed that his election would be accepted within the business caucus.

Brink said, "BSA certainly needs to sit in a caucus with Nafcoc to choose a convener from caucus level."

"We will have to consider a nomination from their side."

Hlongwane said he had written to Nedlac to advise it of Nafcoc's opposition to the election of Parsons.

BSA had had its chance to appoint a business convener from within its ranks and now Nafcoc should be given a chance, Hlongwane said.

Cosatu condemns alleged lobbying to alter draft Act

■ BY JUSTICE MALALA
LABOUR REPORTER

The Congress of SA Trade Unions has slammed business organisations lobbying to bring about changes to the draft Labour Relations Act as agreed upon by labour, business and government leaders last month.

Cosatu general secretary Sam Shulowa said on Monday the attempts to bring further changes to the Act, which still has to be passed by Parliament, was ei-

ther an attempt at changing the agreements reached in the National Economic, Development and Labour Council (Nedlac) or was a repudiation of business negotiators in the talks.

The union federation's accusations came as concern over the process of reaching agreement on the new labour laws, particularly surrounding their perceived lack of transparency, continued to grow among observers.

Labour Minister Tito Mboweni

Star 30/8/95
also complained last week that certain organisations were trying to bring changes to the Nedlac agreement by lobbying parliamentarians.

Shulowa added that the lobbying, which he said was being conducted by the SA Chamber of Business (Sacob) and the Afrikaanse Handelsinstituut, was part of the organisations strategy to delay passage of the Bill through Parliament this year.

But Sacob labour affairs

(192)
spokesman Gerrie Bezuidenhout yesterday denied the allegations, saying the organisations had never undertaken any behind-the-scenes lobbying to have the Act changed.

We recognise, as Sacob, that there were certain compromises made in Nedlac. We do not want to undermine those compromises, because it is the interests of the wider business community that must be catered for and not Sacob's alone. We are not alone in this," he said.

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Nafcoc rejects Parsons

(132)

By THABO LESHILO

STAFF WRITER

CT(PA)3/18/95

A new convener would probably be chosen to head the business caucus in Nedlac after Raymond Parsons, the director-general of the South African Chamber of Business, was rejected by the National African Federated Chamber of Commerce and Industry, sources said.

Joe Hlongwane, the president of Nafcoc, said yesterday he had been told by Dave Brink, the president of Business South Africa, that the chamber would be involved in choosing a new convener.

A source in BSA said Bokkie Botha, the general manager of human resources at AECL, was the likely contender for the position. Botha is also the convener of the business caucus in Nedlac's labour chamber and heads a BSA committee drafting policies on Aids.

Parsons was appointed by BSA last week to replace Bobby Godsell, who resigned after being appointed chief executive officer of Anglo American's gold division. Nafcoc complained that BSA's failure to consult it was undemocratic.

Hlongwane said Nafcoc rejected Parsons because he had no history of supporting black empowerment, was more inclined to push only Sacob's interests in Nedlac and was not popular with trade unions.

PAYII
yester
group

Parsons' nous

FM 11/9/95

Is the National African Federated Chamber of Commerce (Nafcoc) employing spoilt child tactics by rejecting SA Chamber of Business (Sacob) chief Raymond Parsons as overall business convener of the National Economic, Development & Labour Council (Nedlac)?

Nafcoc president Joe Hlongwane this week claimed that Business SA (BSA) appointed Parsons without consulting Nafcoc, which, he says, forms part of the business caucus within Nedlac. "The move is undemocratic and shows that BSA takes us for granted," claims Hlongwane.

But while BSA claims its failure to consult Nafcoc was an oversight, it appears to have been under no duty to have consulted Nafcoc which formally withdrew from BSA late last year after a great deal of acrimony. Nafcoc claimed BSA was unlikely to best serve black business interests at Nedlac so it decided to go it alone. BSA then gave up two of its six Nedlac seats to accommodate Nafcoc.

But when Bobby Godsell resigned from BSA to become Anglo American's gold division CE, Parsons was elected unanimously to replace him. This included the Nedlac functions Godsell had performed on behalf of BSA, including that of overall business convener. Says a BSA member "It's quite understandable that no-one remembered to speak to Nafcoc since they are no longer — by their own desire — part of BSA."

Hlongwane sees things differently. "BSA has had its chance to appoint a business convener from within its ranks and now Nafcoc should be given a chance." Par-

sons's appointment as overall business convener is, however, supported by Fabcos, also a BSA member.

But Hlongwane's objections appear to be tainted by more than a concern for equal opportunity. He claims that Parsons is not the right person to drive black economic empowerment and would rather push Sacob issues than those affecting the broader business community — an unlikely scenario since Parsons has the support of 18 organisations, who appear to be confident of his ability to advance broad business interests. Certainly BSA's unanimous endorsement of Parsons could also be motivated by the fact that labour issues, which have taken up most of this year, have almost all been settled and that someone with a broad experience of economics is needed to replace the largely labour-relations skills that Godsell offered Nedlac.

Just how Nafcoc's objection will be dealt with is uncertain. Says BSA president Dave Brink "We need to sit in a caucus with Nafcoc to choose a convener from caucus level. Clearly Nafcoc will be unlikely to return to BSA and BSA's members are un-



Parsons *experiencing that rejected feeling?*

likely to back off on Parsons' appointment." A vote in the business caucus would probably therefore see Parsons' appointment stand.

Finalists for small business award deliver the goods

DAVID BREIER
Staff Reporter

ASK not what the RDP can do for you — rather what you can do to develop South Africa

In a country of chronic whingers, that is the magic formula that has helped small Western Cape businessmen become their own bosses and provide jobs for many who would otherwise be unemployed

Six of the Western Cape's most enterprising small businesses have been selected as finalists for the Sanlam/Small Business Development Corporation (SBDC) entrepreneur of the year award to be announced on Tuesday at Zevenwacht Wine Estate, in association with Ernst & Young

The winner will go to the national finals at Gallagher Estate in Gauteng on September 26. There will also be an award next week for the socially responsible entrepreneur of the year

In these days of retrenchments and unemployment, a common thread running through the success stories of the finalists is that they were prepared to give up the security of safe jobs to seek their fortune in the business world

Like Ilse Neethling, who resigned her teaching job three years ago to become a highly successful chicken farmer employing 50 people

With many Western Cape teachers facing an uncertain future because of education budget cuts, Ms Neethling may have set a trend

Then there was Graeme Wells of Bothasig, who left a job at Xeratech, the copying machine people, with little more than an order from his former bosses for R75 000-worth of fuser rollers for copying machines

Now he has tied up the local market in rollers and is exporting to the United States, giving jobs to 10 workers who are being trained to improve their skills

Other finalists — Max Godlo, who runs a supermarket in Mbekweni, Peter Friedman, who makes products from seaweed in Simon's Town, Trevor and Joy Grey, who are challenging the might of the big fishing companies, and Anne Eales, who makes unusual clothing — all have similar tales to tell

The SBDC's business of lending money to small entrepreneurs is under siege in the new South Africa and has come under fire from elements in the government, who criticise it for not becoming involved in small businesses in the townships



□ **FISHY BUSINESS:** Trevor and Joy Grey started fishing commercially in 1989. Later they bought Arniston Fishing and are repairing boats and will employ 27 people.



□ **FOWL PLAY:** Three years ago Ilse Neethling resigned from her teaching job. She now runs a hi-tech chicken farming business, which employs 50 people



□ **BIG MAX:** Max Godlo began selling fruit and veggies from his house in the Paarl township of Mbekweni. Now his supermarket is the biggest business in Mbekweni



□ **GLAD RAGS:** Anne Eales' business Naartjie Clothing provides 10 people and her three children with work. Her designs are sold at the Waterfront



□ **WELLS WINS:** In five years Graeme Wells has tied up the local market for fuser rollers used in copying machines and is exporting to the United States.



□ **KELP KING:** Peter Friedman started Kelp Products in Simon's Town 17 years ago. His factory extracts growth stimulants from seaweed for agricultural use

High cost of SA's labour dilemma

■ Our trade unions may have gone too far in looking after workers' interests — and South Africa has paid the penalty through high unemployment and low investment, according to potential Taiwanese

investors
(132)
DAVID BREIER
Political Staff

WORKERS in South Africa are not exactly known for their work ethic — but they have a strong pay ethic and this unproductive reputation is scaring away potential investors.

This was the message from a four-man ministerial delegation from Taiwan in Cape Town this week

The high-level delegation discussed relations with South Africa, which is torn between maintaining recognition for Taiwan and recognizing the People's Republic of China at the same time. ARG 2/9/95

Taiwan is one of the phenomenal "tigers" of booming Asian economies — and the secret behind its success includes the relationship between unions and employers, says Hou-Sheng Chan, vice chairman of the Council of Labour Affairs in Taiwan — a position equivalent to deputy minister.

Professor Chan expressed surprise that South Africa had the worst of both worlds — high labour costs and high unemployment.

An abundant work-force usually pushed down labour costs, which encouraged more employment, he said.

The fact that this had not happened in South Africa showed that trade union muscle could act against the best interests of the unemployed majority by discouraging labour intensive industry, he suggested.

"There are more than two thousand trade unions in Taiwan," he said, adding that the relationship between unions and employers was highly constructive.

"They both want a win-win situation," he said.

The underlying motive in negotiations between Taiwanese unions and employers was that everybody's interests were best served not by cutting the cake differently, but by making the cake bigger, he said.

Professor Chan said shopfloor meetings between management and labour were everyday occurrences in Taiwan to achieve stable relations between the two.

But his impression of South Africa was that relations between unions and employers were confrontational rather than aimed at achieving stability for the benefit of both



□ **LABOUR COSTS 'TOO HIGH':** Hou-Sheng Chan, a sociologist and vice chairman of Taiwan's council of labour affairs, says investors are being scared away.

Picture DOUG PITHEY, Staff Photographer

Professor Chan said that dismissing highly paid and unproductive workers was not an option, as it would be an unfair labour practice

This dilemma discouraged investment in South Africa, he cautioned.

Taiwanese employers placed very high emphasis on profit-sharing incentive schemes, which gave workers a stake in their firms — these included profit-linked incentive bonuses and shareholdings for workers.

Professor Chan compared the high level of strikes in South Africa to the strikes in the United Kingdom in the 1960s and '70s, which lowered productivity in the UK, making it a less competitive economy.

Top level Taiwanese government officials visiting Cape Town said high tax levels and frequent labour disputes in South Africa were the main factors discouraging investment.

But the visiting Taiwanese were highly impressed at the tourist potential of the Western Cape after a whistle-stop tour that included a trip up the Table Mountain cableway and a visit to Cape Point.

Tourists would "go crazy" about the beauties of the Cape, enthused Chi Schive, vice chairman of the Council for Economic Planning and Development in Taiwan

Dr Schive said if he were involved in investment in South Africa, he would expand the tourism infrastructure.

"I would like to set up an African development fund," he said.

Workplace forums to replace autocratic management

STAFF WRITER

The workplace forums proposed in the Labour Relations Bill represent a bold step towards establishing more productive labour relations in South Africa, according to Patrick Deale, a partner at labour consultancy, SPA Consultants

"Employers have realised that the autocratic management styles that produced great results in the past won't continue to do so in the future," says Deale in the forthcoming

issue of People Dynamics, which is published by the Institute of Personnel Management

Unlike during the days of mass production, worker co-operation and input were vital to successfully meeting the needs of customers in today's competitive environment

On the other hand, unions and workers have realised that the political struggle was now over and have switched their focus to job security, the removal of apartheid in the workplace and improving the

quality of the life of workers

"With the depth of management expertise and the strength of the trade unions, it makes compelling sense for management and workers to get down to the business of generating growth together," says Deale

The Labour Relations Bill, he says, seeks to balance the delicate equation between growth and equity by institutionalising participation through workplace forums

However, for the forums to suc-

ceed in achieving their twin objectives of democratising the workplace and improving efficiencies, the following success factors should be in place

The parties should agree on a framework of strategic objectives to give direction and a sense of common purpose to the workplace forums, accompanied by a code of mutually acceptable conduct to guide the relationship between the two bodies;

The senior executives of com-

panies must show genuine commitment to a new style of management;

The participative approach to management must be seen as a way of life and a long-term process;

The huge gap between the fairly sophisticated management and the largely semi-illiterate workforce must be narrowed;

Workers must be assured their efforts will be rewarded, and

All employees, not only union members, must be included in the forums

(132) CT (AK) 5/9/98

Bengu to discipline his deputy minister

Tim Cohen

CAPE TOWN — Education Minister Sibusiso Bengu yesterday censured his deputy Remier Schoeman for objecting to aspects of the controversial National Education Policy Bill, suggesting that his NP deputy would be "disciplined"

Schoeman said on Monday, when the legislation was tabled, that although the NP agreed with the overall objectives of the Bill, he was reserving his position because he had "serious reservations" about certain of its aspects.

The Bill sets out broad powers for the national education minister to determine almost all aspects of education policy, which Schoeman said had sparked fears over its constitutionality.

He said the NP had reservations relating to the extent of the policy-making power of the minister, the nature of the council of education ministers created by the Bill and the minister's discretionary power to create and constitute advisory bodies.

Bengu said in a statement that it was the duty of deputy ministers to abide by the decisions of the Cabinet.

He said Schoeman had supported objectives of the Bill "as necessary and desirable", but had chosen to make public his personal reservations on the national education. "I regard this as a matter of ministerial discipline which I shall take up immediately with Schoeman."

Schoeman declined to comment but NP

MP Marthinus van Schalkwyk said Bengu's attitude was "unfortunate".

The NP in the Cabinet had reserved its right to differ with aspects of the Bill while Parliament finalised the legislation.

Schoeman had acted constructively, within the basic guidelines agreed by parties on how the government of national unity should operate and had the full support of the NP.

Meanwhile, Sapa reports that DP Western Cape education spokesman Richard van der Ross said the National Education Policy Bill was a "travesty of democracy and federalism".

The Bill, despite the frequent reference to democracy, people's rights and consultation, virtually gave the education minister full control over education policies of all schools, colleges of education and technical schools in SA, he said.

Bengu also had control over other matters such as curricula, student admission, language, discipline, the ratio of students to teachers, and a "host of other matters which should best be left to the provinces".

Against this background, provisions in the Bill on consultation and the consultative bodies set up became meaningless, Van der Ross said.

The Bill would also become an instrument for providing the minister with "severe and dictatorial powers" which could be used to suppress freedom in education and democracy.

● Comment: Page 12

Unions settle clash at hospital

Kathryn Strachan

THE clash between rival unions that crippled Boksburg-Benoni Hospital during the past week was resolved yesterday, with both sides agreeing to work together to improve health services in the area.

Tension between the unions erupted into conflict in the hospital corridors last week when the Hospital Personnel Association of SA (Hospersa) tried to reinstate two security officials who had been removed from the hospital by National Education, Health and Allied Workers' Union (Nehawu) members earlier in the month.

The parties reached agreement after Gauteng health MEC Amos Masedo spent the day talking to Nehawu members, who agreed to the security officials' reinstatement and resumption of normal duties.

"We don't know what Masedo did to

convince them," said Hospersa official Mike Ryan.

Nehawu Gauteng regional secretary Oupa Makhuru said tension between the unions had been resolved at yesterday's meeting. "Both parties agreed to pursue the interests of health delivery rather than their own interests," he said.

The tension has its roots in the fact that Hospersa represents largely white workers and management, while Nehawu represents black workers and nurses.

Hospersa official Mike Ryan said Masedo won Hospersa members over by explaining the problems the department had had in setting up a new health structure for the province.

In restructuring, the department had only recently set up a labour section, so it was only now able to begin attending to Nehawu members' expectations of change.

INTEXT

Nicoli Natrass and Jeremy Seekings take issue with Eddie Webster's social democracy

And the jobless?

(132)

WM 8-14/9/95

SOcial democrats must come out of the closet, says sociologist Eddie Webster in a recent article (*M&G* August 18 to 24). Indeed they should. But Webster's vision of social democracy is an impoverished one. His enthusiasm for the labour movement seems to have blinded him to the needs of the poor and unemployed outside of trade unions — a curious but not unusual stance among industrial sociologists in South Africa.

Webster writes that "social democracy in a South African context refers to a commitment to equity-led growth and support for tripartite agreements between labour, management and government". He concentrates on the second of these issues, neglecting the first. We welcome Nedlac (National Economic Development and Labour Council) and agree that South African social democrats should support an industrial relations system based on collective bargaining. But social democrats must not lose sight of the urgency of alleviating poverty and reducing inequality in the country as a whole.

Social democracy is based on the idea of generating growth and social justice through class compromise. In an economy with low unemployment, a class compromise between labour and capital can accomplish both of these aims. In a labour-surplus economy, however, a further social divide must be addressed: that between the employed and the unemployed. South Africa faces a trade-off between wage growth, which is clearly in the interests of employed workers, and employment growth, which is in the interests of the unemployed.

Social democrats should surely prioritise the needs of the poorest half of the population. This entails, first and foremost, a clear commitment to job creation through labour-intensive growth. Expanding employment opportunities — even at relatively low wages — is the fastest and most sustainable way of alleviating poverty and narrowing social inequality in South Africa. The creative challenge facing social democrats is to ensure that corporatist arrangements between labour and capital contribute to, rather than undermine, labour-intensive growth and hence social justice for

all. Webster overlooks this necessity.

Webster eulogises South Africa's emerging industrial relations system, without pausing to consider its implications for the poorest half of society. The core of the proposed Labour Relations Act comprises a system of Bargaining Councils, which are little changed from the old Industrial Councils. In these councils, organised labour and business bargain minimum wage agreements, which can be extended across the entire industry by the minister of labour through a "wage determination". This system can be used by big employers and trade unions to drive out low wage competition, especially from small and medium enterprises.

Increased international competition will exacerbate the threat to employment posed by industry-wide wage determinations. Some firms will be able to improve productivity and switch into higher value-added product lines. Others will be forced to cut costs, including through cutting employment. Some firms will be driven out of business altogether. In this gloomy but possible scenario, incomes rise for a shrinking elite of employed workers, while increasing numbers of workers are banished into unemployment.

In the heyday of Swedish social democracy, centrally bargained, industry-wide wages were used as part of a strategy to raise productivity in the economy. Most workers who lost their jobs as a result of lay-offs or bankruptcies were retrained and re-employed in faster growing parts of the economy. While unemployed, people were provided with generous welfare benefits. The high wage, high productivity strategy was thus consistent with narrowing inequality — as long as the Swedish economy grew rapidly and unemployment remained low.

South Africa cannot afford such a strategy. Putting half the working age population on welfare simply is not an option — not unless South Africa discovers oil! Webster entertains the quaint idea that the Reconstruction and Development Programme is a

clear statement of the government's intention to establish "an authentic welfare state that extends its protection to the majority of the population". Is this a cynical joke? South Africa's poor may benefit from primary health care and basic education, but their livelihood is going to depend on economic growth and job creation rather than the meagre welfare benefits that any government in South Africa is going to be able to provide in the foreseeable future.

Unlike employed workers, the unemployed poor do not have powerful organisations to advance their interests. Social democrats should therefore be particularly mindful of strategies that neglect or harm the poor, and be on the lookout for opportunities to empower them.

This means keeping a critical eye on organised labour, while supporting it in most respects, social democrats have a broader and trickier agenda. In a labour-surplus economy, trade unions do not play an unambiguously progressive role. While challenging inequality in their struggles with employers, they can all too easily exacerbate inequality by privileging a labour elite over the poor and unemployed.

Social democrats should celebrate labour's basic gains in collective bargaining.

But they must match this with meaningful policies to promote labour-intensive economic growth and improved access of the poor to income-earning opportunities. These range from policies which support, rather than hinder, the small business and informal sector, to protecting

labour-intensive firms from centrally bargained wage pressure.

Defining a special labour-intensive economic sector which cannot be affected by wage determinations in Bargaining Councils is one option. Providing guaranteed exemptions to labour-intensive small businesses is another. Land reform and education and training should be further weapons in the social democratic armoury. Social democrats need to formulate and debate innovative ways of ensuring industrial democracy and job creation.

Nicoli Natrass is an economist at the School of Economics, UCT, Jeremy Seekings is a sociologist in the UCT sociology department.

Putting half the working-age population on welfare simply is not an option — not unless South Africa discovers oil!

Nafcoc firm on its rejection of Parsons

BD 11/9/75 (132)

Renee Grawitzky

CAPE TOWN — Representatives of the National African Federated Chamber of Commerce (Nafcoc) and Business South Africa (BSA) met last week to discuss Nafcoc's rejection of the appointment of Raymond Parsons to replace Bobby Godsell as business convener at the National Economic Development and Labour Council (Nedlac)

Nafcoc president Joe Hlongwane said that during a meeting with BSA president Dave Brink he advised Brink

that Nafcoc was not prepared to alter its rejection of the appointment of Parsons without joint consultations. He said, "It is unlikely that Parsons will be appointed overall business convener."

Brink said that it was necessary for BSA and Nafcoc to work together on this issue and to find a solution which was in everyone's interest.

He said BSA's governing body would meet within the week to consider this issue.

It would consider, too, the concerns expressed by Nafcoc.

New social role for business in partnerships

Brian Whittaker

SCIENTIFIC social scientists describe "a revolution of collaboration" among community leaders, developers, civic associations and businesses in upgrading shack settlements.

Hard-nosed businessmen commit hundreds of millions of rands to a partnership with political, labour and community leaders from across the political spectrum to improve education through the Joint Education Trust. Hopeful government policymakers invoke partnerships to implement the reconstruction and development programme.

This belief in partnerships can be found in the policy proposals for education, housing, health, environment, water affairs, forestry and many others. Other transitional societies as diverse as Slovakia, Hungary, Bangladesh, India and Russia put their faith in partnerships. Is this new wave of human activity struggling to find form in response to a new world order? Does it have the generative power its proponents claim? Does it merely obscure real differences and slow the development processes? What are the prospects of sustained business involvement in such partnerships? It is clear that the challenges fac-

ing societies in transition cannot be met by governments alone. The issues are too complex — and the reach of government is limited. The competitive pluralism that characterises mature societies is also not much help. The disparities are too great, the stakes too high and the institutional framework too fluid.

Thus partnerships are presented as a solution. They promise shared resources and co-operation among different interests in pursuit of common objectives. This is a powerful idea, but it seems to be applied as much out of desperation as conviction. When all else fails, propose a partnership.

If partnerships are to succeed, interests must be acknowledged, common objectives defined and mutual benefits pursued. A partnership is a relationship in which the parties have a common objective and share risks and rewards. A common objective implies a commitment to do something together, and to share responsibility for the results.

It does not assume the essential interests of the parties are identical. Indeed, an ability to recognise different interests is essential. If partnerships compromise government's relationship with its constituencies, communities' independence or busi-

nesses' viability, they cannot survive. Neither do partnerships require equality in power, resources or skills. It is differences in these that make partnerships worthwhile.

Governments and communities often seek partnerships with business as a means of gaining access to resources. But why should businesses enter such partnerships?

First, partnerships can expand markets — by involving the private sector in the provision of social goods and services such as housing, infrastructure and health care that were previously the concern of governments. If successful, this can harness the power of the private sector to help meet public needs.

Secondly, they can create a basis for building a consensus on policies and regulations. Many successful societies have had such "social partnerships" as an ingredient to their success. Also, partnerships can help to secure a context in which institutions work and basic needs are met. SA will remain inherently unstable until that is achieved.

If businesses are to be urged to take these partnerships seriously, different partnership types should be distinguished:

- Business as "commercial partners" in public programmes. The

DD 13/4/95

(132)

growing interest, not only in the privatisation of formerly public functions, but in the financing of public services open a number of avenues for public/private partnerships that can draw on the primary business function of producing goods and services for gain.

Business as "social partners" for the development of social and economic policy. The idea that government, management and labour might work in partnership with other components of civil society for the development of social policy has been a factor in the success in Germany, Japan and other East Asian countries. The establishment of the National Economic, Development and Labour Council is a move in this direction; and

Business may also be seen as "development partners" for the implementation of development projects. Just as prudent managers use only part of their resources for consumption and invest the rest to support future growth, so it is that business leaders with vision use part of their resources to secure a future society in which the benefits of that investment can be effectively deployed.

These social investments are applied in the public sphere and need to be made with strategic sense and

social concern. Business needs information on social trends and carefully devised projects to attract such social interests. The philanthropic role of business should also not be ignored. It has been an important feature of many societies and should be encouraged but distinguished from other forms of partnership.

The changes taking place in the world have resulted in a search for new forms of social relationship. A feature of these changes is the increasing significance of private business activity and its effect on development. International aid is declining and private investment in developing economies is increasing.

For partnership attempts to succeed, the partnership web needs to be untangled. Rather than the loose invocation of the idea in the hope that it will generate new resources, incentives and workable mechanisms must be designed to which business and others can respond. If that can be done, partnerships may well release the energy and dynamism necessary for alleviating poverty and inequality. They could also help business to avoid becoming a victim of its own success.

Whittaker is a National Business Initiative executive director.

New social role for business in partnerships

Brian Whittaker

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Business as "commercial partners" in public programmes. The

growing interest, not only in the privatisation of formerly public functions, but in the financing of public services open a number of avenues for public/private partnerships that can draw on the primary business function of producing goods and services for gain;

Business as "social partners" for the development of social and economic policy. The idea that government, management and labour might work in partnership with other components of civil society for the development of social policy has been a factor in the success in Germany, Japan and other East Asian countries. The establishment of the National Economic, Development and Labour Council is a move in this direction; and

Business may also be seen as "development partners" for the implementation of development projects. Just as prudent managers use only part of their resources for consumption and invest the rest to support future growth, so it is that business leaders with vision use part of their resources to secure a future society in which the benefits of that investment can be effectively deployed.

These social investments are applied in the public sphere and need to be made with strategic sense and

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social concern. Business needs information on social trends and carefully devised projects to attract such social interests. The philanthropic role of business should also not be ignored. It has been an important feature of many societies and should be encouraged but distinguished from other forms of partnership.

The changes taking place in the world have resulted in a search for new forms of social relationship. A feature of these changes is the increasing significance of private business activity and its effect on development. International and its declining and private investment in developing economies is increasing.

For partnership attempts to succeed, the partnership web needs to be untangled. Rather than the loose invocation of the idea in the hope that it will generate new resources, incentives and workable mechanisms must be designed to which business and others can respond. If that can be done, partnerships may well release the energy and dynamism necessary for alleviating poverty and inequality. They could also help business to avoid becoming a victim of its own success.

Whittaker is a National Business Initiative executive director.

Employee well-being no longer means just fair pay

Amanda Vermeulen

GONE are the days when employee well-being merely meant fair wages for a hard day's work, says Naomi Brehm, human resources manager for do-it-yourself company Home Warehouse

Human resources development was now a complex business. "Selecting the right person for the right position ensures the highest level of productivity and customers service. Staff recruitment is the first vital step towards a productive workforce," she says

Home Warehouse used an agency for the initial selection, screening, interviews and psychometric testing. "This analysis evaluates qualities such as integrity, trainability, levels of comprehension, orientation towards customer support and managerial skills"

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Suitable candidates were then sent for interviews with senior management and after final agreement, an offer would be made

"This seems a lengthy process, but the time spent in the initial selection phase is worthwhile when one considers the staff turnover it alleviates," Brehm says

The company also had a scheme in place for employee housing

She said another aspect of creating security was ensuring employees were informed of company developments

There was also a strong focus on employee interaction to keep channels of communication open, leading to a healthy work environment. Training was also a key factor, and all new employees were put through an orientation course

A new era in boss-worker relationships

By Abdul Millazi
Labour Reporter

(#6) (132) Jan
Lawyer
15/9/95

THE newly passed Labour Relations Act heralds a new era of industrial relations in which workers and employers will work together, labour lawyer Mr Rod Harper said yesterday

When the Act was passed in Parliament on Tuesday, the notable change was on the issue of scab labour which has been hotly contested by business and labour. The seven day notice requirement before an employer can use scab labour has been scrapped.

Now employers do not have to give notice of their intention to use scabs during a strike. However, employers cannot use scab labour while locking out workers, if the lockout is intended to break the strike. But they can lock out workers and use scabs if workers were locked out to prevent damage to property.

Harper said the main thrust of the Act was to promote employee participation in decision making.

"Notwithstanding employer misgivings about the new Act, it would be wrong to engage in resistance politics in regard to the implementation of the Act," said Harper.

Independent trade unions and the Federation of South African Labour Unions have complained about the closed shop clause which they claim amounts to bullying tactics.

Fedsal president Ben van der Walt said: "Using the law to try to write smaller unions out of an agreement is not collective bargaining, it is bullying tactics which will never work."

Talks for final constitution

THE Constitutional Assembly's streamlining sub-committee should meet at least seven days during the Parliamentary recess, in a bid to produce a working draft of the final constitution by November 15, the CA management committee decided yesterday.

The first of these meetings would be held on September 28.

The management committee reconfirmed that the May 9 1996 deadline for adoption of the Constitution should stand, but that progress would be reviewed in February.

Certify constitution

CA executive director Mr Hassen Ebrahim pointed out that the Constitutional Court could certify the Constitution after it had been adopted.

Except for the chapter of fundamental rights, all the CA theme committees had now completed their work and the management committee should congratulate them, Ebrahim said.

It was agreed the sub-committee would meet on September 28, October 9, 10, 19 and 20 and on two or three days early in November.

Mr Richard Sizani of the Pan-Africanist Congress objected to the packed agenda for today's constitutional committee meeting.

He said this placed an inordinate strain on, especially, the smaller parties in the light of Parliament's hectic end-of-session schedule - Sapa

Labour needs slick mediation body

Renee Grawitzky

BD 21/9/95

THE success of the new labour relations system was dependent on the effective functioning of the proposed commission for conciliation, mediation and arbitration, independent mediator Charles Nupen said yesterday

Speaking at the Innes Labour Brief seminar on preparations for the Labour Relations Act, Nupen said the social partners within the National Economic Development and Labour Council (Nedlac) had accepted this "They will have to give it life," he said.

The social partners would be involved in policy making and would have to ensure the commission worked

He said: "Nedlac will have to move with due haste to establish the governing body so that the commission can be up and running."

Nupen speculated it could take up to nine months to set it up.

The governing body of the commission — which would be a tripartite arrangement — allowed for the nomination of three representatives from labour, government and business. He said these nominations did not necessarily have to come from within their

constituencies. "I hope that the social partners will look to people to govern the institute who have the expertise and who do not necessarily represent sectoral interests."

A good many of the commissioners required would have to be drawn from the ranks of the social partners.

Adrian du Plessis, presenting an employer perspective on the Labour Relations Act, said there had been a mutual sense of frustration between labour and business negotiators as they tried to reach agreement on the labour Bill.

"The subject did not lend itself to a distributive type of bargaining."

Du Plessis said: "This reflects on the need for the careful consideration of the agenda within Nedlac and (the need) to include the social partners in the deliberation preparatory to the drafting of legislation."

He said the relationship between the consensus-seeking process in Nedlac and the law-making process in Parliament was not properly structured and, in the future, attention should be focused on trying to find the proper balance and relationship between Nedlac and Parliament.

NEDLAC

The devil take the hindmost

(132) FM 29/9/95

Although the wrangle continues over the appointment of SA Chamber of Business (Sacob) director-general Raymond Parsons as overall convenor of the National Economic, Development & Labour Council (Nedlac), he has effectively taken up the reins of office.

The Business SA (BSA) board of governors elected Parsons to succeed Anglo's Bobby Godsell, but the National African Federated Chambers of Commerce (Nafcoc) strongly opposed the appointment.

Sacob president Les Weil confirms that a number of discussions between the parties have taken place. "In the meantime," says Weil, "Parsons has started on his co-ordinating role in Nedlac."

And with business opinion hardening against what is seen as Nafcoc's recalcitrant stance, Parsons' position looks set to become permanent.

At its monthly meeting on Tuesday, the BSA reaffirmed his appointment but said talks with Nafcoc would continue in order to try to resolve its objections and also find a mutually acceptable role for Nafcoc in the Nedlac business chamber.

But the *FM* learns that several parties at the meeting reiterated that there was "no going back on the appointment now."

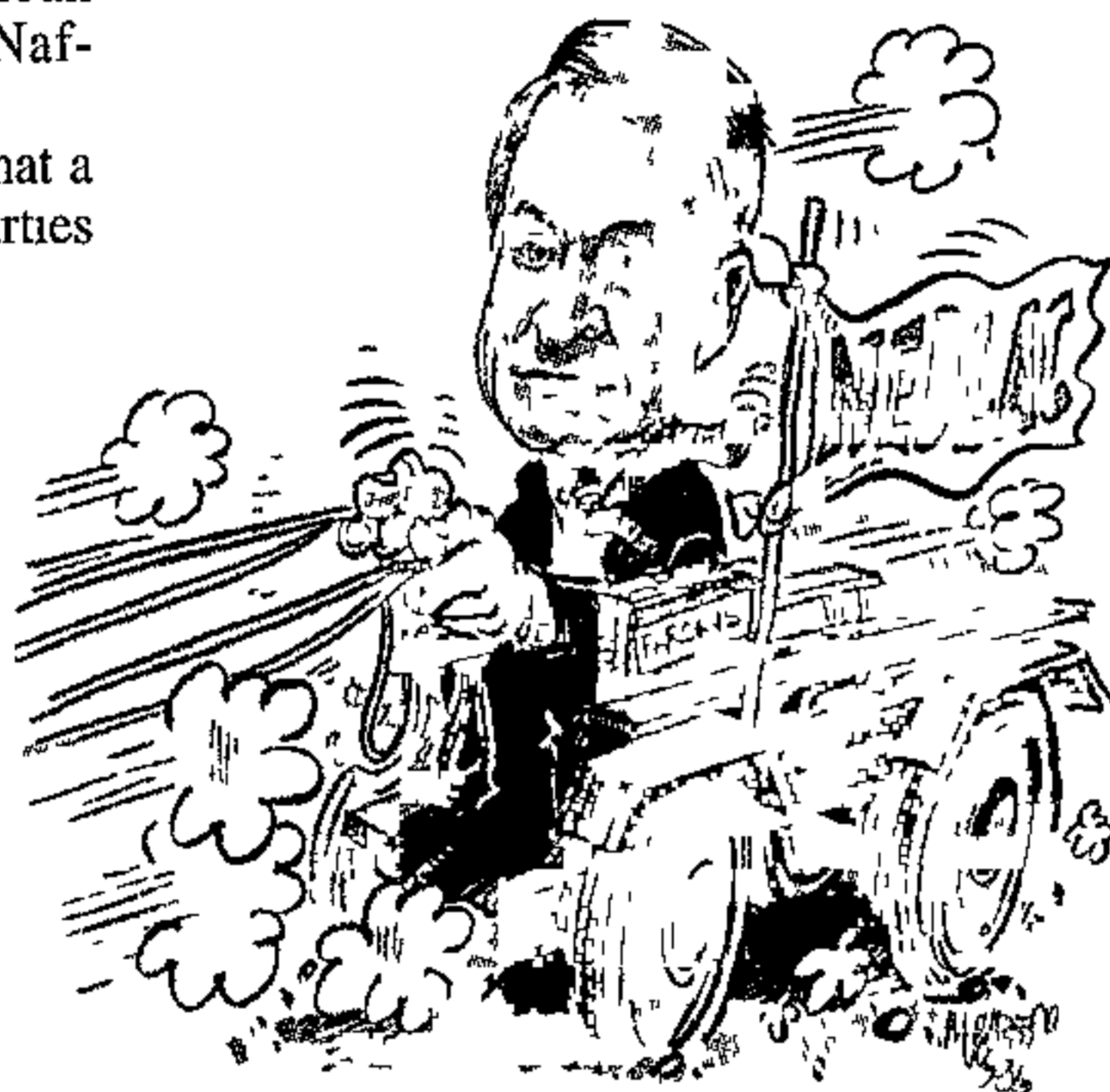
Business circles are upset with what they perceive as Nafcoc's hardline response to the unanimous appointment of Parsons to co-ordinate the business voice on various Nedlac chambers. Nafcoc maintains that Parsons is not the right man to drive black economic empowerment and would push Sacob issues rather than those affecting the broader business community. The claims have been denied — both by Parsons and the BSA. But there still appears to be no way to bridge the gap between the policy views of the formal business sector and Nafcoc's more developmental focus.

Adding to the furore is Nafcoc's withdrawal from the BSA late last year in acrimonious circumstances. Nafcoc claimed that the BSA was unlikely to best serve black business interests at Nedlac. In an attempt to accommodate Nafcoc, BSA then gave up two of its six Nedlac seats to Nafcoc. Attitudes towards Nafcoc have since hardened, with organised business asking why should Nafcoc have a say in Parsons' appointment when it abrogated its rights by quitting the BSA?

Questions need to be asked: what is behind the stonewalling and does Nafcoc want an affirmative action appointment?

Says BSA chairman Dave Brink "The BSA board of governors elected Parsons to succeed Godsell. But the BSA-Nedlac caucus, which includes Nafcoc, must approve his appointment."

But Brink adds "We are in the process of trying to find the right solution. Nafcoc seems to have dug its heels in regarding Parsons, but is fairly flexible as far as other



possible appointees are concerned." Other options, such as sharing the convenorship — with an appointee meeting with Nafcoc's approval — are also being investigated.

"The hiatus with this appointment is not holding up work in the four Nedlac chambers (fiscal & finance, labour & labour markets, trade & industry, and development)." Nafcoc president Joe Hlongwane was not available for comment.