

Anti-privatisation

for democratic public sector reform

The recent ANC Conference tacitly accepted the government's macro-economic strategy (GEAR). COSATU deputy secretary general, Zwelinzima Vavi, has said, in response, that a macro-economic strategy which does not deliver is wrong and that it is immoral to support GEAR.

Even tacit support for GEAR is a slap in the face for COSATU in the light of the federation's congress decision to reject the strategy.

The basis of labour's rejection of GEAR is that it is a neo-liberal programme which only serves the interests of capital. Neo-liberalism is capital's response to the crisis of overproduction.

The neo-liberal agenda focuses on deregulation as a means to ensure the free flow of capital to countries that are 'profitable', that is, where labour is cheap. Capital is given every incentive possible to invest in these areas. Enormous pressure exists to cut state expenditure and sell state assets to the private sector. This is the system known as globalisation.

The South African government is under enormous pressure from financial institutions like the World Bank and the IMF to privatise state assets. Local capital and the commercial media have jumped on to this bandwagon.

Public sector under fire

In South Africa, the language of privatisation has been moulded to fit in with the local

SAMWU official, Maria van Driel, outlines the forms of privatisation which are being introduced at local government level and the steps the union is taking to oppose privatisation.

situation. It is touted as the best route to black 'empowerment', creating the impression that it will address the legacies of apartheid.

The motives behind these arguments are twofold:

- ❑ A few strategically-placed black faces are useful to gain government contracts.
- ❑ Workers and their trade unions can be co-opted into joint ventures with the private sector, effectively diffusing any anti-privatisation sentiment.

Public attention up until now has focussed on privatisation of institutions like Telkom, the SABC and Sun Air. Yet privatisation is quietly eroding the local state.

Privatisation of local authorities has taken a number of forms:

- ❑ **Concessioning**
Bulk services like water are being ceded to multinational companies for periods of between 20 and 30 years. The state gives over all control and only plays a regulatory role. The companies are given the power to maintain and provide the

service and set the tariffs. The government's much-vaunted 'public-private partnerships (PPPs)' are included in this category. In Stutterheim in the Eastern Cape, water services have already been handed over. Although this process is on hold after intervention from the Tripartite Alliance, similar plans are already well-advanced in Nelspruit and parts of the Western Cape.

□ **Contracting out (outsourcing)**

This is a common form of privatisation. Government buys a particular service from a private company. Services which have been outsourced across the country include refuse removal, road construction and repairs, security services, catering, meter reading (electricity, gas and water) and health services. Often the company which has won the contract subcontracts. The subcontractor employs casual workers from amongst the unemployed. These workers suffer appalling working conditions, which affect the quality of the service, but enrich the contractor. Unions, which are trying to uphold standards, can come into conflict with unemployed community members, who are so desperate for a job that they will work under any conditions. This is the situation which arose in Khayalitsha in the Western Cape recently.

□ **Joint ventures**

Joint ventures are 'partnerships' between the local authority, the Council and workers. They have been put forward as models of black 'empowerment'. In fact, they are merely an attempt to co-opt workers, and have the potential to undermine union organisation.

□ **Leasing**

Services, such as vehicle provision and maintenance and management services

are also being leased out to the private sector. Leasing is a way of introducing privatisation gradually and of bypassing opposition to privatisation. In many cases, it has resulted in a downgrading of services. When the Gauteng Emergency Services decided to lease out ambulances, the service went downhill very quickly. Specialist services and staff training have been abandoned. The pressure is now on to privatise the service altogether.

□ **Reducing funding**

Privatisation is also being introduced through the reduction of funds to public bodies. This forces the public bodies to look for private funding. While all local authorities are affected, Johannesburg has been particularly hard hit. The Development Bank has assisted the city with a loan, with stringent conditions attached. A Committee of Ten has been set up to look at 'reprioritising' the budget. There can be no doubt that this will involve privatisation in one form or another.

□ **User charges**

Increasing user charges is part of the commercialisation process. Across the country, consumers are having to pay more for basic services. Tariffs are being set according to private sector principles. The advantages for the private sector are twofold: the local authority takes responsibility for the tariff increase and new financial benchmarks are set for each service. Consumers have reacted by failing to pay for services. In Springbok in the Northern Cape, there were previously no payment problems. The price of water has increased three times recently, and consumers are now unable to pay.

All over the world, privatisation has resulted in a fragmentation of the working class, which has lost its capacity for struggle.

Thatcherite Britain is a classic example. Despair and hopelessness seeped into the working class. People felt that they were unable to change the condition of their lives.

SAMWU's response

SAMWU is determined that this will not be the case in South Africa. The union has adopted a *political response* to privatisation to prevent the fragmentation of the working class.

Different unions have responded to privatisation in different ways. Most have not adopted a *consistent approach*, which has resulted in the general dismemberment of society. This is also due to the failure of the unions to take a clear political approach. Instead, they have *responded to privatisation on a case by case basis*.

Most of the unions have accepted the National Framework Agreement (NFA), which promotes privatisation. This immediately compromises their position. There is no clear understanding of the role of the public sector.

A number of unions have bought into privatisation through their investment companies. This has served to hasten the process.



Pic: Kenderidge Mathabatha

SAMWU has totally rejected privatisation. At a national workshop in December, SAMWU delegates refined the union's anti-privatisation campaign, using water services as a case study. It is important to air this approach for debate, particularly to demonstrate that privatisation can be opposed successfully and the public sector restructured democratically.

Perspective

Central to SAMWU's approach is the unity

of the struggle against privatisation and public sector reform.

The union will stand firm in its political opposition to neo-liberalism, GEAR and privatisation. This political grounding, which rests on strong workplace organisation, will enable SAMWU tactical flexibility in responding to privatisation initiatives. The union is prepared to enter into negotiations, but is also prepared to struggle. This is the only approach which will yield positive results.

It needs to be made clear that we are not talking about a 'flexible' approach to privatisation, which does not anchor the struggle politically. This would inevitably result in support for privatisation in one form or another, and will undermine any possibility of public sector reform.

There are three elements to the union's approach.

□ *A vision for transformation*

SAMWU is in the process of developing a vision or guiding principles for the transformation of particular service sectors. Workers and shopstewards will be intimately involved both in developing this vision and in running campaigns. They will then be in a position to popularise these struggles in the communities.

□ *Emergency plan*

The emergency plan is based on the understanding that overall transformation will take time to be visible and effective. In the meantime, we need to implement measures at each workplace which will lead to immediate improvements in service delivery. Such an intervention will also prevent the running down of services which so often happen prior to privatisation.

The plan is rooted in worker control. Workers will involve communities, churches, NGOs and international organisations in the implementation of

the plan. National agreements with various ministries, such as Constitutional Development, Water Affairs and Forestry and the Local Government National Labour Relations Forum, which emphasise the role of the public sector in service delivery, will be used to promote the plan.

□ *Transformation strategy*

Strategies for transformation will be drawn up from the vision. These include central funding, an integrated and developmental approach, realignment and re-allocation of resources, training, a new public sector culture, a reduced tax base and areas of responsibility for different tiers of government.

It is clearly impossible to achieve these changes overnight. We need clear tasks and time-frames. Public sector reform is broader than local authorities. It extends to areas not organised by SAMWU. Employers and the broader democratic movement need to be drawn in to this struggle.

COSATU Platform

In the light of the struggle against neo-liberalism/GEAR and privatisation and the struggle for public sector reform, we need to ensure that this is reflected in the upcoming COSATU Platform.

The Platform was decided at the congress in 1997, to include a list of demands pertinent to the living conditions of the working class. The labour movement needs to struggle for this Platform with the ANC, with the 1999 elections in mind. It is important that COSATU maintains its political convictions regarding its rejection of GEAR, and not pander to the ANC. ★

Marta van Driel is the SAMWU national anti-privatisation co-ordinator. This article is written in her personal capacity. Debate on these issues is ongoing within SAMWU.