

Brokering radical solutions within a neo-liberal framework

Cosatu and Sector Job Summits

In 1998 Cosatu identified government's neo-liberal policies as a key reason for job losses. **Mandy Moussouris** traces the labour federation's attempts to engage business and government within this framework at Nedlac and charts the failure of Sector Job Summits.

Since 1996, the Congress of South African Trade Unions (Cosatu) has had to defend its socialist ideals, whilst participating in tripartite institutions pushing capitalist agendas and defending its members against an onslaught of retrenchments, restructuring and outsourcing. One path Cosatu followed was the Sector Job Summits, a project aimed at developing, through research in unions, a working class industrial strategy to negotiate in the National Economic Development & Labour Council (Nedlac).

The establishment of Nedlac in 1995 created a legal body in which both labour market and broader macro-economic issues could be negotiated. Nedlac was seen by labour as an organisation where they could make important working class contributions to the development of the country's policies. Although there have been some gains in this area, overall, there is little to indicate a shift in government policy towards the working class. The first significant indication, after 1994, that power had shifted away from progressive forces came in June 1996 with the unilateral implementation of the Growth Employment and Redistribution Programme (GEAR).

GEAR did not live up to government's expectations, particularly with regard to job creation. So, in October 1998, President Mandela called the Presidential Job Summit. Government, business, labour and community made a commitment to providing resources for the programmes developed by the Summit to create jobs. At the Summit, after being severely chastised by the ANC for criticising GEAR the then-president of Cosatu John Gomomo said on behalf of labour, "The problem we have is the notion of keeping GEAR's basic infrastructure in place. We think in the face of the acknowledgement of its failures, as well as the international crisis, we need to move beyond mere adjustment to real changes that include the structure or framework. We should

all agree that as part of the post Job Summit process, we should put in place a process of engagement to deal with this matter." Labour's identification that government neo-liberal policies were a root cause of job loss fell on deaf ears.

SECTOR JOB SUMMIT PROCESS

The Presidential Job Summit did however commit itself to addressing job losses in certain sectors and to harnessing the job creation potential of other sectors. By 2000 however very little had happened. Thus on 10 May Cosatu called a general strike saying in its memorandum, "Cosatu has consistently affirmed our commitment to negotiations ... We have at the same time emphasised that time is a key factor and we cannot afford a situation where workers continued to be retrenched while long drawn out negotiations are taking place." This sense of frustration with government and business' lack of commitment and the extended delays was to also characterise the Sector Job Summit process.

Cosatu based its Industrial Strategy on four principles: the creation and protection of quality jobs; meeting the needs of working class families; developing solidarity including with women, rural and regional development; and democratising the economy and the state. Cosatu and its affiliates produced succinct research and working class demands on the above guiding principles. Although critics are quick to criticise the labour movements' lack of capacity to

engage in negotiation, at the end of an intensive participatory process 39 research papers across nine different sectors had been developed.

Cosatu, its research wing Naledi, the Communication Workers' Union (CWU), Chemical, Energy, Pulp, Paper and Allied Workers' Union (Ceppwawu), Food and Allied Workers Union (Fawu), National Union of Mineworkers (NUM), National Union of Metal Workers (Numsa) and the South Africa Commercial Catering and Allied Workers' Union (Saccawu), received funding from the Department of Trade and Industry (DTI) to employ and train researchers, hold reference groups, run workshops, produce popular booklets, hold conferences to present additional research, comments, omissions and to develop union positions, demands and mandates on industrial strategy. The following nine industrial sectors were identified for possible job creation or because they had experienced severe job loss: Metals and Engineering, Pharmaceuticals, Food, Construction, Hospitality and Tourism, Retail, Chemical, Pulp and Paper, Automobile, Information Communication and Technology (ICT).

In the case of Numsa in the Metal/Engineering sector the union established Industrial Strategy Teams in every province to support the process. Once the research had been conducted a conference was held to develop demands. These demands were then taken to Nedlac for negotiation. An enormous amount of time and resources were put into the process. However, after three years, there was little to show for this.

Despite labour's efforts, progress was extremely slow primarily because of a lack of commitment on the part of business and government. In the case of



Automobile, Metals, Engineering and Chemical which had structured business organisations the process went a little further than in others.

Issues raised by the research were selectively championed by business and government and when it suited them there was a lot of support for Cosatu's demands.

One example was Import Parity Pricing (IPP) on steel by the previously government-owned ISCOR. The issue was raised in the Cosatu/Numsa/Naledi research in 2001/2, in Nedlac and in the Metals and Engineering pre-summit talks and received extensive press coverage and support from downstream metal and engineering sub-sectors. During the negotiation process at Nedlac, government's Industrial Development Corporation

sold all but 10% of their remaining shares in the company to Mittal Steel. This made it even more difficult to push for the dropping of IPP as ISCOR had not been participating in the process and the only pressure point, government's stake in the company, was substantially weakened. In a *Business Day* article in 2005, the Minister of Trade and Industry, Mandisi Mphahla indicated that 'the elimination of the system (Import Parity Pricing) was one government intervention to stimulate growth in the kinds of manufacturing industries that would create jobs.' The issue of IPP was raised again in government's Accelerated and Shared Growth Initiative South Africa (ASGISA) in 2006 but still there has been little movement on this issue.

This example points to the problem of attempting to negotiate progressive development strategies within a neo-liberal paradigm. ISCOR had, in the past, provided a strong industrial up-stream complex to support apartheid manufacturers. This developmental role in the economy however was severely undermined by the privatisation of the company. Industrial strategy is essentially a national developmental endeavour and the sale of government resources to multinational corporations substantially undermines such a process.

In the Communication sector, which was previously state owned, government pushed the Summit process hard primarily because of its intention to liberalise the sector. A Summit was held in 2002 but little concrete policy came out of negotiations.

Importantly, a change in the name of the process happened during negotiations leading up to the ICT Summit. The dropping of the word 'Job' from the initiative was indicative of how the concerns and demands of Cosatu were to be sidelined in what turned out to be a five year long bout of shadow boxing. Cosatu in the Nedlac boxing ring and government and business standing at the ringside watching labour go through the motions by itself.

There were some developments in more organised sectors and a few limited concessions were gained on the part of labour. But by the end of 2002 it was clear there had been no major achievements or gains through the process.

GROWTH AND DEVELOPMENT SUMMIT

Something had to be done if the veneer of social dialogue was to be maintained. As a result of the lack of progress, as well as increasing

pressure from civil society and labour relating to the increasing unemployment and poverty rates, President Mbeki announced in 2003 that he would host a Growth and Development Summit "for constituencies to work together to address the investment, employment and poverty challenges our country faces."

The Minister of Labour, Membathisi Mdladlana, in the foreword to the Nedlac Growth and Development Summit (GDS) Agreement in 2003 had the following to say, Our task was made daunting by the experience of the previous Job Summit, where all stakeholders did not pursue agreements reached. We had to ensure, this time around, to come up with concrete actions to address the development challenges facing our country.

Four years after this statement, Cosatu has through the Labour Job Creation Trust created 4 661 temporary and permanent jobs. Government has begun to spend money and create temporary jobs in its Expanded Public Works Programme and there has been some movement in terms of learnerships. However, in terms of the larger, more substantial initiatives agreed to at the Growth and Development Summit, for example the agreement to ensure that a percentage of investment goes towards development, there is still disagreement on a definition of deserving investments in order to decide where to invest the agreed 5% of funds to support development. There has been a strong lack of commitment from business in this process.

Cosatu in 2006 re-stated in its 2015 Plan its commitment to participate in social democratic engagements: "Ensuring quality jobs requires both stronger efforts to manage workplace and sectoral

restructuring, and more targeted policy engagement overall. We cannot afford to let South Africa follow the pattern of National Democratic Revolution in the rest of Africa, where the ruling elite colludes with local and foreign capital to enrich itself at the cost of the country as a whole.

But the experiences of the past seems to indicate, as John Gomomo said almost ten years ago, that the only significant change for workers in the economy would come through a change in the structure of the economy. Business in particular has no interest in such change, nor does government. Labour needs to be very clear when it assesses such processes about how these processes talk to its socialist agenda.

More importantly, membership needs to understand the contradictions and the strategic motivations for engaging in such forums. It must be clear to the working class that power dynamics between the state, capital and labour mean that social gains for the working class are not won through social dialogue but through direct socialist struggle. We cannot afford to place the same hopes on such processes. They are important strategic areas of engagement but will never deliver the socialist society we demand.

As Peter Kropotkin said with reference to social democracy dialogue, it is "an attempt to make the masses participate in decisions concerning their own exploitation."

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