

Did the MLC go beyond itself?

Government was encouraged by the establishment of the MLC, which brought together a group of leading labour and business leaders at a time when people were getting over 'Gear fever' and debates around whether the labour market was flexible or not was dying down.

Leslie Boyd says the bipartite structure was an attempt by business and labour to debate the issues that have the most impact on job creation or the lack thereof and try and reach a common understanding or 'shared analysis of the problem and come up with solutions'.

All seemed to be going well until government tabled its proposed amendments to existing labour laws. Sacob head Kevin Wakeford says this created some form of 'speed wobble' within the MLC. The structure was not cut out to make deals and get involved in detailed negotiations on the sort it eventually found itself in. Boyd concurs and says the MLC was about getting consensus on the broad thrust of issues. It was supposed to be an idea-generating body not a deal-making structure. However, business landed up being pushed into looking at the amendments. A business source says: 'there was and still remains a feeling within business that representatives were outmanoeuvred by labour. Labour was represented by their leadership and by their most skilled negotiators who had a proper knowledge of the laws.' Labour

President Thabo Mbeki attended the launch of the Millennium Labour Council (MLC) in July 2000 and was encouraged by the initiative. Nearly two years down the line elements in government (and business) are concerned about its role. What went wrong?

could do this easily, as the same team consistently represented it. The business people on the MLC are with few exceptions not the same as the business representatives in the National Economic Development and Labour Council (Nedlac).

Similar feelings have been expressed informally by one or two ministers. They are not too happy with the outcome of the MLC process around the amendments. A business source says the MLC process allowed labour three bites at the cherry: in the MLC labour first got as many concessions from business as possible, especially on those issues where it might not be able to get government support. Then labour engaged government in Nedlac for more concessions, even if this was in the face of business opposition. Finally, labour sits on all the ANC caucuses

in parliament, allowing labour undue influence in what should be a democratic process.

Boyd believes the amendment process was not a fair test of the potential of the MLC.

'To be judged on the amendments would be inappropriate.' However, there is a lesson to be learnt, he says. 'In a sense this is about leadership and about taking members along even in the case of having to make unpopular decisions.'

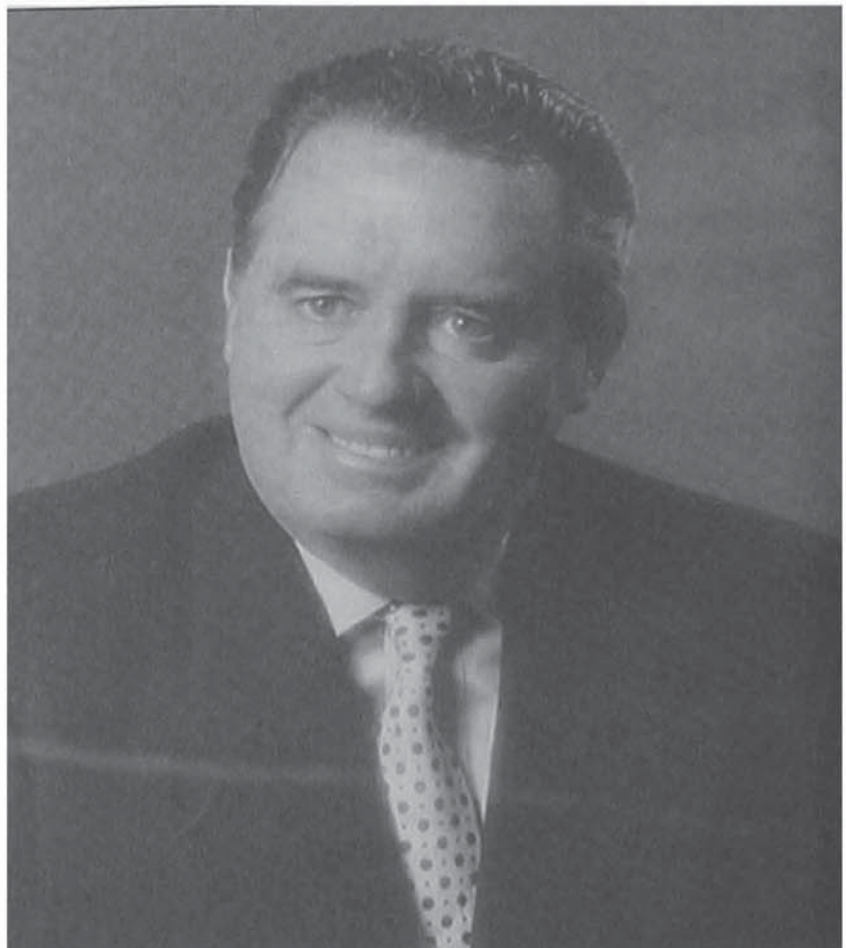
Elements in business who became critical of the MLC have indicated that if representatives had stuck to their original objective, the body could have and could still play a valuable role.

There are however, a number of issues, which need to be addressed. These include: resolving the current divisions within business (see p 29) so that a proper structure can appoint MLC representatives and a clarification of the role of the MLC in relation to official labour and business structures. The Netherlands bilateral body, which served as a role model for the MLC (The Labour Foundation), has representatives appointed by the relevant union and employer federations only.

Where to now for the MLC?

Boyd says there still seems to be consensus that the process should be developed. The parties met recently in Cape Town to review the situation and to agree on which issues need to be tackled as well as how to deal with issues differently to the amendment process.

It is understood that the type of issues



Leslie Boyd, one of the founding members of the MLC.

currently being addressed in discussions include HIV/AIDS, skills development and issues around investment. A source close to the process says that Mbeki's announcement about the growth summit came at an opportune time for the MLC. 'It creates the possibility of constructive engagement and gives bilateral social dialogue a sense of purpose.' He says labour and business need to take up the challenge. Although both parties realise that Nedlac should be the forum for negotiations, 'Nedlac can be supported in critical ways.' The MLC could play an important role together with the presidential working groups. These structures could contribute towards generating and clarifying issues so that when the parties move into the growth summit process they go in on an informed basis. 'There is no prospect of an institution such as the MLC doing the deal.'