

# FEDUSA and COSATU

*different unionism or different tactics?*

**'D**ancing in the streets during working hours cannot create or save jobs.' No, this was not business' or government's response to COSATU's general strike on 10 May 2000. It was FEDUSA's. Its press release stated: 'If anything [striking] will have the opposite effect. Our members will accordingly not be joining COSATU's national protest action.'

It is not that FEDUSA is not concerned about job losses and the lack of job creation. It is just that it does not believe striking is the way to address the problem. FEDUSA proposes that the social partners rather use existing forums such as the President's International Investor Council and Nedlac.

With these two federations having such different responses to the same problem, does it mean they practise different types of unionism? Or is it the same type of unionism with different tactics?

## Strike for what?

Firstly, it is crucial to review why COSATU called the general strike.

COSATU is concerned with the 500 000 jobs that have been lost since 1994 and with the lack of new jobs being created. It feels government and business is not doing enough to address this crisis. It also seems to be frustrated that its voice is not being heard, for example its 'Social Equity and Job Creation' document, its

*Etienne Vlok, using the fight for job creation, characterises the different types of unionism practised by COSATU and FEDUSA.*

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submissions to the Department of Trade and Industry regarding tariffs, the National Framework Agreement (NFA) on public sector restructuring, its submissions on industrial policy, its section 77 notice served on Nedlac.

Another avenue COSATU tried was the 1998 Jobs Summit in which it put a huge amount of effort and resources. Yet the Summit did not address job creation as debates were dominated by concerns over labour market flexibility instead of macro-economic policy and industrial policy. So COSATU embarked on a national strike to support their campaign against job loss and for job creation.

But why strike to get the point across? In 1992 Sakhela Buhlungu argued that the labour movement was gaining influence but losing power. The increased influence is due to its alliance with the ANC and through Nedlac. It was losing power because of a decline in militancy and an exodus of experienced unionists.

This strike, however, might indicate that



avenues to influence policy regarding job creation are being blocked. Hence, we may see power becoming more prominent again.

## **COSATU's demands**

COSATU had specific demands linked to its national strike.

First, COSATU wants to convince government not to reduce tariffs faster than required by the General Agreement of Tariffs and Trade (GATT) and the World Trade Organisation (WTO). The federation argues that this results in accelerated job loss. It also wants government to link tariff reduction to an industrial policy.

Second, COSATU wants urgent amendments to:

- ☐ section 189 of the LRA to require employers to negotiate instead of consult over retrenchments;
- ☐ the Insolvency Act so that wages and other benefits rank above all other creditors.

These will probably be negotiated at Nedlac but the federation does not want a lengthy process.

COSATU's third demand concerns the privatisation and downsizing taking place in the public sector. The NFA between government and the unions was supposed to regulate public sector restructuring. The unions feel that the NFA has been ignored.

## **On the agenda**

So what were the consequences of this strike? For one, COSATU is meeting with employers' organisations to look at the viability of an economic CODESA-type process.

Public protest in Seattle and Washington DC forced the world to take notice of the role of the WTO, the IMF and the World Bank. By going on a national strike, COSATU forced this country to take job creation more seriously.

Chez Milani, FEDUSA's general secretary, does not agree. 'Every South African will identify jobs and crime as the two most important issues in our country. There is already a heightened awareness of the importance of job creation. We now have more disgruntled employers and marginal companies that have been pushed closer to bankruptcy. For COSATU, it was a show of force. But we all know that they mobilise well. That is not the challenge - the challenge is to come up with workable solutions to the jobs crisis.'

## **Don't strike!**

What is wrong with 'dancing in the streets' and striking to create jobs? FEDUSA believes this will not help as employers and entrepreneurs create jobs, not unions. Unions can assist but do ultimately not create jobs.

On the day of the strike, Milani went down Cullinan Mine near Pretoria. Only 10% of the workers had shown up - FEDUSA members. By 10:30 that morning that 10% of the workforce had reached the target of the full workforce for the day. Says Milani 'The message to that employer is that maybe those strikers are not really needed. Striking cannot contribute to job creation. The South African economy is under pressure and the eyes of the world are on us. Labour must be responsible. Leadership and common sense must prevail.'

Does this mean FEDUSA will not use the strike weapon? Milani responds 'You must look at what result you want and what vehicle can achieve it. Take Spoornet where 27 000 workers were supposed to be retrenched. We filed the section 77 notice that stopped the retrenchment process because management had not done their homework and our members were going to be treated unfairly. Should government not have stopped the



retrenchment process we would have proceeded with strike action. We do not say "Don't use action", but make sure it is calculated and effective.'

FEDUSA identifies the absence of any workable, constructive suggestions on job creation as the real reason that nothing is being done on jobs 'The ANC is calling on the social partners to help. Labour must ensure it is part of the solution, not part of the problem. Labour needs to come up with concrete proposals on job creation for the International Investors Council and Nedlac This is the first step before one goes over to action,' continues Milani.

### **Retention, not creation**

Milani differentiates between two aspects, job creation and job retention. 'With regard to job creation labour must come up with proposals that will assist in addressing the problem. Failing to do so will result in us being classified as reactionary'

The demands COSATU linked to its strike were about job retention, not creation. However, the federation insists that these are only short-term demands. Its suggestions around job creation include implementing the Jobs Summit agreements and sector-specific policies to ensure the expansion of certain industries. These, it argues, must be linked to a new macro-economic framework that can create jobs COSATU is currently working on such a framework.

There you have it. Totally different responses to the same problem. Does it mean the two federations practise different types of unionism? Before answering the question, it is important to establish what types of unionism exist.

### **Social movement unionism**

Social movement unionism was at its height and practised by COSATU in the

1980s and early 1990s. It involves having a close relationship with the community; not only sticking to shopfloor or bread and butter issues but being involved in broader political issues. As COSATU's September Commission Report states: 'The apartheid oppression which workers faced at work mirrored apartheid oppression beyond the workplace, in society at large. The trade unions, therefore, combined trade union struggle with political struggle.'

An integral part of this unionism is abstentionism: a refusal by workers to identify with the targets of the company or the concerns of management. So the COSATU unions then engaged in political stayaways, had broad social demands and refused to discuss productivity.

### **Strategic unionism**

In the 1990s things changed for unions as South Africa became a new democracy. Unions began to establish new relations with employers and became concerned with new issues - economic development, productivity, the functioning of the public service and of government. Unions became involved in bodies such as Nedlac and had to make presentations to parliamentary committees. A new unionism - strategic unionism - became evident.

Strategic unionism involves:

- ☐ generating and implementing centrally co-ordinated goals and integrated strategies, for example industrial democracy, trade and industry policy, social welfare and progressive taxation;
- ☐ sophisticated participation in tripartite bodies;
- ☐ a commitment to growth, wealth creation and more equitable distribution;
- ☐ an emphasis on strong local and workplace organisation;



- ❑ extensive delivery of educational and research services.

### Business unionism

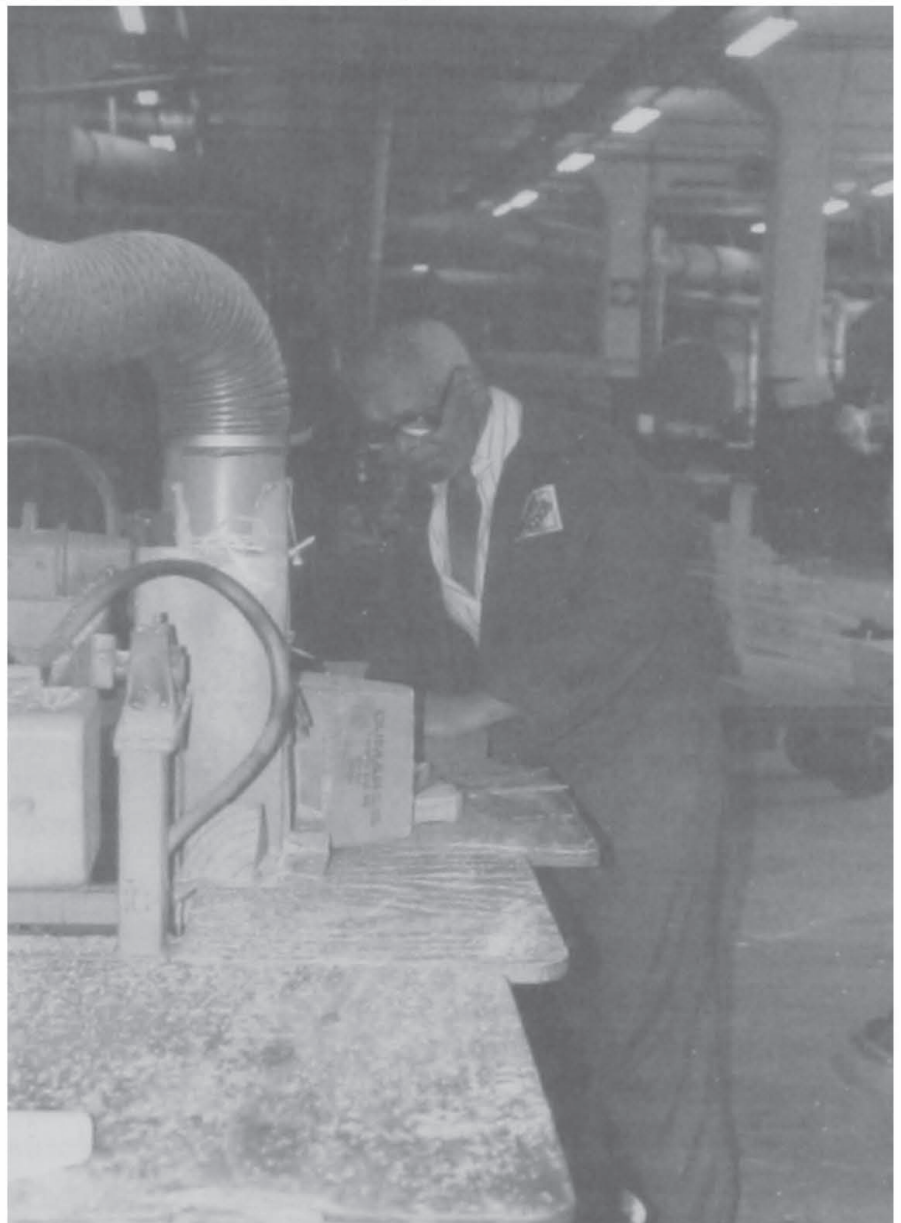
Stephen Faulkner, writing in *SA Labour Bulletin* vol 23 no 4, describes the following situation: 'For 20 years Northern governments have been pursuing orthodox economic policies and anti-union legislation. This has increased unemployment and meant a decline in union membership. So trade unions' political influence declined. In the South unemployment has grown due to the privatisation of state assets. Southern unions' membership also declined. Thus unions had to develop a response to stop the decline in membership.'

In the USA and the UK, unions developed business unionism. This spread to other unions worldwide. Faulkner argues that this unionism is based on four assumptions: Firstly, workers were no longer interested in traditional forms of unionism, collectivism or class-based values. These had made way for individualism. Workers aspired to higher positions where they could earn more money and be part of the elite.

Secondly, union engagement in organised politics took a back seat.

Thirdly, workers did not want militant action. They wanted their unions to negotiate sensible settlements which did not threaten job security.

Fourthly, unions wanting to increase membership had to provide services, such



*COSATU and FEDUSA want jobs to be created.*

as insurance, travel and banking. They had to do this by investing in the market.

### Different ideologies

Using the three models of unionism discussed above, is it possible to see a clear difference in the kind of unionism practised by FEDUSA and COSATU concerning the job creation crisis?

For Milani it is clear that the ideologies of the two federations are different. He describes the ideology of the FEDUSA membership as that of self-actualisation as propagated by Maslow. 'Our members are responsible when tackling the challenges facing them. They are generally more



moderate and think things through. FEDUSA can take action, but only when all avenues have been explored and plans have been ignored. For COSATU, striking is an easier resort. Our members do not see striking as adding value to the job creation debate, not at this stage anyway.'

The socialist ideology, according to Milani, means each according to his or her ability, each according to his or her need. 'All resources are pooled and then divided whether someone is entitled to it or not. The ideology of self-actualisation says if you work harder and make a difference you will bear the fruits. The approach of FEDUSA is "come to work, make a difference and get the reward".'

So does Milani think the two federations use different models of unionism? 'At the end of the day both federations are looking after the interests of their members and affiliates. That is the core function of both. You can lose that focus if you look at broader issues such as politics. It must only give you perspective, not cloud your vision.' Milani believes that between the two federations 'there is 80% similarity. On the other areas we agree to disagree.'

## FEDUSA's unionism

From what Milani has said it seems that FEDUSA practises a model of business unionism. Milani identifies self-actualisation as one of the key elements of FEDUSA's ideology. This compares with Faulkner's first assumption regarding a move away from collectivism towards individualism. Milani talks about individuals getting rewarded for their hard work and moving up. FEDUSA, however, does get involved in collective action. An example is last year's public sector strike where it came out with COSATU.

Similar to another of Faulkner's assumptions, FEDUSA is less militant than

COSATU. It would not consider striking very easily. Milani also describes the members as more moderate and emphasises that labour must be responsible.

FEDUSA is not involved in organised politics and Milani talks about not allowing politics to cloud one's vision. This is in line with Faulkner's assumption that union involvement in organised politics takes a back seat.

However, this does not mean that FEDUSA does not engage the state. It does so in tripartite bodies like Nedlac and through its parliamentary office. This points to elements of strategic unionism such as being concerned with the functioning of government. Another part of strategic unionism is the provision of training. FEDUSA prides itself on the training it provides to its members and affiliates.

## COSATU's unionism

A few years before South Africa became a democracy COSATU started using strategic unionism to be able to contribute to the new dispensation. It engaged employers on issues beyond wages and working conditions and government on issues like reconstruction and service delivery. The federation made inputs in tripartite bodies, gave submissions to parliamentary committees and came up with intricate policies. Strategic unionism is often used when a federation loses power but gains influence.

However, in the case of job creation the adoption of strategic unionism might have failed. Part of the motivation for striking was that COSATU felt it was not being taken seriously at Nedlac. In other words, it started losing some of its influence. By embarking on the general strike, the federation might have decided to go back to what worked really well for it in the 1980s, social movement unionism.





*Labour has called for the development of labour-intensive production to create more jobs.*

COSATU realised it lost some of its influence and hence decided to show that it still has some power by striking.

One of the first things it did at the start of its job creation campaign in 1999 was to meet with non-governmental and community organisations. At these meetings COSATU spoke about its concerns and plans regarding job creation. This way COSATU made sure these organisations understood COSATU's campaign and tried to win their support. This is in line with social movement unionism.

For the job creation issue, COSATU used two elements of social movement unionism: the militancy and the close relationship with the community. However, it did not use the other part, abstentionism. The federation did not threaten to pull out of Nedlac or other institutions.

## Conclusion

COSATU and FEDUSA are clearly practising different types of unionism, and not different tactics of the same kind of unionism. FEDUSA fits clearly in the

business unionism model, although it uses some elements of strategic unionism.

COSATU, on the other hand, adopted a social movement unionism model for its job creation campaign. However, this temporary flexing of its muscle does not place COSATU back in the social movement unionism category. It still adheres to the criteria for strategic unionism. It reverted back to using social movement unionism as strategic unionism did not yield results on this issue. COSATU might continue to do so if it loses influence in other spheres or if it feels government is forsaking the working class.

The fact that these two federations practise such different models of unionism could create problems when they, with NACTU, have to put forward unified labour responses at Nedlac, for example on job creation. ★

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