



GODONGWANA  
ON THE  
SOCIAL  
CONTRACT

Industrial  
restructuring and  
the social contract:  
reforming  
capitalism or  
building blocks for  
socialism?

*"Comrades, the issue here, is  
which path to follow. It is  
either the Swedish or the  
Cuban route"*

*- trade unionist explaining  
the debate on the social  
contract to workers.*

Considering current debates on the role of a social contract in South Africa, ENOCH GODONGWANA\* argues against both the social democratic model and dogmatic adherence to Marxist models. A social accord in South Africa, he argues, has to engage with reforming capitalism but in such a way as to transcend social democracy and incorporate a socialist perspective.

**B**oth the Swedish social democratic model and the Cuban Marxist model are in crisis today - for a variety of reasons. It is not to them that we in South Africa should be looking for models for a new society in our country.

In South Africa today it is widely envisaged that industrial restructuring will be a product of negotiations between the government, business and the trade unions. This implies that the process will produce various agreements that could, together, constitute a national accord or social contract.

A social contract or accord is an agreement by major stake holders in society - notably organised labour, capital and the state - to give content to common objectives of economic growth, employment creation and better standards of living for the whole population.

### **Implications for socialist transformation**

What are the implications of this for a socialist transformation? The answer to this question divides socialists. Alex Callinicos, whose 'blood runs cold' when he hears talks of social contracts, argues that the social contract will undermine the struggle for socialism. South African trade unionist Geoff Schreiner, on the other hand, argues that "under certain circumstances, taking into account the balance of forces, such accords, contracts, pacts, agreements might be necessary for tactical reason."\*\*

Because social contracts have been concerned with reforming capitalism, they are simply rejected and anyone who argues that they should be explored is immediately labelled a social democrat. It is important for those socialists who reject social contracts not to resort to Marxist rhetoric and dogmatism but to provide answers to

questions facing the working class today.

What do we tell the 9 000 workers in the tyre manufacturing industry when tariffs are removed and their jobs are at stake? Do we tell them to wait for a socialist revolution?

When the jobs of the workers are threatened, when the bosses increase their prices thus attacking the living standards of the workers etc, we should respond by putting demands to capital and, if need be, to the state. If these demands are not met we must take mass action. These issues are important for mobilisation and building strong organisation which are the keys to success of any revolution.

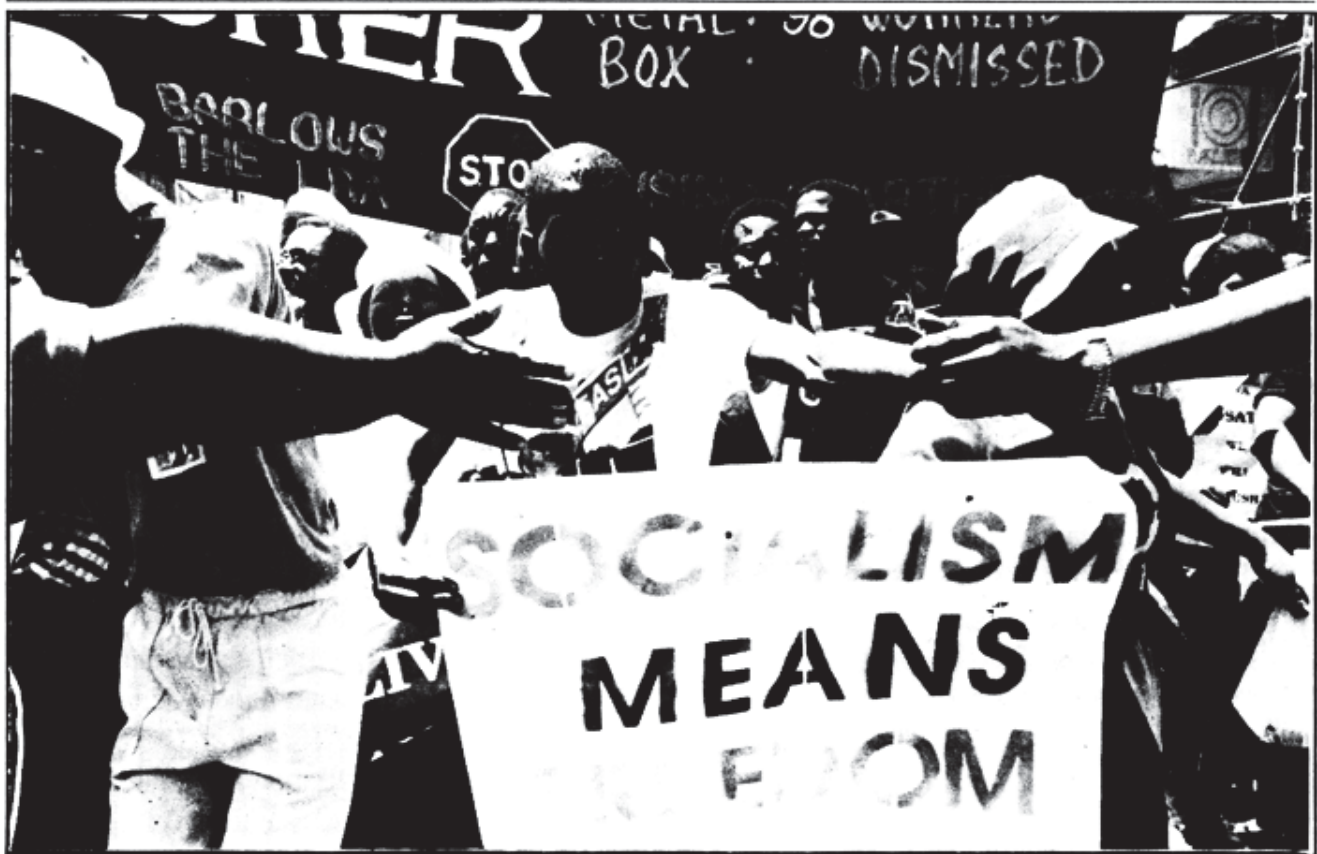
Such organisation is not built around abstract demands and nor should socialism be. "The embryo of an authentically socialist form of society" referred to by Callinicos, and which exists in the workplace, is not a decree from God. It is a product of methods of struggle that combine advances and - under certain circumstances - tactical retreats to make way for further advances.

Geoff Schreiner argues that negotiations with capital and, when necessary, recourse to mass action, are at the heart of the normal processes in which trade unions are involved all the time. We are told by Callinicos, however, that we should not reproduce industrial level methods of struggle at national level. His reason is that "organised labour confronts a capitalist class possessing resources - access to the state, control over the mass media, the ability to mount an investment strike which greatly enhances its bargaining position over questions of long term policy".

Surely Callinicos must show that there is something which prevents the capitalist class

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\*\* (SA Labour Bulletin Vol 16 No 1 July/August 1991)



*Socialism means freedom: can a social contract get us there?*

*Photo: Steve-Hilton Barber*

from using these resources when the workers engage it, for instance, at industry level. He concludes by warning that if his "analysis is correct, then the social contract should be avoided like a plague". I argue that his analysis is not correct.

### **Reforming capitalism**

Clearly the social contract is not intended to make any fundamental transformation of society but to reform capitalism. But that is not enough reason for its rejection. If the working class had seized power and instituted its class rule, talk about social contracts would not be necessary. The issue should be approached in the context of the unfolding political situation in our country.

But what will the nature of the post-apartheid society in South Africa be? What are the challenges and contracts which will face the working class in that society? What tactical zig-zags will the working class make in that context? The present negotiations will lead to an ANC-dominated government (assuming the right wing don't disturb the process). There is also no doubt in my mind

that an ANC government will make fundamental transformations beneficial to the poor. However, the immediate post apartheid society will not be a socialist one.

Both now and during the post apartheid period, we need to engage both capital and state to defend ourselves against attacks on the living standards and job security of the workers. Our defence will take different forms which may include mass action and at times negotiations. It is clear that capital will not negotiate itself out of existence. Any agreement reached will be characterised by trade-offs between the contending forces. The nature of such trade-offs and the final product that emerges in the form of a social contract or accord will reflect the balance of forces.

### **Engagement informed by a socialist perspective**

Assuming that the above characteristics of post apartheid society are correct, then the need arises to address tactical and strategic questions facing the working class. I argue not for abstentionism but for engagement, which of course, may lead to

a social contract. Critical to me is how that engagement takes place. It must be informed by a socialist perspective.

This means that a social contract reached should be seen not as an end in itself, but as a building block for further advance. The contents of the contract, therefore, should not preclude mass action on our part. The negotiations should be characterised by mandates and report backs. The demands negotiated must be clear for workers to understand.

The above are critical for a working class approach to the question of social contract. Traditionally the contract has been a product of deals between the trade union bureaucracy, capital and state without involving the masses. The bureaucracy would then sell the final product to the workers.

In dismissing Callinicos's argument, we recognise that our approach to the social contract *can* lead to social democracy and only reforming capitalism.

Statements by leading figures in COSATU reveal a tendency towards social democracy. Alec Erwin, for instance argues that "restructuring could be broadly defined as significant and discernable changes in the patterns of output, input, cost structures, employment, employment practices and industrial relations, markets and production methods". Absent in this definition is the whole question of ownership and therefore the class content and orientation of the restructuring process. (One should, however, treat Erwin's speech with caution: it was made to an audience of businessmen).

This is further complicated by Sam Shilowa's conception of "equality in the system". He says it has to be a system where shop stewards are party to decision making. Then it becomes a joint responsibility for managing capitalism. This form of restructuring is not informed by a socialist perspective.

### **Transcending social democracy**

Social accords have been achieved in certain social democratic countries within the framework of capitalism.

Contrary to common perceptions, social

accords do not necessarily entail a prohibition on strikes by workers. They are discouraged by the contents of the social contract from striking against the common interests of all. It is not, therefore, what is contained in the social contract but the ideological outlook that informs it that is important.

Social democracy in some countries, such as Sweden, did improve conditions of the working class. It provided better living standards and better working conditions and social environment for the working class. These improvements cannot be ignored. But socialism must not only provide the above, it must also deliver what social democracy cannot do. It must genuinely empower the producers so that they have control over what they have produced.

Socialism needs to transcend social democracy. We need to approach the debate on social contracts creatively, guided by a socialist perspective and working class democratic practices such as accountability of leadership, mandates, reports and mass action if demands are not met. There must be no compromise on fundamental issues.

### **Restructuring informed by a socialist vision**

The socialist vision means a society where the means of production are to a large extent controlled by the producers (ie workers) themselves and social wealth or production is used for the benefit of society as a whole. I say "to a large extent" because I assume the continued presence of private property, as socialism is a transition between capitalism and communism and contains the ingredients of both.

In short, I argue for restructuring which is informed by a socialist perspective and which is characterised by working class politics and democratic practice and accountability of leadership.

Callinicos and others who hold similar views, may argue that this approach does not have any historical precedent but the same could be said for their approach.

All these approaches must be debated and hopefully some common ground will be reached. ☆