

NEDLAC —

corporatism of a special type?

Throughout the 1980s corporatism was in retreat. The trend was the same in one country after another. In Britain, a weak legacy of corporatism was defeated by Thatcherism; in Sweden a strong legacy was weakened by 'globalisation'. Among advanced industrialised countries, the trend was almost universal. Almost, but not quite. "For just when the rest of the world was moving away from corporatism, Australia was firmly embracing it" (Archer, 1992, 377)

However, just as Australia seems to be moving away from corporatism, South Africa appears to be trying to defy the global trend (Baskin, 1993). The launch of the National Economic Development and Labour Council (NEDLAC) this February is the clearest institutional manifestation of a shift towards 'bargained corporatism' in South Africa

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NEDLAC represents a unique attempt to forge consensus on economic and



social policy issues.

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highlights potential

stumbling blocks in

this process.

Multipartism

Corporatism is a policy style that entails consultation and negotiation beyond the parliamentary actors to unions, employers' associations, or other interest groups. NEDLAC is not a typical example of corporatism. In addition to the 'Big Three' that characterises classic corporatism — government, organised labour and organised business — NEDLAC consists of a fourth constituency — 'community and development'. The difficult process of appointing organisations to represent this constituency began after NEDLAC's launch

The central idea underlying a multipartite council is

to prevent a narrow corporatist arrangement between the 'Big Three'. The reasons for such a model were put forward as early as 1992: "(A multipartite) model would be based on guaranteed representation for the organisations of civil society, with a mass base and definable national interests, which are independent of the state and not contesting parliamentary power. In this conception, women's groups, associations of the unemployed and the aged, consumer and rural organisations, and so on, would be guaranteed the right to participate in ongoing negotiations in appropriate bodies on key aspects of state poli-

cy, together with the 'Big Three' " (Bird and Schreiner, 1992, 28-29).

Deciding who to appoint to represent the community is only one of the many challenges facing this ambitious attempt to democratise economic and social policy. But evidence suggests that South Africans have the right approach. Corporatism is the best way of carrying out a programme of economic reform in a new democracy. Przeworski, in his latest study, gives reasons why:

- Consultation may improve the quality of the decisions;
- Negotiation may serve to build political bases of support for the continuation of the strategy of economic reform;
- It helps consolidate democratic institutions (Przeworski, 1993).

But corporatist policy style has problems. Firstly, the government may want to consult but it may not find partners who are sufficiently representative to consult with. Secondly, the parties that they want to consult with may not be willing or able to make the kind of compromises that corporatism demands.

Reaching consensus

NEDLAC's roots lie in the National Economic Forum (NEF) formed after the November 1991 stayaway when COSATU rejected the unilateral imposition of VAT. By merging the

National Manpower Commission (NMC) and the NEF, the Government of National Unity hopes to create a new way of making economic and social policy.

NEDLAC's central objective is for the four mandated constituencies to reach consensus and conclude agreements on economic and social policy before they are debated in parliament. The Council is also charged with the task of reaching consensus on all proposed labour legislation. Their first challenge will be to reach agreement on the draft Labour Relations Bill before it is submitted to parliament.

Agreements will be finalised in the Executive Committee of the Council, which consists of eighteen delegates per constituency and which meets quarterly. However, the real work will be done in the four chambers: the Labour Market Chamber; the Trade and Industry Chamber; the Public Finance and Monetary Policy Chamber and the Development Chamber. These consist of six delegates per constituency and will draft reports and make recommendations to the Council.

The Labour Market Chamber, for example, consists of 18 delegates. Six delegates represent labour — four from COSATU (Sam Shilowa, Connie September, John Mawby and Peter Daantjie) and one each from FEDSAL

(A Venter) and NACTU (A Matabane). Business and government have six representatives each.

Provision is also made for an annual National Summit of not more than three hundred delegates as an opportunity for feedback on NEDLAC's activities.

A secretariat with 18 staff members will support all NEDLAC structures, processes and negotiations. Ex-COSATU official Jayendra Naidoo is the Executive Director.

Problem areas

Representivity

Two problems underline the enormity of the challenge facing NEDLAC and the nature of corporatist style decision-making. The first problem relates to the representivity of the parties. Last year the National African Federated Chambers of Commerce (NAFCOC) withdrew from Business SA (BSA) announcing that it did not want to be reduced to a ghettoised 'rubber stamp' of what they said was essentially white business 'decision-making'. The launch in February was delayed for over one and a half hours because NAFCOC objected to the fact that BSA had given it only one seat out of the allotted 18.

Since the launch, an interim arrangement gave NAFCOC five seats and BSA the remaining 13. NAFCOC recently lowered its demand to seven seats



NEDLAC Director, Jayendra Naidoo

and is apparently now asking for six. BSA has said that giving NAFCOC more seats would dilute its members' sectoral representation (*Business Day*, 18 April 1995).

Another employer constituency that is not currently represented in NEDLAC is local government employers.

But business is not alone in struggling to make itself representative. Labour is divided between COSATU (by far the largest union federation), NACTU and FED-SAL. Although they presented a united front at the launch, sharp differences exist between them. As yet

we do not have a federation that can be said to represent the diversity of our workforce.

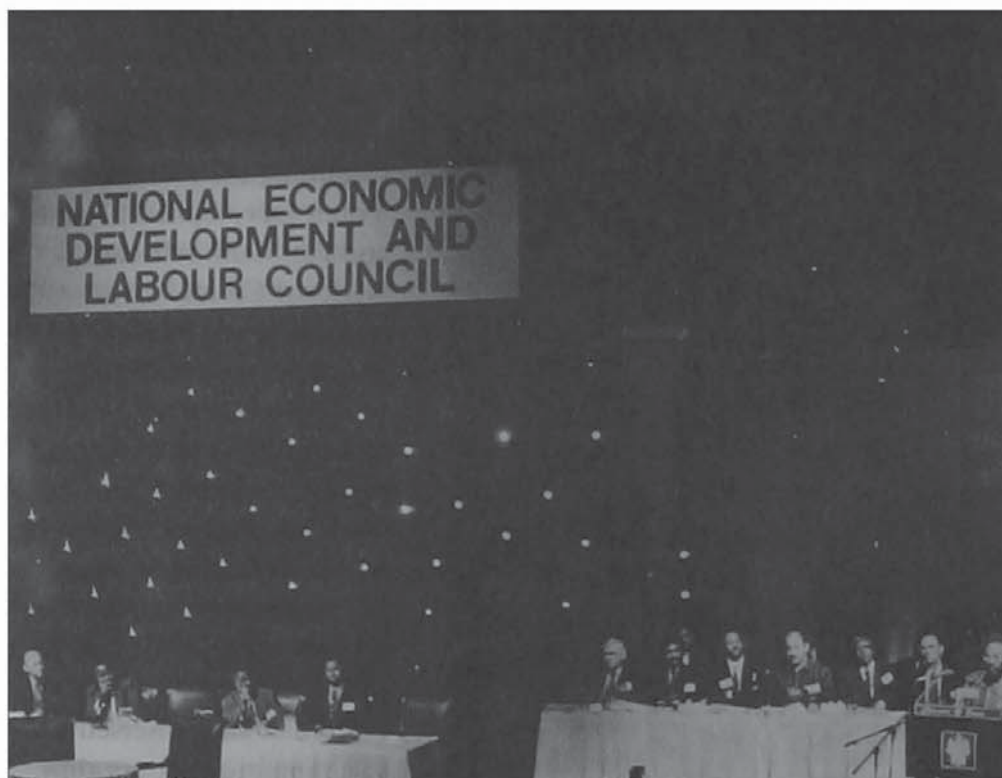
The Community and Development constituency was not even represented at the launch. Applications for membership of this constituency were widely publicised after the launch but the criteria are tough. To be successful, applicants must:

- represent a significant community interest on a national basis
- have a direct interest in reconstruction and development
- be constituted democratically
- be able to get mandates

Although about 60 organisations applied, only three have thus far been accepted — the Women's National Coalition, the National Youth Development Forum and the South African National Civics Organisation (SANCO). Discussions are still ongoing to secure representation for other groupings, including rural communities and the disabled. The community will be represented in the Development Chamber and on the executive committee.

Policy analyst Steve Friedman has criticised the selection process, arguing that it is a case of the government electing "the people". 'He believes that "the way to deepen citizens' involvement in decisions is not to draw arbitrarily chosen groups into government — it is to open government to the voters. This means strengthening representative institutions, not bypassing them. We need to ensure that representatives are more directly accountable to voters, which means changing our electoral system. We need to ensure that parliamentary committees are strong enough to hold officials and Ministers to account, and accessible to citizens" (Friedman, 1995)

Of course Friedman is quite right to call for greater accountability of parliament to the voters, but this misses the purpose of NEDLAC. NEDLAC is an attempt to go beyond parliament to build a broad social consen-



NEDLAC launch

sus by incorporating the key institutions of civil society in the reconstruction of society. This was also the central idea of the RDP when it was launched in January 1994 — that social movements such as the trade union movement, the civics movement, women's groups/movements, youth and student organisations, associations of the unemployed and the aged, would all be part of an organised pact to reconstruct society. Because many of these sectors are the weakest, the poorest and most marginalised, they will experience the most difficulty in developing their capacity. It is for this reason that the RDP states that "attention must be given to enhancing the capacity of such formations to adapt to partially changed roles" (RDP 5.2.7).

Developing the capacity of the weaker parties to NEDLAC must be a priority to enable these parties to participate meaningfully in policy making

Making compromises

This leads to the second problem: the organisational capacity and willingness of the parties, especially labour and the community, to make the kinds of sacrifices that corporatism requires. COSATU president John Gomomo opened his talk at the launch by disagreeing sharply with President Mandela's opening speech in parliament the previous day. In this speech, Mandela spoke about "taking the war to the anarchists". Gomomo responded by warning against "watch-hunts against workers". While making it clear that he was not defend-

ing "anarchists", he asserted workers' right to peaceful protest.

Gomomo's remarks get to the heart of the problem facing NEDLAC. Our transition to democracy is taking place under conditions of economic crisis. "This," writes Przeworski, "is the source of the dilemma facing new democracies: how to create incentives for political forces to process their interests within democ-

atic institutions when material conditions must decline in the foreseeable future" (Przeworski, 1993, 5).

In other words, government expects union leaders to deliver restraint — plus increased productivity — from their members. They are expected to play a dualistic role, first, that of sacrificing their narrow interests to the overall demands of national development; and second, the representation of the job interests of the rank and file members. The argument for the reversal of the primary role of unions to be developmental rather than representational is based on the belief that trade unions represent a small and allegedly privileged proportion of the labour force.

But our leading unions have emerged in the context of a democratic political cul-

ture — a culture that emphasises accountability, mandate and report-back. A recent survey among COSATU members nationwide identified the persistence of a tradition of direct participatory democracy among the rank and file, where elected leaders are expected to be accountable and report back to their members. If the new government fails to deliver, they claim they will resort to ongoing mass action to force the government to live up to its electoral promises (Ginsburg, *et al*, 1995).

Economic reform is likely to lead to job losses and wage restraint in certain circumstances. This will raise real tensions within the trade union movement. Above all, it could widen the gap between a leadership drawn into compromises in NEDLAC and the rank and file on the shopfloor.

Evidence from new democracies is that a social policy must be put in place before restructuring if a commitment to democracy is to remain. Social expenditure in Spain, for example, increased from 9,9% of GDP in 1975 to 17,8% in 1989. This expansion of social expenditure reduced the effects of reforms on the groups hurt most drastically by the process and convinced people that the extension of social citizenship was a credible promise of democracy (Przeworski, 1995, 21).

Debating the LRA

NEDLAC's immediate challenge lies in its aim to reach consensus over the draft Labour Relations Bill. Observers argue that NEDLAC "has to chart a course between two extremes — continuous deadlocking on the one hand, and becoming a rubber stamp for government on the other" (Steyn, 1995). I see another danger. There will be a temptation to shelve contentious issues such as workplace forums and "the right to bargain" in order to achieve consensus. This would be a grave mistake. The reform programme must be formulated and implemented as a result of a political interplay of representative organisations inside NEDLAC. This means that the delegates to the Chambers must be well prepared, verbal and written submissions solicited from a range of interests and experts, and differences must be openly debated. It is important that conflicts of interest come out into the open; a false consensus will be self-defeating.

If NEDLAC reaches

deadlock, then these differences must be debated in parliament and the Cabinet must make the final decision. NEDLAC's purpose is to try and build consensus, not to usurp the sovereignty of parliament. In Przeworski's words: "If democracy is to be consolidated, that is, if all political forces are to learn to channel their demands and organise their conflicts within the framework of democratic institutions, these institutions must play a real role in shaping and implementing policies that influence living conditions" (Przeworski, 1995, 216).

The successful functioning of NEDLAC is crucial to economic growth. It is important that the two problems identified be addressed systematically and urgently. NEDLAC is an example of a highly innovative institution initiated by the labour movement in its struggle for democracy and better living conditions for workers. It would be a pity if it were to flounder for lack of resources and political will. ☆

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