
NUMSA's three-year programme addressing the question of power?



NUMSA has made impressive progress in the auto sector, and patchy progress in engineering. At the same time, the union has experienced organisational problems in mobilising members behind the new programme. KARL VON HOLDT assesses the strategy.

Part 1: Progress and problems, 1993-4

In 1993 the National Union of Metalworkers of South Africa (NUMSA) adopted a new 'three-year bargaining programme' which focused on the relation between pay, grading, skills, training and work organisation. This year the union enters its third year of negotiating the programme. What has the programme achieved? Where has it failed? What are its strengths and

weaknesses?

It is particularly important to assess NUMSA's programme now, as it has been highly influential within COSATU — and beyond. Many COSATU affiliates are putting forward similar demands, and the Industrial Strategy Project (see *SA Labour Bulletin* Vol 18 No 1) policy recommendations follow the same thrust.

It is clear that the three-year programme (see box p 14) entails a decisive shift from

NUMSA's three-year programme

The three-year programme is an integrated package of proposals which aim to reduce the number of grades, close the wage gap between grades, and tailor training to provide for continuous upgrading of skills. More specifically, the union aims to reduce the number of grades to five between labourer and artisan, with 10% differentials between grades. This would give workers on the bottom grade 60% of the artisan's rate. Grades would be based on skills held, not tasks performed.

Currently there are 14 grades in the engineering sector, with disproportionate wage gaps between grades mostly occupied by black workers and those occupied by whites, even where skill differences are minimal. There is a differential of 45% between labourer and artisan on minimum rates, and 32% on actual rates. So the union proposals would mean substantial changes.

The proposed training system would allow workers to upgrade their skills and pay by progressing from one grade to another. All workers would gain access to training through paid time off. Skills would be nationally certified and based on standard competencies — thus they would be recognised across companies and industries, allowing job mobility.

Finally, the union argued, this 'broadbanding' of the grading and skills system would allow for new, more flexible forms of work organisation such as team work and multi-skilling, based on more highly skilled workers and the removal of rigid job demarcations.

Since this package of proposals would require lengthy and complex negotiations, and would take time to implement, the union put forward a 'three-year bargaining programme'. Instead of mobilising around an annual round of wage bargaining, the union outlined a series of goals to be negotiated and implemented over three years. For some of NUMSA's strategists there would be less emphasis on negotiating across-the-board increases, since reducing differentials would mean high real increases for a majority of workers, and access to training would ensure long-term improvement of wages.

This bargaining programme would, the union told its members, overcome the legacy of apartheid by removing racist wage differentials and improving pay, providing training and career paths, and removing authoritarian supervision. It would also, the union told employers, improve productivity and quality with more highly skilled workers, flexible work practices and improved working relations. It would push industry towards more skilled, higher value-added production by motivating employers to use the more costly skills they would be paying for.

previous bargaining strategies, which were based on a struggle to win wage increases and improved benefits and conditions: it is a proactive strategy for reshaping labour market and human resource policies, and thereby reforming work relations and practices. As such it is consistent with the concept of 'strategic unionism' (see 'What is the future of labour?' *SA Labour Bulletin* Vol 16 No 8). The architects of this new strategy saw it as a way of transforming the apartheid workplace on the one hand, and on the other providing a union-friendly way of meeting increasing competitive pressure from the global economy.

The three-year programme consists of a system of complex and interlinked proposals. But there are certain key elements that have to be implemented if workers are to experience its benefits. The most important of these are:

- Narrowing the wage differentials between grades by increasing the wages of the bottom grades.
- Grading and paying workers for the skills they hold, rather than the tasks they perform to provide an incentive for improving skills.
- Broad access to training.
- A commitment by management to negotiate change on the shopfloor, rather than impose it.

These key elements are the aspects of the programme employers are most likely to resist, as they entail real costs and real reforms of production.

Progress in the engineering sector

NUMSA has made progress on some aspects of its programme in the engineering sector. But this is offset by lack of progress on key aspects of the programme, and more importantly, by serious weaknesses of organisation and bargaining strategy.

Negotiations in the engineering industry take place in the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industries, which covers 9 000 companies employing 275 000 workers. Over the past two years employers have agreed to:

- Move towards five grades, plus one above artisan, by 1996; the broad definition of grades in terms of skills has also been agreed on;
- Restructure the industry training board to govern all training, not only artisan training, and introduce a modular training system based on industry-wide standards (the board has already been restructured and is beginning to define standards for the 22 sub-sectors in the industry);
- Negotiate a productivity framework agreement governing the negotiation of productivity in the plants — this is nearing completion.

Employers have refused to negotiate on differentials between grades, arguing that this must happen at plant level. There is no agreement on the union demand for paid training leave for all workers, nor is there agreement that pay will be based on skills held.

None of this has yet translated into direct benefits for members on the ground, and, by the end of last year, there were strong complaints from several regions about the progress of negotiations. "There was a constant howling on the ground, that this thing belongs to Head Office," comments Osborn Galeni, regional organiser in the Wits East region of the union. "Even the proponents of the programme began to realise that they were talking to the bosses while the members were not on board."

Officials in the Highveld, Wits East and Wits Central West regions comment that

"this was becoming an executive union", that members did not understand the implications of the three-year programme when it was adopted and were now turning against it, that the programme was not membership-driven and conceived, and that the union lacked the capacity to communicate effectively with members.

Problems arose from the way the new programme was developed in the union. Galeni points out that "the new style and strategy of negotiations came from experts, and there were strong reservations on the ground; people didn't want it at all. The demands came from Head Office." He recalls having to run countless seminars and workshops in the region to educate members about the programme. "I ask myself, does this belong to the people if I have to keep explaining it to them?"

Frustration with the way negotiations were going became apparent last year when the union's two biggest and most militant regions, Wits East and Wits Central West, threatened strike action over the low wage offer from employers. The two regions organised a mass march of thousands of metalworkers — accompanied by a stayaway in the plants — to the Johannesburg headquarters of the engineering employers. Bethuel Maserumule, then regional secretary in Wits East (he has since left the union) commented at the time that the wave of militancy caught the leadership unawares. "The failure of our union to campaign cost our members a better deal," he said after the union had extracted an extra half percent.

This growing dissatisfaction prompted a series of national and regional policy workshops at the end of last year and beginning of this year. These culminated in regional congresses and a national bargaining conference in March. This process essentially endorsed the core demands of the three-year programme, but raised a number of criticisms of how the negotiations had been conducted.

Firstly, there had been very weak linkage between the union's negotiators and the leadership in the regions. Several officials

recalled how in earlier years the chairpersons from factory shopsteward committees would gather at a hall near the negotiating venue, to allow for rapid report-backs and mandates. "If pressure or support for the negotiations was needed, you could immediately decide on an overtime ban the following day in the plants."

Secondly, there had been no effective campaigns in 1993 or 1994. The union also failed to call national bargaining conferences

Thirdly, the union and employer negotiators had set up three specialist working groups at the Industrial Council to negotiate aspects of the three-year programme. Regions felt that issues got "buried" in the working groups. According to Osborn, "There was no movement. Issues were always referred back to working groups. There was nowhere where you could say we have reached deadlock. You did not know when to fight and when not."

There was a danger, as NUMSA general secretary Enoch Godongwana put it, of the union strategy becoming increasingly "technicist". There was a growing gap between leadership and base, with the possibility that the union would lose its democratic and militant tradition.

The bargaining conference agreed on several measures to overcome these problems:

- A national programme of regional and local shopsteward meetings linked to the key negotiating dates, so as to ensure continuous report-backs and mandates, and mobilise members for action if necessary.
- A campaign around the core demand: "Close the apartheid wage gap!"
- Negotiations centred on the plenary sessions at the Industrial Council. Working groups will not be allowed to take on a life of their own.
- Collective bargaining "restored to the centre of the union's focus".

The months of consultation preceding the bargaining conference already provide the basis for a new negotiating strategy. "This year is totally different," comments Galeni. The process took the form of a report and

review of strategy. "We reported what was demanded, what was achieved, do we pursue it or drop it?" Members learnt about some gains with regard to training and reducing the number of grades. They realised that if they throw away the three-year programme they would lose all these things. "This year the demands really come from the floor, down at the ground — from meetings at workplace, local and regional level."

According to Galeni, workers concentrated on demands for a wage increase, for training ("we are the first to be retrenched because we have no skills") and closing the wage gap ("on that one workers can strike"). Wage militancy was reflected at the bargaining conference when most regions pressed for a demand of 25-30%. It was only after lengthy debate and some pressure from national leadership that the demand was finalised at 15% across-the-board plus 5% for all grades below artisans — which means a 20% demand for most members

Progress in the auto sector

In contrast to the engineering sector, the auto and tyre sector has made impressive progress on the three-year programme. "We have effectively won the right to co-determination of human resource policies. Apart from work organisation and productivity issues, we have reached agreement on 80% of the programme," says auto organiser Gavin Hartford. The final 20% will probably be agreed on this year.

Negotiations in these sectors take place in the National Bargaining Forum, covering 25 000 auto assembly workers in seven companies, and the Industrial Council for the tyre industry, covering 8 000 workers in three companies.

NUMSA has been able to make this progress because of the compact nature of the auto assembly and tyre industries, relatively similar production processes and conditions in the plants, and militant organisation. The same factors have allowed much tighter co-ordination of negotiating strategies and mass mobilisation — which accounts for the five-week auto strike last year.

So far the union and the auto employers have reached agreement on:

- Reducing the number of grades between labourer and artisan to five, plus two above artisan, by 1996; the broad definition of grades in terms of skills has also been agreed on,
- 10% differentials between grades on minimum rates, not actuals;
- An auto industry training board has been established with agreement that a modular training system with industry-wide standards and portable qualifications will be drawn up,
- Providing adult basic education (ABE) to bring all employers up to GEC level (Std 7) within six years;
- No change to work organisation (for example, introduction of teams) in the plants until a framework agreement governing such changes has been agreed on at industry level

The final element, to be tackled this year, is reaching agreement on how to reach 10% differentials between actual wage rates. This means that everyone on a grade should receive the same actual rate (currently there is a wage spread of R5-R15 within each grade), and that the differentials between actual rates should be 10% (the difference between actual rates is much greater than between minimum rates, as more skilled workers earn way above the minima). NUMSA and the employers have reached broad agreement that this will be achieved over the next two to three years, and are currently negotiating how to get there.

Hartford argues that, if the skill-based system proposed by the union is to work, it is essential to move away from the current dualistic system of minima and actuals, towards a single, coherent system of actual

rates with established differentials.

"Otherwise there is no clear career path based on skills, and no incentive to increase your skills."

Apart from ensuring that its wage goals are met, NUMSA is focusing on the delivering of ABE to its members. VW, MBSA and Samcor have agreed to collectively spend some R26m on full-time courses for about 800 workers this year. Hartford sees this as essential to equip workers for meaningful

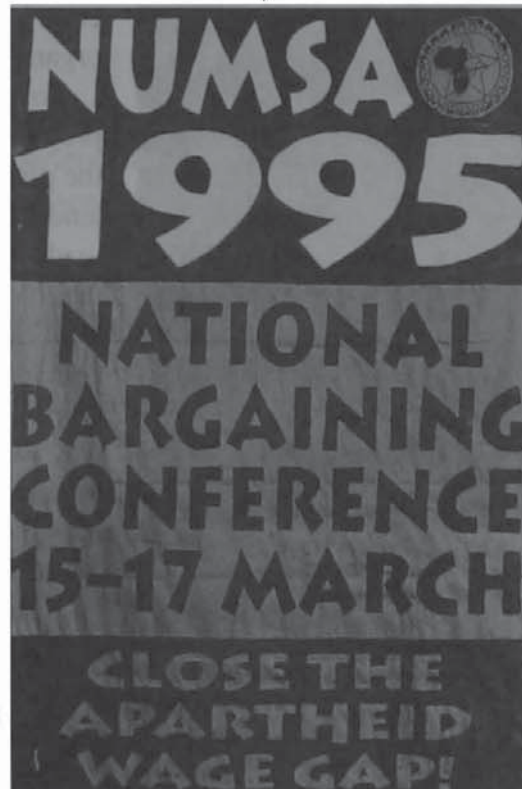
skills training, as well as improving workers' ability to find other jobs should they be retrenched. "We have built ABE into our skills framework. This is a strategic question — can you really have multi-skilling without basic education? On the other hand, building ABE into the skills framework can be a barrier for workers, especially older workers, who don't see themselves as able to cope with formal education"

While agreements have been signed on the other areas of the three-

year programme, implementation is a "nightmare", according to Hartford "We lack the capacity to exercise control over implementation"

For example, auto employers do a lot of technical training — but it takes place through each company's in-house training programme. Since technology, production systems, job descriptions and work organisation differ from company to company, training courses and their definitions of standard skills differ. Disputes and resistance among employers hamper the training board's ability to establish standards and develop course modules. The board has no full-time employees.

But the problems of developing a coherent training system go deeper than this.





Metal strikers, 1992: can the new NUMSA programme improve their working lives?

There are three dimensions to developing a training system: the human resource people who design the framework, the training experts who design courses, and the production people who build cars — and “these three often don’t meet”, says Hartford. Changing technology makes specific skills modules redundant. Hartford comments: “We’re very good on generic skills, very poor on specifics.”

These problems may also point to practical limits to basing specific operational training on generic, portable, industry-wide skills.

On the shopfloor: work organisation, productivity

Most NUMSA officials interviewed agreed that shopfloor change is the most crucial arena to intervene in, and that it is the least developed aspect of the three-year strategy, despite ongoing debates within the union over the past few years.

The union has reached internal consensus that productivity bargaining at plant level should take place within a national framework; that employment security is a condition for agreeing to change; that workers must share in the fruits of improved productivity; and that training must be an element of any project to improve productivity. But the union continues to debate and experiment with different approaches to concrete issues of changing work organisation.

Some advocate teamwork as a progressive goal to implement in the plants, and union documents tend to support this. The point was made at the bargaining conference that the three-year programme implies teamwork: “Why are we demanding a highly skilled, trained workforce if we don’t change the way we work? We will be flexible but not work flexibly if we don’t move to work teams.”

Others take a more defensive view, emphasising that team work is being implemented by employers,

and that shopstewards need to intervene to ensure that workers don’t discipline each other, that team leaders are rotated, that workers are not overloaded through multi-tasking, and so on.

As Godongwana puts it, “Do we say no to these changes, or do we say to employers, if you are going to change work, this is how we want you to do it?”

NUMSA is currently negotiating team work in the auto sector, and auto organiser Gavin Hartford raises a number of concerns. Workteams “allow the employers for the first time to organise our members — and ultimately to disorganise the union and collective bargaining by devolving all kinds of incentives and benefits to teams.” Secondly, recent international research shows “no direct correlation between teamwork and improved productivity”. Thirdly, employers do not concur among themselves. While

some employers are moving in the direction of teamwork, others prefer more traditional mass production methods — and have better productivity records

“It’s not clear that one production philosophy or approach to work organisation is better than another. Some operations make teamwork appropriate, others don’t. Should the union be pushing for teamwork generally?” wonders Hartford.

Part 2: Strengths, weaknesses, prospects

The question of power

In the first two years of negotiating the new programme, the union has experienced severe organisational problems (see pp 15 and 16).

This experience illustrates two points. Firstly, if the union is to maintain itself as a dynamic, democratic and militant organisation, it will have to continue mobilising members in campaigns around their needs

Secondly, the union will have to rely on its organisational strength — and its capacity to struggle — to overcome employer resistance to aspects of its programme. In other words, the union’s ability to win its demands is a question of power.

Over the past two years, NUMSA has given the impression of concentrating on “soft” human resource issues like grading, training and work organisation where employers’ co-operation could be sought, rather than on power issues. This impression was reinforced by the negotiation strategy in the engineering sector, in which technical issues took precedence over mobilisation, struggle and internal democracy. The union did not put up any fight over the key issues such as wage differentials and access to training

This weakness is at its greatest in the union’s approach to workplace reform. The union programme comments vaguely on the need for “consultative committees” in the workplace, and the desirability of multi-



NUMSA's tradition of militant organisation: reportback meeting to striking metal workers, 1992

skilled workteams. There has been no mobilisation around demands for such committees or their rights and powers.

The ambiguities of changing work organisation — and team work in particular — have been noted above. It is certainly in the union's interests to engage with these issues in order to protect its own and its members' interests, and where possible to contribute to production efficiency and quality.

But in many cases, the main thrust of management's endeavours will be the drive to intensify workers' workload — and where this is unreasonable, the union will have to resist. As Hartford notes "the bottom line is control of the line speed, cycle times and manning levels. This is more important for productivity and our members' working lives than 10 000 work teams." There is *de facto* consultation with NUMSA on these issues in the auto plants, but the union wants a written agreement to that effect. Employers "resist like hell" this degree of co-determination in production. In other words, power is crucial to struggles over work pace and conditions.

It is ironic that the rights of the workplace forums, as proposed in the draft LRA, do more to shift power away from management and towards labour, and democratise the workplace, than any aspect of the NUMSA programme. It is a major weakness that the union programme has not focused on demands for state-supported co-determination rights, and thus paved the way for the proposals in the draft LRA.

There are several reasons for the weaknesses of the past two years. The three-year programme is dramatically different in perspective and complexity to anything that has gone before. It has taken time for a broad layer of NUMSA's leadership to come to grips with it, especially in the context of the loss of key strategists and negotiators to government. At the same time, union energies were concentrated on the ANC election campaign.

The complexity of the programme, too, does not make campaigning easy. Negotiations become highly technical and drawn out. The organisational problems

experienced last year flow, at least in part, from the very nature of this kind of negotiations.

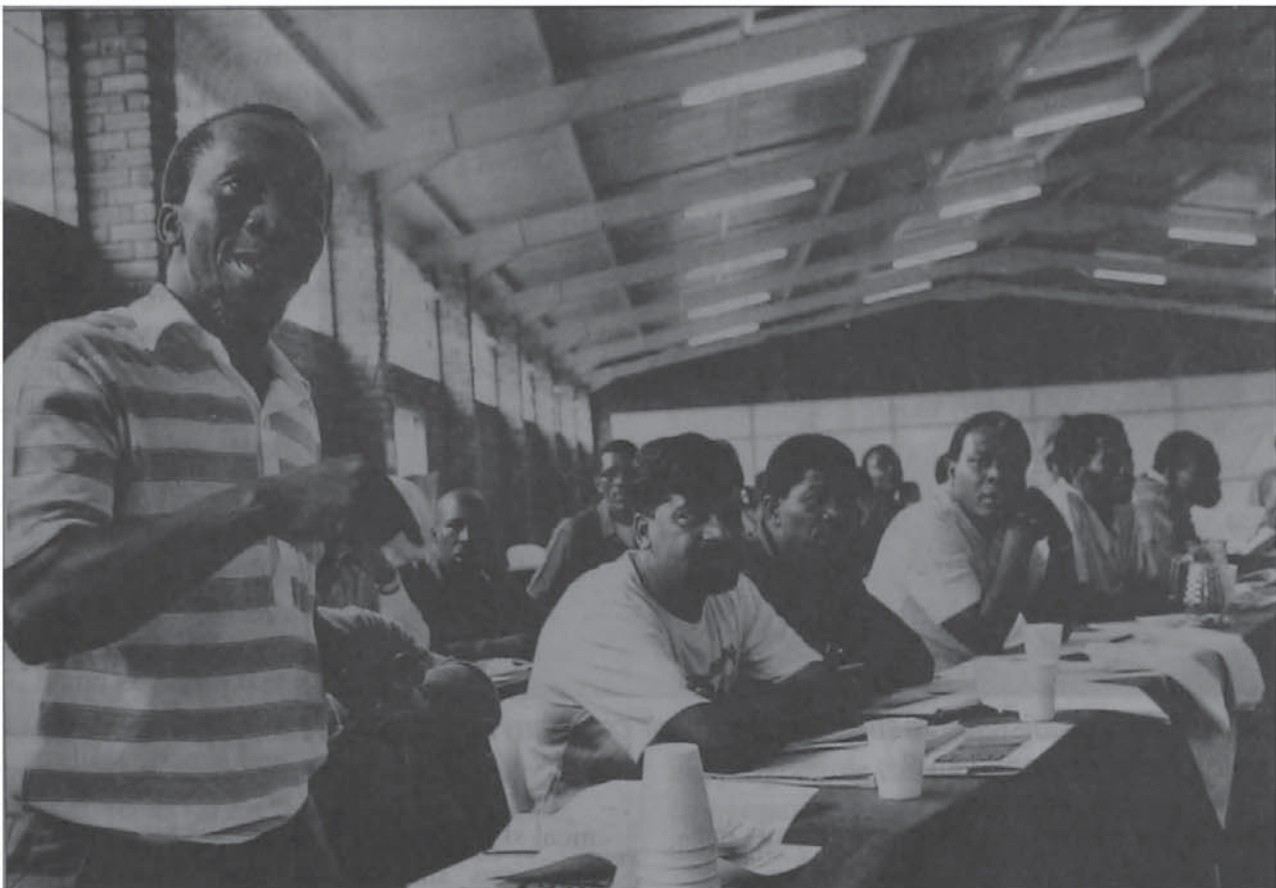
The key then is to be able to distill core elements of the programme into clear, simple demands that members can understand and mobilise around. This year the union seems to have succeeded in doing this with its core demand to close the apartheid wage gap.

But a closer look at the actual wage demand suggests that this may not be so. The union demand — for 15% across-the-board plus 5% for all grades below artisan — may fractionally improve the rate of non-artisans in relation to artisans, but it will do nothing to close the wage gaps between all the other grades. In essence, then, it is a traditional wage demand based on traditional wage militancy.

This suggests that union delegates at the bargaining conference are not fully committed to — or do not fully understand — the implications of the three-year programme, or that the union leadership has not yet formulated a clear set of proposals for closing the gap. The real test of whether NUMSA is fully behind the programme will be whether it can mobilise its members on the demand for 10% differentials, to be achieved over a set period, or the demand for broad access to training.

Three years — or ten years?

It seems clear that NUMSA's 'three-year' programme is more like a ten-year programme. While the auto sector may reach agreement on all or most components of the programme by the end of this year, implementation will take at least another four years (to reach target differentials, regrading of all jobs, a new training system up and running). Can success in the auto sector be reproduced in engineering? The engineering sector is far more complex. It includes processes as diverse as steel-making, assembly and jobbing, in enterprises ranging from massive plants to small workshops. It may take several more years simply to win employer agreement to the basics of the programme. In the meantime, some implementation may occur — but in a piecemeal and ad



Backing the three-year programme: NUMSA's national bargaining conference

hoc way. Many members will not see benefits for a long time. In the motor sector — covering garages, components — negotiations on the programme have not even started.

The slow progress in reaching agreement and implementing the programme is exacerbated by the lack of capacity in the training boards, in NUMSA and among employers. But there are other, deeper reasons why the training, grading, multi-skilling programme may benefit only a minority of NUMSA members

A major premise underlying NUMSA's three-year programme is that progressive human resource policies that focus on recognition of skills, lifelong training, career pathing and grading will drive industry towards a high-skill, higher value-added, higher technology and more flexible and varied production regime (variously called 'intelligent production', 'flexible specialisation' or 'post-Fordism'). This premise is questionable. International research suggests that production of this sort is confined to enclaves of industry in some countries with

historically high levels of technical and general education, and questions whether it can be widely reproduced (see for example S Woods' 1994).

Surveys suggest industrialists in SA anticipate moving towards higher-skilled work, and training is vital to facilitate this. But it is questionable whether this will need or rest on a system of 'intelligent production', lifelong training and upgrading. Highly skilled technicians, multi-skilled artisans, and more highly educated and skilled operators will be needed. Labouring jobs may be mechanised. But most production processes are likely to continue resting on a large majority of routine assembly, machine-minding and operating tasks. Most of these workers are likely to be trapped in such jobs for life, and skills programmes are unlikely to touch them. In other words, the union grading and training programme will benefit the industry and groups of workers, but may not deliver much to most members (see Kraak: 1994).

Godongwana argues that training is the central issue facing workers deprived of edu-



Shop stewards discuss restructuring in their company: does the union have the capacity?

grades without narrowing differentials, or a skill-based system and new training courses but no general access to training. This could leave workers worse off than before: flexibility and multi-tasking with increased workloads at low wages, with training requirements as a barrier to upward mobility. Agreements reached on a training system that provides broad general education and generic skills as well as narrow technical

skills may be undermined by a 'cost-conscious' state and employers (Kraak 1994: p 35). This again could seriously limit the benefits of the programme to union members.

education and training by apartheid. This is particularly so because unskilled workers are likely to face redundancy as industry moves towards more skilled production. The focus on skills and training, he points out, provides the means for addressing the way the apartheid workplace has defined the role of black workers.

To deal with this problem, NUMSA will on the one hand have to balance the ability to continue fighting for the implementation of its programme, and the broadest possible access to it, and on the other, continue to mobilise around traditional collective bargaining demands: general wage increases, shorter working week etc. For example, this year NUMSA's demands include the demand for a 40-hour week with no loss of pay (from the current 46 plus 1,5 hours compulsory over-time).

Given the difficulties and constraints on making progress at industry level outside the auto sector, attention may have to shift to fighting for change in chosen companies.

This is certainly true, and the enthusiasm of NUMSA's members for these demands shows that they appreciate their significance. However, there is a real danger of disillusionment as it becomes clear just how slow and uneven the changes will be. This is particularly true of the union's most vulnerable members — unskilled, illiterate, older workers who will find it extremely difficult to benefit from ABE and technical training programmes.

It is not that the union programme should be abandoned. On the contrary, it is important for the long-term interests of workers and for modernising the economy. It is simply that the training strategy is unlikely to cater for the immediate and even medium-term needs of the majority of NUMSA members.

A further problem is that, in sectors such as engineering, employers may only agree to bits and pieces of the programme: Five

Too complex for union capacity?

The problems NUMSA experienced in negotiating and mobilising around its three-year programme do raise a crucial question: Can the union drive this programme, or is it just too complex for available union capacity? Does the union risk undermining its own organisational cohesion by undertaking a

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programme such as this? Or is undertaking such an ambitious programme one way of galvanising the union to develop capacity?

It is of course too early to answer such questions with great confidence.

Godongwana points out, "You cannot avoid complex technical issues in collective bargaining — you always get to a point where you need experts."

Nonetheless, it is clear that NUMSA has experienced deep organisational problems and tensions over the past two years, and it is not clear that these have been overcome in a way that will allow the union to make breakthroughs on its programme in the engineering sector. Will this year's round of negotiations end in a battle over the across-the-board increase (as happened in the auto sector last year), or will they focus on key points in the three-year programme? And, if they do focus on the three-year programme, will rank-and file dissatisfaction again emerge?

One thing is clear, and that is that if NUMSA is to make serious progress in what is now effectively a ten-year programme, it will have to build capacity at all levels. NUMSA will also have to develop a strategic approach. Once it has reached agreement with employers on frameworks, principles and deadlines, much of the design and implementation will have to be handed over to experts, and the union's role will become a monitoring one. The union will then have to concentrate on areas that remain contentious — like wage differentials, wage policy and access to training.

A struggle for democracy?

The NUMSA programme is a proactive project, an ambitious case of strategic unionism. Despite problems, NUMSA has managed to put forward a comprehensive set of policies and demands around which the union and its members can struggle for real change in their lives — and in the lives of the next generation of workers. There is a potential for shopstewards to use the programme as a set of guidelines to engage with a range of issues affecting the quality of members' lives in the workplace — grading, training, affir-

mative action, production.

However, this potential will only be translated into reality on two conditions: that the union develop its own and its members' capacity, and that the union programme focus on building union and worker power in the industry and the workplace.

The 'three-year programme' should, perhaps, be redefined to place the question of power at its centre. This would require finding dynamic ways of combining expertise and access to institutional power (such as industry training boards, grading committees) with mass participation and struggle; of combining complex policy formulation and negotiation with education that empowers organisers and shopstewards, with clear demands to guide campaigns. Not a simple task, but, without this, the grading and training programme cannot deliver employers' co-operation, greater worker control or democracy in the workplace.

A programme centred on the concepts of democracy at work and the quality of working life would have the advantage of including the 'three-year' programme and going beyond it. Even those workers unable to benefit from continuous training, upgrading of skills and movement up career paths, would be able to engage in struggles over workload, managerial despotism, ineffective supervision, health and safety or their company's role in the RDP. The workplace forums — in one or other form — will offer tremendous scope for such a project. ☆

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COMMUNITY BUILDER

Sanlam helps development through "community builder"

Sanlam is now offering its retirement fund clients the opportunity to invest directly in the reconstruction and development of South Africa. This is made possible by a new investment product from Sanlam Group Benefits called Community Builder.

Mr Hendrik Bester, Sanlam's Senior General Manager: Group Benefits, said that Community Builder is an investment portfolio available to all retirement funds. It would invest in property developments in both rural and urban developing areas.

"Community Builder enables funds to tap into our expertise in these property developments and at the same time make a difference to the communities involved."

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- ❖ Help to bring shopping and entertainment facilities closer to hundreds of thousands of people in developing communities
- ❖ Help to raise the standards of living in those communities.
- ❖ Facilitate job creation both in the building process and in the staffing of the developments
- ❖ Provide skills training,
- ❖ Provide opportunities for local entrepreneurs.
- ❖ Assist community projects which run as a by-product of such developments.

"We are proud to be associated with these investments and are confident that investors will reap the benefits in both the short and more importantly, the long term, as the developments contribute to the reconstruction and development of South Africa," says Mr Bester.