

Have we moved from **Banana** to **Bizarre** Republic?



As Chairman Mao used to say 'We live in interesting times'. If he had been around for the developments that have unfolded in recent weeks he might have thought interesting too mild a term to describe some of the rather bizarre events.

Bizarre would best describe the arrival of Libyan President Moammar Gaddafi and his entourage, which included goat carcasses, weapons and a security force large enough to start or stop a small war. The self-proclaimed ruler of the United States of Africa tried to woo the crowds at the launch of the African Union partly with his excessive wealth, brandished ostentatiously down to his flowing caftans and colour coordinated tin pot hats rivalling those worn by some of our esteemed Cabinet ministers and the late Tinny Voster (wife of the late John Voster).

The Gaddafi show was slightly overshadowed by the marches and demonstrations embarked upon by municipal workers around the country. Striking workers were thereafter, lambasted for their actions for fear of embarrassing the South African government in the face of the leading democratic lights of Africa.

Descending from the sublime to the ridiculously sickening. While events were unfolding in Durban, Health Minister Manto Tshabalala-Msimang

was yet again drawing attention to herself. During the recent international HIV/AIDS conference in Barcelona she allegedly (Msimang now says she was misquoted) informed an American publication that she was being forced by the Constitutional Court to supply nevirapine to pregnant women, which might be 'poisoning my people'. The Constitutional Court ruling places a legal obligation on government to implement a comprehensive nationwide programme for the prevention of mother-to-child transmission of HIV.

South Africa remained in the news at the Barcelona conference after it emerged that a R600m grant from the UN Global AIDS Fund could be in jeopardy because KwaZulu-Natal had not applied for the grant through national government. Back in South Africa the spotlight fell on Treatment Action Campaign leader Zackie Achmat who has refused to take antiretrovirals until government sets up pilot projects for adult use of antiretrovirals. Former president Nelson Mandela met with Achmat to discuss his position as people become increasingly concerned about his health.

While Mandela met with Achmat, delegates were finalising the resolutions and election of office bearers at the SACP's national congress held in Rustenburg. The congress took

place against a backdrop of what was perceived as reemerging tension between the ANC and SACP following a public spat between ANC spokesperson Smuts Ngonyama and SACP deputy general secretary Jeremy Cronin. He accused Cronin of attacking the ANC in public following an interview conducted in January this year (see Redeye). Ngonyama's response - which some in the ANC claim was not the mandated position - merely reinforces some of the tendencies that Cronin warned against. Does our society still allow for open and critical debate? To what extent can a political party survive anywhere in the world if its leadership openly attacks the party in public? Is it correct that there is no debate within the ANC on broad policy issues?

Debating will certainly be the name of the game (amongst other games) during the upcoming WSSD. Let's hope we will be able to sustain ourselves in the coming weeks as our streets are blocked by motorcades and NGOs marching for whatever cause is being paid for. (Might we be presumptuous into believing that they will cover the costs for any damage caused to our streets which they might leave behind as they move onto the next conference!)

Reneé Grawitzky
Editor



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Physical Address: 7th floor,
Heerengracht Building,
87 de Korte Street,
Braamfontein
PO Box 3851
Johannesburg,
2000
South Africa
Phone: 011 403-3075
Fax: 011 403-9873
E-mail: salb@icon.co.za

Editor: Reneë Grawitzky
Subscriptions and marketing: Rugaya Rees
Administrator: Jacquie Dintoe
Editorial assistance: Diane Stuart
Design and production: Blue Apple Publishing
Printing: Natal Witness Commercial Printers Pty Ltd, Pietermaritzburg

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Do you feel the need for greed?

More irreverent postcards from our intrepid reporter

Dear Com,

Been thinking a lot about all the various corruption scandals that keep rocking up in the newspapers. Maybe I am naive, but can you try and explain to me why all of these people, some former comrades, get so hooked into primitive accumulation. The latest revelations about the forestry deal are a case in point. Surely its bad enough that senior public servants take a kick-back for services rendered from privatisation profiteers, but then to spend it on something like a lavish wedding. Now that's really ugly Com when poor people can't buy a coffin for their loved ones. Why mimic the rich? Who wants to be likened to a Northern Suburbs empty headed money bags? The same applies to ex-Comrade Yengeni. What did he want a top of the range 4 by 4 for? To show off? To look cool in? To impress his poor constituents and his pals in government? Made me think. If he really wanted to look wealthy and powerful why not have his ears surgically enhanced to look like Prince Charles, or get a nerd make-over so you look like a clone of Bill Gates. Listen, driving around in a fancy car, or spending ridiculous amounts on a wedding is not cool com. It's positively disgusting when the poor have to scrape around for ten bucks to feed their children.

Think I must start a new campaign against GREED.....Getting Rich at Everyone's Expense is Disgusting...look good on a tee-shirt!

Dear Com,

Have to say I thoroughly enjoyed the Samwu strike, and nearly choked with laughter a couple of times at the bleating about the mess on the streets. In the townships, piles of rubbish like this are an everyday sight! Watched the Samwu coms toyi toying in the centre of Cape Town, and asked one of them who was busy 'recycling waste from below' if this was a good tactic. 'If we don't do this com, we won't make up our lost wages through overtime!' Who says the working class are not capable of thinking and planning for the future!

Brilliant to see Cosatu's Willie and Zweli giving the strike good support and closing up the gaps. We all know there are those who are desperate to isolate Samwu because it is known to have a radical and independent leadership, and isn't one of those unions that is afraid of embarrassing the ANC. Did you hear Roger Ronnie on the Tim Modise show? Jeez, he talks like a relaxed marriage guidance counsellor. Watch out, he could be South Africa's answer to Frasier!

Did you hear the nice old lady from Benoni call in to Tim the Man and suggest that the Samwu comrades should be going for at least R3 000 and that the new South African flag should be changed to include a picture of a fat cat! Have decided to never make a joke about Benoni again.

Dear Com,

What really struck me about the Samwu struggle was the resonance

there was when the salaries of the fat cats hit the headlines. Even chubby pussy Tito of the Reserve Bank couldn't resist saying that the wage gap was a danger to society. Now's the time for Cosatu to pose the GREED Challenge.....Let's ask the rich and the powerful to be open about the wealth they have accumulated, and what they are going to do to lead by example and redistribute their wealth? I can imagine that there would be a few ex-comrades who could win a gold medal at the Commonwealth Games in squirming! Let's get 'em squirming Com!

The two-day general strike called by Cosatu for October could be a good launch date for the GREED campaign. Whenever a plump kitty accuses us of being greedy by wanting a living wage, we can reply 'And what do you earn Meoww Zedong'? By the way, what DO you earn Tito?

Dear Com,

Bad news appearing in the papers about the financial health of the union movement in the country. Seems Nactu is just about ready to accept a survival merger or go under. Fedusa only keeps its neck above water by running a tight little ship at its HQ, and by absorbing more of the independent unions into its ranks. Cosatu is owed millions by its own affiliates!

This is serious Com. Members need to know that their unions are not paying their dues to the federation, and that this is disabling the struggle of the

working class com. A bit of membership scrutiny might do a bit of good too. There are some leaders buzzing around in vehicles and living life styles that must qualify them for a GREED tee-shirt! Its an open secret too that there are some unions in a chronic financial crisis as a result of poor management, or worse. Hey Com, you can't make pious statements about the need for good governance and democratic management and accountability if you are no better than the others at the trough!

Dear Com,

What a sight! Seeing Madiba hug Zachie Achmat. Two dedicated people attempting to inject a little moral fibre into our body politic. Made me want to weep, but must have had the backroom spinners in the President's Office gritting their teeth and wondering how they can bring the old man back into line. And what a contrast to Minister Manto showing her devotion to tackling the HIV/AIDS crisis by rushing home from the Barcelona World Conference on HIV/AIDS before it even started. And what did she rush home for? To mess up the donation from the UN.

Thabo should ask himself a question? What's the greatest liability? Having a minister who uncritically follows your lead, or one who has lost all credibility as the custodian of the people's health? Answers on a postcard please.

Dear Com,

Been thinking about our pals in the SACF. Good news about the dropping of Comrade Privatisation, and Comrade Paranoia from the central committee but it still leaves a lot of questions

unanswered. Not least being whether or not a committed communist of any rank should be colluding with big business in forcing privatisation down our throats. Good to hear also that the leadership of the Party were educated by their own rank and file about how to tackle the thorny question of the alliance. Don't try and 'manage' the debate and the anger we feel ... or else we will sing it out loud! No surprise then when Cosatu coms addressed the conference they received wild support. Hey Com Blade, don't be afraid of being sharp! It helps to cut through the crap!

Hey Com, I read Comrade Cronin's interview on the Internet. This was not the fiery revolutionary statement that was going to threaten civilization as we know it by our Mr Nice Guy. In fact most of it is a rather ordinary justification for doing nothing. But it's an indication of the paranoia that surrounds the President's Office and Lutuli House when even the mildest of criticisms bring forth racist accusations of Comrade Jeremy being a 'messiah'. If I remember correctly a messiah is someone who is going to lead us to salvation ... not socialism! Mmmm I always thought Com Jeremy would look good in a priest's collar! Watch out Tutu!

Dear Com,

This WSSD thing looks like being quite a circus. Am dying to see the 300 plus chubby kittens of the International Labour Movement holed up in Berea and paying R850 a night instead of the usual R250. Hope the overseas comrades take the opportunity to look out of the windows and see life on the streets especially given that workers in the Northern Hemisphere are paying


their bills. This should help them to see what neoliberal economic policies are doing to our people and our neighbourhoods. Where the only option for many young women is to join the world's oldest profession, and the spectre of HIV/AIDS is a life and death reality. Have a lovely stay comrades!

Dear Com,

Very nice of big business to provide a fleet of luxury cars to transport the world's ministers around Sandton too. Maybe someone should tell them this conference is supposed to be about Sustainable Development not Conspicuous Consumption. Hope the limos have got good suspension. The journey to Sandton threatens to be a bumpy ride, well at least I hope so Com.

Made me think Com. Remember what Comrade Fidel did when he attended the United Nations in New York shortly after the Cuban revolution? He went downtown to poor black Harlem to be with the masses rather than hang out up town in Diploland. Needless to say, he received a rapturous welcome. Somehow can't see a line of stretch limos down in Berea, unless they are being used to transport trade union leaders back to their hotel!

Dear Com,

Had a complaint about these postcards. Someone has accused me of being too cynical, and not seeing the positive side of our struggle, and so want to correct that misunderstanding. Here's a joke. What do you call a comrade who has become a millionaire ... answer: a GREEDY bastard. 

Letters

Government must deal with corrupt councillors

The municipal workers' strike has revealed a vastly different and disturbingly hidden lifestyle between the workers who everyday render social services to the communities of South Africa and municipal managers and the councillors who are living the life of luxury with their huge salaries and allowances. The question now is: is Salga a local government employers' body? Or is it the bureaucratic, corrupt and arrogant body that has emerged, where councillors will stop at nothing to fill their pockets with rate payers' money and pull a resistance when workers, who rightly deserve a better life for the work they do, are treated as dogs not as humans.

The government must move very quickly to stop this corruption and to remind these officials and councillors that they are there to serve the people and not to beef themselves with poor peoples' money.

To municipal workers, the time has come for you to be treated as human beings, not as dogs. When the hunters are being glorified the dogs are despised. The dogs that have brought the meat are getting only bones. When they advance for meat, they are kicked out with big boots. There is no justice in this kind of relation.

This battle needs to unite men and women together to fight against starvation wages provided by Salga. Social services are expensive and the price of basic food has skyrocketed. Municipal workers are the victims of

loan sharks because they cannot serve their needs and the family social life.

Workers with their families are swimming in the sea of poverty and pain for so long. They have been working in municipalities for many years but they work to be poor. Whereas the councillors who have just arrived are swimming in the pool of milk and honey, some are dying because they eat too much. Millions of rands for development, social projects for our communities in order to create jobs are disappearing every day in the hands of these corrupt and arrogant councillors.

Now is the time for the municipal workers to say: 'Enough is enough!'

Solidarity and united we stand is the key!

*Thobile Maso
Samwu*

Export growth is good for jobs

Most people would say it is obvious that if you increase exports, this is good for jobs. More output from our factories means more jobs for our workers.

Cosatu economists have criticised the dti's Integrated Manufacturing Strategy (see SALB 26 (3), June 2002 p 25) for its strong focus on exports.

They say that the strongest export sectors have retrenched workers. They say that when a company starts to export, it has to produce to world quality standards and this means replacing workers with machines and cutting jobs.

But the fact is that the main job losses in South Africa have come from sectors that have performed most poorly in the export stakes.

It is true that some export sectors have lost jobs. Manufacturing employment has been in decline for over a decade, following an economy-wide trend of increased

labour productivity and slow market growth.

But the worst job losses have come from sectors that have the lowest growth in exports.

Manufacturing as a whole had an annual average real rate of export growth of 11,2% over the last five years. And since 1994, manufacturing employment has shrunk by 158 000 jobs.

Cumulatively, the sectors that performed better than this 11,2% in export growth, showed a modest increase of 19 000 jobs since 1994.

The sectors that had export growth below 11,2%, or where

exports actually fell, showed a loss of 177 000 jobs since 1994.

With the sluggish conditions on the domestic market, sectors that rely on the domestic economy have had lower rates of growth. It is the sectors that have expanded fastest in markets abroad that have shown more job gain and less job loss.

And if, as seems likely, the world economy begins to expand again, we can expect more positive job contributions from our export champions.

*Martin Nicol
(An economist in the dti,
but writing in his personal capacity).*

Manufacturing (thousands)	Employment		Employment change 1994 to 2001		Percent of output
	1994	2001	Number	Percent	
Strongest export sectors	626 834	646 023	19 189	3%	43,1%
Weaker export sectors	793 696	616 547	-177 150	-22%	56,9%
Manufacturing total	1 420 531	1 262 570	-157 961	-11%	100%

Newsbits

SACP congress

Cosatu president Willie Madisha received the highest number of votes out of all those elected onto the central committee (cc) of the SACP. This emerged during the Party's national congress held in Rustenburg from 24-28 July 2002. The congress took place against a backdrop of media speculation that the 'traditional old faithfuls' of the Party would be ousted in favour of a more militant grouping emerging mainly from the ranks of Cosatu. This speculation followed a rather public tiff between SACP deputy general secretary Jeremy Cronin and ANC spokesperson Smuts Ngonyama. It would appear, from ANC sources, that Ngonyama 'shot from the hip' in responding to the coverage of an interview Cronin conducted with Irish academic Helena Sheehan in January this year (in the wake of the anti-privatisation strike and prior to the alliance summit). Prior to the start of the congress Cosatu general secretary Zwelinzima Vavi said it was unfortunate that the public spat had emerged: 'this should not have happened.'

The scene for the congress was therefore set. Various claims were made that all the so-called controversial ANC ministers would be kicked out of the senior positions in the Party and on the CC. The results were a bit of a mixed bag. SACP chairperson Charles Nqakula (now safety and security minister) retained his position while deputy chairperson Geraldine Fraser Moleketi did not stand for re-election. Dipuo Mvelase replaced her. Party treasurer Thaba Mufamadi was voted out and replaced with Nedlac executive director Philip Dexter.

Those who did not make the final CC list included the Minister in the



MAIL AND GUARDIAN

Plastic bags: Pushing the limits

At a time when Minister Valli Moosa will be presenting South Africa's environmental policy and efforts to the world, trade unions will be marching against the minister's plastic bag regulations, which not only threaten thousands of jobs but also have no proven environmental benefit. Ceppwawu, Saccwawu and Sacwu have submitted a section 77 notice to Nedlac on the plastic bag regulations. In terms of section 77, a registered trade union may table a notice at Nedlac. If the matter is deemed to be a socioeconomic one and the parties cannot resolve the issues contained in the notice unions can take protected protest action once the matter has been considered. The action is planned to coincide with the first day of WSSD.

The unions have engaged government in a lengthy and frustrating process in Nedlac. Unions pointed to the devastating impact of the regulations including massive job loss, a rising cost of foodstuffs, and deindustrialisation. (SALB 26 (3)) Government has admitted that the regulations may have a negative socioeconomic impact. However, after incomplete discussions in Nedlac, government promulgated new regulations.

Labour is disappointed that the minister has not engaged more fruitfully on alternatives posed in engagements and fears that the dispute could have ramifications for South Africa's ability to approach the WSSD in a unified fashion. Cosatu believed there was a solution, which would protect jobs, while at the same time tackling environmental problems. (Tanya van Meelis)

Newsbits

Presidency Essop Pahad (see Redeye) and Public Enterprise minister Jeff Radebe.

Do unions lack corporate governance?

The recent suspension of Nehawu's general secretary Fikile Majola and treasurer comes amid rising concern over the union's financial position. (SALB 26 (3)). The suspensions raise some fundamental questions around accountability in unions, financial (mis)management and whether the current models of the way unions operate should be reassessed.

It is no secret that unions have battled for years in trying to sort out their financial management and ensure proper controls are put in place. As unions have grown, many of these functions, which used to be supervised by the general secretary, have shifted into the hands of financial managers – some of whom do not necessarily have the relevant skills. Issues around corporate governance in unions and the differing roles and responsibilities of union presidents and general secretaries will form the subject of some discuss in the next edition of the *Bulletin*.



Budget process gets underway

Finance Minister Trevor Manuel has begun a process of consulting labour and business on next year's Budget within Nedlac. This process did not get off to such a good start. It is understood that finance was concerned about the seniority of the representatives sent by the parties to engage on budgetary proposals. A labour source said, 'we have always fought with Manuel to ensure a proper dialogue on the Budget but now time is being wasted because some parties are not ready.' Such sources claim that Manuel was disappointed in the level of debate that emerged during the initial meetings.

In the interim, discussions are taking place between finance and other government departments at a national and provincial level on budget allocations. In view of the discussions within the recent Cabinet lekgotla and ANC workshops on the economy, finance could be looking to set aside additional funding for community-based public works programmes – as part of government's efforts to stem the tide of unemployment and poverty reduction.

There has been much discussion

Minimum wages for domestic workers unveiled

Labour Minister Membathisi Mdladlana was expected to announce the minimum wages for domestic workers, at the time of going to press. It is anticipated there will be two rates instead of the recommended three proposed in the report published last year.

around the basic incomes grant but there is some strong opposition within government to this option.

Saccawu conference forced to address financial crisis

Delegates at Saccawu's 7th national congress were forced to confront the union's financial problems as Cosatu general secretary Zwelinzima Vavi highlighted the fact that the union had been 13 months in arrears on its affiliation fees. Vavi said: 'According to the Cosatu constitution, a union that is six months in arrears ceases to be an affiliate of Cosatu.' He said the union's inability to pay their affiliation fees reflects deeper and broader organisational problems. The secretariat report, he said, outlined the union's state of affairs, which indicated that membership figures remained between 91 000 and 103 000 since 1997. This was despite the fact that union density in retail trade was only around 20%. 'The failure to grow the union in itself points to deep-seated problems'.

Cosatu recognised that Saccawu organised in a difficult sector with thousands of small employers and high levels of casualisation. 'We have a choice in this congress, we can either be defensive about these challenges and adopt an ostrich approach or we can use it as a platform to seek genuine solutions,' Vavi said.

The congress held in Bloemfontein from 10 to 13 July 2002 emerged with the following resolutions:

- The union is to embark on an aggressive recruitment drive targeting mainly women workers, casuals and those working in outsourced operations. This campaign was agreed upon as part of a broader strategy aimed at addressing the problem of declining membership. The congress noted

that membership had declined largely as a result of retrenchments, liquidations and the growing trend towards the use of casual workers in the retail sector. The retail sector has been shedding full-time jobs in favour of casual and insecure jobs. This has made it difficult for the union to recruit new and retain their existing members.

- In an attempt to prevent further job losses in the sector, congress has resolved to convene a retail and wholesale job summit before the end of this year. The aim of this summit will be to ensure that existing jobs are not lost as well as the creation of new quality jobs. In order to ensure the retention and creation of jobs, the summit would have to develop policies to achieve this. The summit would also have to develop a position to ensure the retail sector contributed towards food security in the country while at the same time supporting the Proudly South African campaign. Support for this campaign by the retail sector should include strategies on how it sources goods. The congress noted that clothing and footwear retailers were sourcing their goods outside the country and this was leading to job losses in the local sectors.
- Delegates resolved that the retail and wholesale job summit should also be linked to the union's ongoing campaign for centralised bargaining. Congress resolved that this would be a critical campaign for the next three years, at least.
- The union plans to embark on a campaign to unite workers in the retail sector. This will require the union to work together with a number of other unions operating in the sector. This decision was taken following an acknowledgement that

there is a need to unite workers in the sector, which was becoming increasingly divided. The union plans to approach several of the other unions in the sector for unity talks. In the interim, however, the union will look to including these unions in the campaigns that are underway.

- The union is going to launch Operation Khokha (pay) as part of an attempt to ensure employers pay over union dues to the union. The union has found that it is difficult to collect dues from smaller employers, some of whom are not consistent in handing over the monies to the union. The introduction of computerised subs collection will also form part of this initiative. This campaign forms part of an attempt by the union to bring financial stability back to the union.
- The congress agreed to rolling out a

range of financial services to members. The union will concentrate initially on the provision of affordable funeral insurance schemes. The union also plans to look at the introduction of a savings scheme (similar to the one introduced by Samwu) as part of an attempt to encourage members to save.

- The union needs to continue with its efforts to work closer with its counterparts in the Southern African region as a number of SA-based companies move beyond the borders of the country. The union is already playing an instrumental role in the in the Southern African multinational project, which is seeking to encourage bargaining across borders in the region.
- The congress resolved that it needed to embark on a more aggressive campaign around HIV/AIDS. LE

Anglogold plans to pilot antiretroviral therapy on mines

Anglogold is expected to start piloting the administration of antiretrovirals to mineworkers within the coming months. This emerged following the signing of an HIV/AIDS agreement between Anglogold and five mining unions including NUM. The agreement makes provision for a comprehensive programme for prevention which includes voluntary counselling and testing (VCT), peer education, treatment of sexually transmitted diseases etc. This is aside from the broad commitment to confidentiality and a non-discriminatory environment. The company also reaffirmed its commitment to accelerate the current programme of making family accommodation available, within the parameters of affordability and employee preference.

In terms of antiretroviral therapy (ART), AngloGold believes that HIV infected employees would benefit from this, 'but that the feasibility, safety, ethics and cost of introducing ART in the mining context needs to be assessed, particularly in the absence of a national enabling environment.'

The agreement points to seeking volunteers who would participate in a feasibility study. It is understood that such a programme is months away from being implemented. The aim of this pilot project is to deal with a range of moral and ethical questions around treatment – such as treatment for spouses, the logistics of providing treatment to miners who leave the mine for extended periods etc.

Three p's in a pod Can the WSSD deliver?

For many people living in the north of Johannesburg the upcoming World Summit on Sustainable Development (WSSD) has created major stress because of the potential disruption to their normal daily routine of shopping at Sandton City. The rest of the country is either still trying to work out what all the fuss is about or, alternatively, whether they have capitalised sufficiently on the event.

As the host country, South Africa braces itself for the influx of thousands of representatives from foreign governments, international institutions, non-governmental organisations (NGOs), trade unions, youth and

women's groups and business organisations who will gather in various parts of Johannesburg. There are a number of events targeting different groupings of people. The main intergovernmental conference organised by the United Nations will be held at Sandton Convention Centre from 27 August to 4 September 2002. Other events include:

- The Global People's Forum for Civil Society: 19 August to 4 September at Nasrec, near Soweto (representatives from NGOs and other organs of civil society)
- Business Action for Sustainable Development: 26 August to 4 September, Hilton Hotel, Sandton
- Local Government Session: 27 to 30 August, Crowne Plaza, Sandton

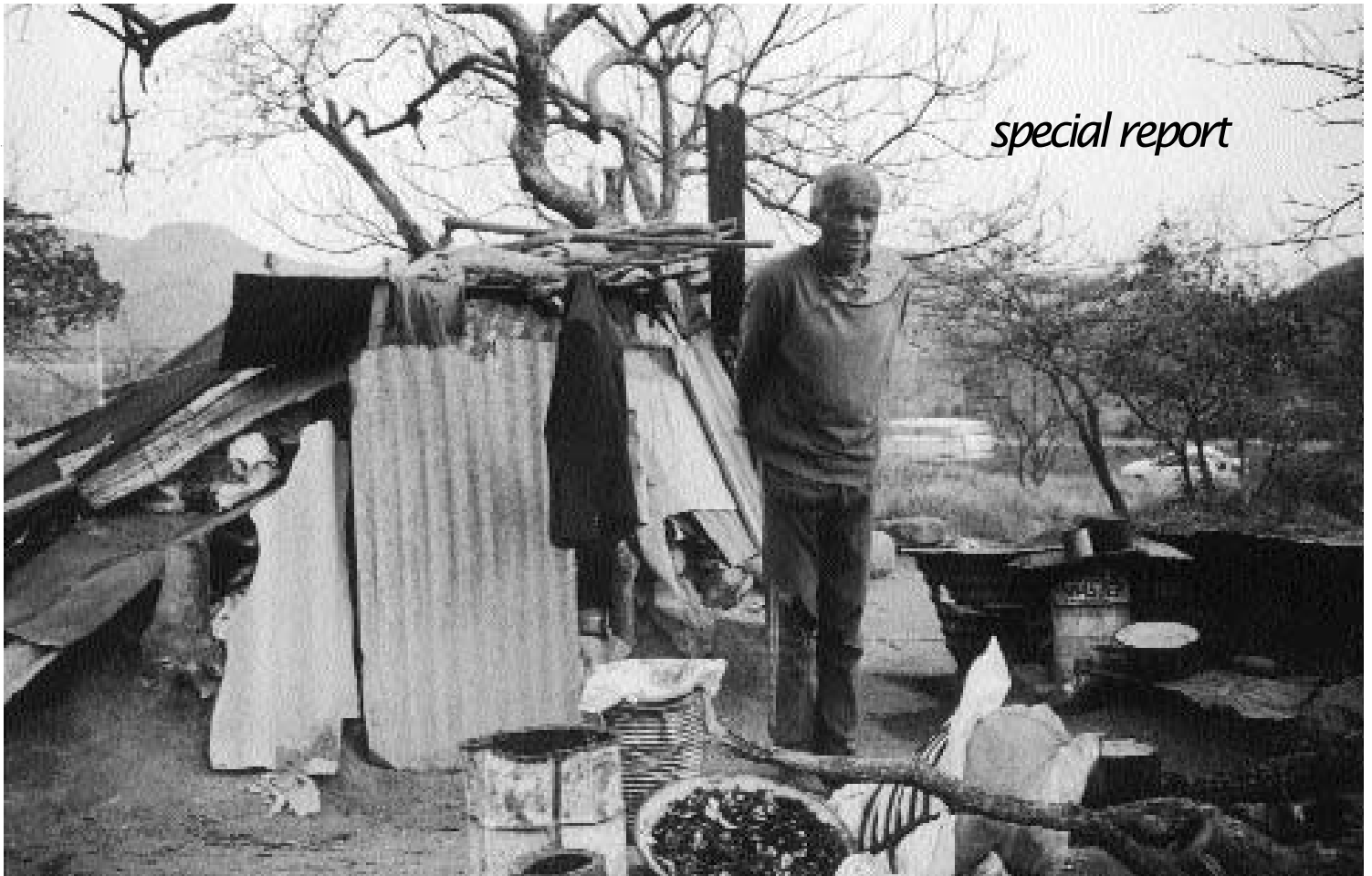
The official UN summit is traditionally only attended by representatives of governments. However, in this instance business and civil society organisations are allowed to send a limited number of delegates who will have observer status only. The People's Forum will be open

to all civil society organisations.

For many South Africans, the processes leading up to the Summit and the actual event itself have been rather difficult to follow. Aside from this, the aim and deliverables of the Summit do not always appear to be clear. Is the conference about a battle between the global elite and the poor? Is it about Africa putting out its begging bowl? Is it about the protection of the environment to the detriment of the development of developing countries? Or is it about the number of service providers and promotional companies who are most likely to benefit from the numerous events? The estimated costs for organising the main UN Summit is in the region of R550m, but predictions are that it could well reach the R1bn mark. A portion of this (R200m) is supposed to come from national government.

Background

As highlighted in the previous edition, SALB Vol 26 (3), the Summit – originally



special report

referred to as Rio + 10 – is the follow-up conference from the so-called Earth Summit that took place in Rio in 1992. The Conference on Environment and Development held in Rio, organised by the United Nations, was supposed to come up with a common plan of action for environment and development issues.

The Rio conference became embroiled in debates between the developed (North) and developing (South) economies over finding a balance between environmental and development concerns. The issues dividing the North and the South remain unchanged with the North wanting to address environmental issues while the developing world questions whether protecting the environment will be at the expense of their own growth – leaving millions of people trapped in poverty. The conference emerged with a new focus on issues around sustainable development. The definition of sustainable development adopted at Rio

was: 'Sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs.' However, differences over what is necessary to achieve sustainable development remain.

Aside from the adoption of a number of environmental and biological diversity conventions, Rio emerged with a 300-page document that was supposed to constitute a plan of action for achieving sustainable development. This plan is called Agenda 21. The preamble to Agenda 21 states: 'Humanity stands at a defining moment in history. We are confronted with a perpetuation of disparities between and within nations, a worsening of poverty, hunger, ill health and illiteracy, and the continuing deterioration of the ecosystems on which we depend for our well-being. However, integration of environment and development concerns and greater attention to them will lead to the fulfilment of basic needs, improved living standards for

all, better protected and managed ecosystems and a safer, more prosperous future. No nation can achieve this on its own; but together we can – in a global partnership for sustainable development.'

The implementation of the Agenda 21 has been poor to say the least. Some observers have argued that the plan was rather ambitious especially in view of the fact that it was not enforceable and there was no proper ownership of the process. The implementation of Agenda 21 would have also required enormous dedication and effort to get through 300 pages of text (without a readily available summary) and secondly, few governments have had the necessary machinery to tackle implementation. Implementing the Rio plan would have required a substantial shift in the way governments do business and the way business does business. People could take what they wanted and ultimately, took very little.

In general, the focus has been on



implementing the narrowly defined environmental issues and less on poverty alleviation. The problem is that poverty issues were thrown into the pot with many other issues. Proper movement on addressing poverty issues would have required real commitment from political leaders and the international community. Over the years developmental funding has been declining – although huge resources have been given to programmes to

reduce poverty.

Unacceptable levels of poverty and inequality remain and have increased since Rio. Over one billion people worldwide live on less than \$1 a day (or R10 a day). The gap between rich and poor has grown wider. Aside from failing to reduce absolute levels of poverty, the poor continue to suffer from environmental problems.

More than one billion people are without safe drinking water. Twice that

number lack adequate sanitation. More than three million people die every year from diseases caused by unsafe water while the biggest cause of death in children under the age of five is now acute lung diseases, caused largely by pollution. It is predicted that by 2032, half the world will be short of water, 70% of land surface will be urbanised, and there will be another two billion mouths to feed. Already at least 33% of the planet's fish stocks have been depleted.

The situation, for the poor is not helped by the views expressed in the early 1990s by World Bank's chief economist, Lawrence Summers, on the dumping of toxic waste: 'I think the economic logic behind dumping a load of toxic waste in the lowest-wage country is impeccable and we should face up to that.' Rather than 'internalise the externalities' associated with pollution or ecological damage, the ready solution is to try simply to displace these to somewhere that political power is negligible and the immediate environmental implications are less visible, in the name of overall economic growth. After all, Summers continued, inhabitants of low-income countries typically die before the age at which they would begin suffering prostate cancer associated with toxic dumping. And in any event, using 'marginal productivity' as a measure, low-income Africans are not worth very much anyhow. Nor are African's aesthetic concerns with air pollution likely to be as substantive as they are for wealthy Northerners.

Preparing for the Summit

The process leading up to the main UN Summit has been characterised by a series of preparatory meetings or PrepComms, which began last year. These meetings – some held in rather exotic locations such as Bali – were

supposed to emerge with a clear understanding of an agreement on the main aims and priority areas for discussion and endorsement at the Johannesburg Summit.

Aside from these preparatory meetings, regional meetings have been held to discuss agenda items as well as a number of United Nations organised conferences such as the International Conference on Financing and Development. This conference, held in Monterrey, Mexico in March 2002, dealt with some of the more contentious issues linked to the WSSD, namely trade and financing. At that conference countries committed themselves to \$12bn a year in new resources for development. What has yet to be clarified is whether this amount is for development in Africa as well as the implementation of the New Partnership for Africa's Development (Nepad).

Aside from focusing on the key issues for debate and agreement at the Summit, the preparatory talks reviewed progress made in implementing Agenda 21. These discussions lead to an increased focus on the need for partnerships between governments, private sector and civil society in order to achieve objectives in dealing with poverty and ensuring the preservation of natural resources.

It is important to note that the civil society was involved in the PrepComms, so were, in theory able to influence debate. There is some scepticism to what extent civil society concerns and demands were taken on board. There is a counterview as to whether civil society came together too late in the day to speak with one voice in order to influence the process.

The battle of Bali
The final round of preparatory talks held in Bali, Indonesia was critical in determining the outcomes of the

Johannesburg Summit. There was an expectation that the Bali meeting would emerge with a clear implementation plan with specific targets and timeframes so as to ensure that issues agreed to would be implemented, unlike Rio. The South African government does not want a repetition of the World Conference Against Racism (WCAR), which failed to emerge with a consensus position.

The Bali meeting managed to agree on large portions of a *Draft Plan of Implementation for the WSSD*. However, critical issues have not been agreed upon. At the time of going to press, last minute efforts were being made by the South African government to try and reach consensus on a global deal.

The Southern African Regional Poverty Network (SARPN) highlights the key areas of agreement and disagreement in relation to the text on sustainable development in Africa (see p15). The document also comments on the process post-Bali and the implications for the Summit of the failure to agree on the outstanding issues.

As the Bali process unfolded, simmering tensions emerged as the civil society grouping began to question the Summit process. At the same time, the local NGOs in Indonesia used the event to showcase their own struggles and staged demonstrations. In Indonesia sustainable development issues are human rights and community rights issues. An observer says this marked the 'quiet revolution in Bali' where NGOs began to mistrust the outcomes of the Summit process. He says even traditionally conservative NGOs (funded by large corporates) stood together with the more 'radical' groupings to challenge the voluntaristic position adopted by business and government. The NGOs acknowledged that a decade of

voluntarism had not worked.

This led to some discussion by NGOs on the need for greater accountability – corporate accountability. An observer says it is extremely difficult for NGOs to take on governments. However, governments' soft underbelly is business and it is in the area of corporate accountability that some movement could be achieved, especially in view of the growing number of scandals business is facing.

What does the Summit mean for SA?

As the host country South Africa faces a number of challenges, aside from ensuring that the thousands of foreign delegates spend as much foreign currency as possible. Government has to ensure the Summit is a success. Its success does not only relate to what finally emerges in terms of an agreed upon text, but the number of important heads of state that eventually turn up. South Africa needs to be put on the map in the same way as Rio was. If the heads of state of the major nations such as the US and UK do not arrive, what will this mean for the Summit? Will the non-presence of key international political leaders diminish the Summit in the eyes of the world? The lack of interest by the key heads of state in the recent World Food Summit did create some concern within government circles. Only three heads of state attended the summit.

Besides concern around whom and who does not arrive (which could be more important to some people than political gains), South Africa has also had to ensure that Nepad becomes central to the implementation plan for Africa. In that sphere government has succeeded but still waits to see whether more aid will be granted for its implementation. An observer asks: 'Is SA realistic in expecting every

summit to deliver more aid for Africa or the implementation of Nepad?’

Aside from the above issues, the Summit provides an opportunity for the country to showcase what it is doing around sustainable development. Economist and lecturer at the University of Witwatersrand Patrick Bond provides a left critique on the Summit and sustainable development issues in South Africa (see p18).

The civil society global forum
 Aside from the main UN Summit, a parallel process will be held involving various organs of civil society including organised labour. As labour has argued, the civil society forum is

reports of mismanagement and tensions within the civil society secretariat. The *Bulletin* attempts to explore some of the origins of the divisions and tensions (see p17).

An ongoing debate around who and what constitutes civil society, the relationship between civil society and so-called progressive governments and the role of NGOs has resurfaced during the Summit process. Whether based in reality or not, the bona fides of many local NGOs have been questioned not only in terms of their funding but also whose interests they serve – the governments of the North (who support rights before trade as a means to protect their markets) or the broader national interests. The

movements that have emerged from Seattle and their potential impact on the Summit and the country.

Conclusion

Since Bali various attempts have been made by the South African government to lobby international leaders to ensure some of the critical outstanding issues are resolved ahead of the Summit, as well as to ensure greater support for Nepad.

Government emerged from a meeting in New York on 20 July 2002 with renewed hope that the ‘political logjam’ had been broken. Valli Moosa claimed, ‘everybody is expressing that sense that we can begin to see the deal’. The one tangible development appears to be ‘partial’ agreement around the setting of targets for development and environmental goals. However, as a labour negotiator says, it is difficult to evaluate whether real progress was made. ‘One of the problems with the diplomatic aspects of the UN system is that everyone is ecstatic if a comma is moved.’

Will this remain a Summit for the elite by the elite who then have to wait for another Summit to absorb the resources they have which could otherwise go towards poverty relief? Various sections of civil society believe the overall Summit is a mere fudge and will not achieve anything that will be sustainable. The reality is that one single event cannot lead to the drafting of a blueprint for how the world should behave. What it can do and has done successfully is focus attention on issues around sustainable development. One might well say a rather costly exercise to ensure people apply their minds and draft declarations, which will make no difference to the lives of people living within miles of Sandton. But do we have any other options?



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not expected to merge with concrete programmes but will rather be used as a forum for engagement, information sharing and networking. Alistair Smith, a researcher at Naledi, explores the relevance of the war for workers (see pg 21).

The organisation of the civil society global forum has been hampered by

stereotype of the lone NGO head with his laptop and no constituency is becoming the popular wisdom of the day. International sociologists James Petras and Henry Veltmeyer look at the evolution of NGOs and questions whose interests they serve (see p23). ANC researcher Michael Sachs (see p26) looks at the global social

LB

The battle of Bali

The Southern African Regional Poverty Network (SARPN) analyses the events that played themselves out in Bali.

The parties left Bali with the text of the *Draft Plan of Implementation for the WSSD*. Most of the 27% of the text that is unresolved is in the chapters on globalisation and means of implementation, and deals mainly with trade and finance. Most commentators agree that the challenge for Johannesburg will be finding common ground, rather than time, to resolve these issues, with some arguing that failure to agree on these issues will undermine the ability to implement agreements in many other areas.

The Implementation Plan This plan will be the main outcome of the Summit. While all of its ten sections have general relevance to people in the Southern African Development Community (SADC) region and Africa, section VII deals specifically with Sustainable Development for Africa.

In section VII on Sustainable Development for Africa agreement was reached on actions at all levels to:

- create an enabling environment;
- support the implementation of Nepad;
- enhance the industrial productivity, diversity and competitiveness of African countries;
- enhance the contribution of the industrial sector, in particular mining, minerals and metal;
- provide financial and technical support:
 - to strengthen the capacity of African countries to undertake

environmental legislative policy and institutional reform for sustainable development

- for afforestation and reforestation in Africa and
- for Africa's efforts to implement the UNCCD at the national level;
- deal effectively with natural disasters and conflicts;
- promote integrated water resources development and optimise upstream and downstream benefits;
- achieve significantly improved sustainable agricultural productivity and food security;
- achieve sound management of chemicals;
- support Africa's efforts to attain sustainable tourism; and
- support African countries in their efforts to implement the Habitat Agenda and the Istanbul Declaration.

Issues in the section that were unresolved included:

- 'limited benefits' from international trade;
- declining ODA;
- the Tokyo International Conference on African Development;
- protection of human rights;
- competitiveness in global markets;
- market access;
- energy initiatives; and
- climate change.

In addition to these unresolved areas in the Africa section, agreement on some of the other outstanding issues, particularly those affecting trade and finance, is essential for effective action on many areas in section VII.



South Africa: Foreign Minister Nkosazana Dlamini Zuma, Environment, Minister Valli Moosa, and Dumisani Kumalo, South Africa

Evaluating the outcome of Bali Following Bali, Environment and Tourism Minister, Mohammad Valli Moosa, said, 'The main areas of disagreement revolved around the trade and financing provisions of the Plan - the so-called 'economic platform' of the document. Developing countries insist that a poverty eradication strategy should not ignore the most important causes of poverty, among them unfair terms of trade and, in particular, the lack of market access for agricultural products from poor countries. Developing countries also differed with the rich countries on the resourcing of the implementation plan. Developed countries wanted the plan to indicate who and how the good intentions would be financed.'

The *Earth News Bulletin* notes that the failure to reach full agreement on the *Draft Implementation Plan* was not unexpected. Underlying the lack of agreement is the widening gap between rich and poor, seen as reflecting the 'broken promise' of Rio. The resulting

Summary of unresolved issues in the Draft Implementation Plan

Section	Unresolved issues
Poverty eradication	<ul style="list-style-type: none"> • developing a world solidarity fund • indigenous people's access to economic opportunities • targets and measures for access to improved sanitation and reliable, affordable energy • increasing employment opportunities that conform to ILO standards
Protection and managing of the natural resource base of economic and social development	<ul style="list-style-type: none"> • improving market access • reducing export subsidies and actions on illicit crops • the proposed international regime on biodiversity and implementing instruments by 2015 to stem the loss of biodiversity
Sustainable development in a globalising world	<ul style="list-style-type: none"> • opportunities and threats of globalisation • good governance • the contributions of the WTO • the precautionary approach • sustainable trade • government support for private industry • financial market regulation • information from multi-lateral and regional financial institutions • international agreements on human rights • environment and labour standards • assistance to developing countries to promote impact assessments
Health and sustainable development	<ul style="list-style-type: none"> • the WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) and public health • on strengthening the capacity of health-care systems to deliver basic health services to all, there was disagreement over whether to qualify this with the phrase 'consistent with national laws and cultural and religious values' or with 'in conformity with all human rights and fundamental freedoms'
Sustainable development of small island states	<ul style="list-style-type: none"> • text on the UN Convention on the Law of the Sea (UNCLOS) • sustainable fisheries management • defining and managing extended continental shelf areas
Means of implementation	<p>This section contains sub-sections on trade and finance, technology transfer, the role of the scientific community, education, capacity building, and information for decision-making. All references to 'actions at all levels' in the chapeaux of each sub-section are bracketed, as well as:</p> <ul style="list-style-type: none"> • references to the precautionary principle, new and additional resources, and global public goods in the scientific community sub-section; • text on new and additional resources in the capacity building sub-section; and • paragraphs on indicators, strategic environmental assessment, and sustainability assessments in the information for decision-making sub-section. <p>The sub-sections on technology transfer, the role of the scientific community, education, capacity-building, and information for decision-making contain few unresolved issues. The Finance and Trade sub-section includes issues of debt, implementation of the WTO Doha agreements, market access (including trade liberalisation and elimination of tariffs and subsidies), measures to address international terrorism and the removal of obstacles to people's rights to realise self-determination. Concerns raised include:</p> <ul style="list-style-type: none"> • deviation from the Heavily Indebted Poor Countries (HIPC) initiative and arguments for other mechanisms to deal with debts; • access to markets for developing country products, the potential to contravene the WTO agreements on non-discrimination; and selective use of excerpts from the Monterrey and Doha texts.
Sustainable development governance	<p>This section contains the following sub-sections: an overview, objectives, the role of the General Assembly, the role of Ecosoc, the role and function of the CSD, the role of international institutions, strengthening institutional arrangements for sustainable development at international, regional and national levels, and participation of major groups. Unresolved issues include:</p> <ul style="list-style-type: none"> • the principle of common but differentiated responsibilities; • means of implementation; • the rule of law and human rights; • international finance and trade institutions and their links to sustainable development; • expanding the GEF mandate to cover domestic environmental benefits implementing the ILO conventions on core labour standards, and on completing the UN convention against corruption; • Ecosoc's role in the follow-up to WSSD and the Monterrey Consensus, and in monitoring the Monterrey commitments. <p>Agreed text sets out measures to strengthen sustainable development institutions. It commits the international community to integrate the sustainable development goals in Agenda 21 and the WSSD in the work of the UN system and international financial and trade institutions, and to improve their collaboration. The section stresses the need to enhance the effectiveness and coordination of international institutions, within and outside the UN system, and to improve regional and national cooperation. Participation of major groups will be enhanced, including through partnerships between governmental and non-governmental actors.</p>

Source: *Earth News Bulletin*, www.iisd.ca/2002/pc4

The battle of **Bali**

From page 15

lack of trust has also been fed by developments in the international governance system, with the role of the WTO seen as having sidelined Rio. Trade liberalisation and corporate led globalisation are seen to be increasingly sidelining the role of UN agencies in global governance.

Failure to reach agreement on all issues in Bali means there are crucial areas outstanding for the Johannesburg Summit. In addition the United States' shift to a unilateralist agenda risks derailing the Summit unless text dealing with unilateral coercive measures is agreed on.

Partnerships between the private sector and governments to implement agreements are also an area of contention. While the United States sees them as a major outcome of the Summit, developing countries in the G-77/China bloc are wary that developed countries may use them to impose conditionalities on developing countries and to avoid government commitments.

Key to meeting the developing countries' demands will be the transformation of the Monterrey Consensus into an action agenda, and the delivery of political commitments set out in the Doha Declaration.

Conclusion

While the WSSD will be the biggest international event ever staged in Southern Africa, it is only one in a complex and highly political set of international interactions and is unlikely to deliver definitive answers to many of the fundamental issues that remain unresolved. As far as the trade and finance issues go, the WTO takes precedence over all other international agreements. The way different stakeholders engage with the issues will influence poverty eradication. For those who live with poverty it will not be soon enough. LB

Is there a power struggle going on between **NGOs and labour?**

Tensions within the SA civil society grouping was evident in the build up to the summit.

The Labour Bulletin attempts to explore the origins of this tension.

The management or rather mismanagement that has bedeviled the South African Civil Society Secretariat has been relatively well document. What were the reasons for these problems? Is it simply a case of control over a process where there was little leadership to start off with? Was it really about Cosatu attempting to take over political leadership and lead civil society as argued by the Rural Development Services Network (RDSN) and the Heinrich Böll Foundation (HBS), think-tank associated with the German Green party? Is it simply about a fundamental clash of political cultures between traditional type NGOs and mass based movements? Or is it about a grouping to the left of Cosatu attempting to find space in the political terrain in order to ensure relevance?

A political observer says the summit process has exposed far more clearly than ever before the dilemmas over how civil society is constituted, who is civil society and what its role is in relation to a 'progressive state'. It also raises the question around the role of political organisations such as the ANC.

The summit process brought to the fore the differing cultures between the international NGO community and the SA union tradition of tripartism. Labour is a dominant force in civil society. At

the same time, however, organised labour is possibly not used to operating in a mind frame where NGOs felt they should be treated equally.

Whilst Cosatu might have been sceptical about some of the NGOs involved. Many traditional NGOs do not trust the state or big organisations in civil society such as Cosatu. They claim organisations such as Cosatu are part of the problem. Cosatu has argued however, that some of the tension was sparked by 'scepticism over control'. On the one hand, there was a perception that NGOs felt threatened by mass-based movements while labour was concerned about claims that NGOs speak on behalf of 'the people'. This raised issues around representivity and the mandate of NGOs.

The RDSN believes the alliance attempted to intervene in the summit process to reclaim political ground within civil society. This approach takes the view that the ANC and Cosatu wanted to control civil society to ensure issues such as Nepad would not be discussed.

Within Cosatu there is concern that elements within the NGO community might wish to cause chaos during the upcoming summit - but whom do they account for and who are they answerable to. LB

The wrong place for a **'sustainable development'** Summit

Is the WSSD a scam? Patrick Bond explores whether market policies are being 'green washed' to ensure business as usual both internationally and in South Africa.

It was a strange day: 25 June 2002. Thabo Mbeki was on his way to the G8 Summit in the Canadian Rocky Mountain hideaway of Kananaskis. A fortnight earlier, he made the cover of *Time* magazine above the title, 'Mbeki's mission: He has finally faced up to the Aids crisis and is now leading the charge for a new African development plan. But will he succeed?'

Stopping en route in Rio de Janeiro, Mbeki was guest of honour at a UN Conference on Environment and Development 'torch handing over ceremony'. There, he told Brazilian president Henrique Cardoso and Swedish prime minister Goran Persson that, in the spirit of Stockholm '72 and Rio '92, South Africa's largest city would take up the mantle of symbolic global leadership:

'The Johannesburg World Summit must take further our pledge at the Millennium Summit [of September 2000 in New York] to eradicate poverty. It must focus on implementation and action.

Its outcome must make sense to she who has to walk for kilometres to fetch drinking water and to she who spends hours gathering firewood for energy. It must also speak to he who

consumes more than the earth can give.

When leaders of the world gathered here in 1992, my country was still under apartheid rule. I did not enjoy the right to vote. Uncertainty and conflict loomed... Since the victory of democracy in 1994, seven million people have access to clean water, over one million homes for poor people have been built, over two million more homes now have electricity and every child has a place in school. And, South Africa is acting as host to the World Summit on Sustainable Development..'

And, as Mbeki spoke, evening fell on wintry South Africa. The majority of rural women still walked to fetch water and gather firewood. The majority of bourgeois and petit-bourgeois urban men, your correspondent included, still consumed far too much.

Since the Rio Summit in June 1992, prospects for reconciling wealth and poverty in Johannesburg, and across the African continent, have faded. Vast sums of apartheid-era loot skipped South Africa since liberation, though sadly the most parasitic major business elite in the world (or perhaps

second to Russia's) stayed behind to enjoy the sun and continue to influence politics and economics. The currency crashes periodically, setting average dollar-denominated GDP back to 1950s levels. Tens of billions of rands are being spent by Pretoria's generals on sophisticated weaponry. Ten million people reportedly have had their water cut off, and another ten million were victims of electricity disconnections, mainly due to affordability. Two million people have been evicted from their homes or land. A million formal-sector jobs have evaporated. HIV/AIDS is slowly, inexorably killing millions more South Africans, while Mbeki remains in denial, openly accused by Pretoria's leading state medical researcher of pursuing a 'genocidal' policy.

Welcome to Johannesburg
Delegates flying into Johannesburg in late August will descend to the highveld by breaking through a thick brown cloud of particulates. Temperature inversions and the lack of rain for the past four months are the natural reasons Johannesburg's 1 500m elevation and brisk winds still do not provide clean air in winter.

In this region, the settlers' conquest of nature, particularly since gold was discovered in 1886, is especially grotesque. Viewed from the air, filthy smudges of human fingerprints are everywhere to partake: concentrated industrial pollution over the east-west factory strip and the multi-chimneyed power plant astride the airport; gold-mine dumps to the south of the city which perpetually blow sand and dust into black neighbourhoods; periodic bush fires; and the ongoing use of coal and fuel wood for cooking and heating in impoverished townships like Soweto and Alexandra.

It would be wrong to blame the victims: low-income black people. Across the country, the drive towards electricity commercialisation and privatisation these past few years has meant supply cut-offs for more than a million households who cannot afford price increases. From the air, be thankful that we do not experience the most dangerous results, such as the return to dirtier forms of energy and the re-emergence of tuberculosis and other rampant respiratory infections that threaten the lives of South Africa's five million HIV-positive people.

Looking down, our eyes are soon drawn away to the bright green of well-watered English gardens and thick alien trees that shade traditionally-white – now slightly desegregated – suburbs, permeated by ubiquitous sky-blue swimming pools.

The way we use water tells volumes about society. When gold was discovered, thousands of fortune hunters were drawn inland immediately. Johannesburg soon became the planet's largest metropolis with no substantial natural water source. Seventy-five kilometres to the south, the Vaal River is pumped uphill to Johannesburg, but by the 1980s it became apparent that the source would be insufficient for the next century's industries and suburbanites.

Apartheid-era engineers and World



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Bank project officers tried to solve the looming shortages with a dam and tunnel scheme that draws water several hundred kilometres from across a mountain range atop the small and perpetually impoverished nation of Lesotho. Africa's largest infrastructure project, costing an estimated \$8bn if all six dams are built, is now less than half finished but has already displaced tens of thousands of Basotho peasants, inundated sacred land, threatened endangered species and endangered the Orange River's downstream ecosystem.

Who pays the bills? Johannesburg water prices went up by 35% during the late 1990s, but township residents in the lowest consumption tier found themselves paying 55% more because of the cost of the Lesotho dams, which the old Botha regime needed surreptitious funding for during the mid-1980s due to apartheid-era financial sanctions. The World Bank set up a secret London account to facilitate matters, overriding objections from the liberation movement, including its then representative in Ireland, Kader Asmal.

As South Africa's water minister from 1994-99, Asmal was chosen to chair the 1998-2000 World Commission on Dams. Entangled in the massive contradictions and hypocrisies, he refused to let the commission study the

Lesotho dam and angrily rejected grassroots demands – from Alexandra, Soweto and Lesotho – that over consumptive water users in the mines, factories and mansions be made more responsible for paying the dam's bills and for conserving water so as to prevent future dam construction. Such 'demand-side management' would also have included repair of perpetual leaks in the apartheid-era township infrastructure, where half of Soweto's water is lost.

Bankers were anxious to continue financing, and construction companies ready to keep building, the multi-billion dollar dams. The World Bank's Inspection Panel refused a full investigation of township residents' complaints in 1998. The Bank also went to great lengths to protect a corrupt senior official in the project, Masupha Sole, from being fired, in spite of documented bribes to his Swiss bank account – for over a decade (1988-98) – by a dozen of the world's largest construction companies.

Then, not only did the Bank refuse to bar the companies from further contracts, but it withdrew promised financial support for their 2001-02 public prosecution in Lesotho by claiming that it was penalising only the three middle-men who abused the Bank's loan funds. The Bank's sleazy

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side was on such display that even Pretoria's director-general of water affairs was heard to comment on national radio that Washington should learn to 'walk the [anti-corruption] talk'.

Asmal's replacement as water minister, Ronnie Kasrils, finally announced a halt to further dam construction, once the second Lesotho mega-dam, Mohale, is complete in 2004. Yet no environmentalist or community activist trusts Kasrils' instincts, in the wake of his simultaneous rejection of the Dam Commission report's guidelines as binding, and his trip to China's ultra-destructive Three Gorges Dam on the Yangtze River, which he endorsed, inexplicably.

Kasrils has also failed to keep his own rivers clean, including the Vaal, less than an hour's drive south of Johannesburg. In what is quickly emerging as South Africa's most humiliating single environmental case of contemporary corporate heartlessness and government paralysis, the iron/steel firm (and former mega-parastatal) Iscor is dumping cadmium-infected effluent waste from its main smelter at

Vanderbijlpark. Uniting in opposition to the firm's lying management, black and white workers and other Vaal residents have discovered that beginning in 1961, the company has ruined the surrounding water table through toxic dumping into unlined dams.

Cancer soon spread into the communities through what activists term 'vast lakes of toxic waste' stretching for 140h. The 7km long plume of poisoned water will soon probably reach Boipatong Township where tens of thousands of people are at risk. Repeatedly, and as recently as 1999, government water officials granted exemptions from the Water Act. If withheld, the exemptions would have prevented further pollution - but that would have entailed Pretoria taking the environment seriously and tackling corporate power conclusively.

Behind the pollution

As is true across the world, Johannesburg's worsening environmental mess is mainly due to the logic of capital accumulation, at a time of rampant environmental deregulation associated with the 1992 United Nations Conference on

Environment and Development in Rio.

The ANC's 'Igoli 2002' privatisation plan, drafted alongside World Bank consultants, was renamed by critics 'E.coli 2002' for a good reason: excrement from Johannesburg's slums - where water is still denied by the French water privatiser Suez, beneficiary of a huge commercialisation contract - regularly despoiled Sandton's borehole water supplies.

By then, cholera was devastating the countryside from which many Zulu-speaking migrant labourers emerge after their brief Christmas break. The disease spread, inevitably, to Alexandra township, Sandton's reserve army of labour which is home to an estimated 300 000 people crammed into just over two square miles of mainly squalid housing. The disease quickly killed four residents, and internationally televised apartheid-style forced removals were the bureaucrats' answer.

Conclusion

The African National Congress itself recognised the enormous problems of the host city in its July message to the Global Civil Society Forum:

'The Johannesburg Summit convenes against the backdrop a city visibly scarred by the profound contradictions of its history. Wealth and poverty lie cheek by jowl, a stone's throw from the central venue of the intergovernmental conference. And Jo'burg's landscape is strewn with the waste of 100 years of resource extraction; in the service of which South Africa's racial hierarchy was constructed with violent determination. The city's contemporary social and environmental panorama is an ever-present reminder of our country's painful past. This divided geography also reflects the state of the world as we enter the 21Century: a globalised world built on the foundation of imperial conquest and colonial domination, which continues to define the contours of privilege and underdevelopment.'

LB

Why does the WSSD matter to workers?

As the countdown to the WSSD begins, questions abound about the prospects for its success. How will the tensions within South African civil society organisations impact on the conference? Will the politicians manage to craft a meaningful political declaration? What can be done about the United States? Amidst all these concerns Alistair Smith explores the relevance of the event for workers and the approach adopted by Global Unions.

Since the first environmental world conference in the 1970s much progress has been made in our understanding of the links between social, environmental, and economic decisions and outcomes.

Notwithstanding the problems associated with the Rio Earth Summit in 1992, its focus on the concept of sustainable development helped to draw attention to the ecological and social limits of economic growth and development. In the preparatory process leading up to the WSSD some developing countries, civil society organisations including organised labour have argued for the need to place equitable economic development and poverty eradication high on the agenda.

The decade since Rio has also seen a greater concern with globalisation and the beneficiaries or otherwise of this process. There is enough evidence to show that in general increased integration is associated with rising levels of inequality, within and between countries. Therefore, in an era of 'globalisation' the 'sustainable development' challenges means dealing

with two interrelated problems, which strike, at the heart of worker's welfare both as producers and consumers.

Globalisation implies:

- a more intensive and 'global'

interdependence between environmental, economic and social policy choices and outcomes;

- an uncertain regulatory environment in which forms of self regulation (free



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markets) are gaining greater influence in the light of underdeveloped forms of democratic supra national governance coupled with the apparent retreat of national public forms of regulation.

The WSSD brings all of these issues sharply into focus. It is therefore not a question of whether organised labour should engage in the WSSD process but on what terms they should engage.

Organised labour's engagement with the WSSD

In an effort to improve consultations with non-state actors the UN has developed a system of multi stakeholder dialogues in which major groups of civil society are able to participate and 'influence' the WSSD agenda and outcomes. The Global Unions (ICFTU, TUAC and ITSS) have acted as the main voice of organised labour and have outlined their approach in a comprehensive discussion document entitled 'Fashioning a New Deal'. The document deals with the following issues:

- placing the Social Dimension at the centre of the new deal;
- focus on workplace approaches to Agenda 21 and New Deal;
- changing behaviour patterns: from workplace to personal life;
- specific trade union priorities;
- improving working and living conditions for the World's workers;
- defining a new role for countries and governments.

The document places a strong emphasis on the need to integrate the social dimension of sustainable development into the ecological and economic dimensions. Socioeconomic security and poverty reduction is given a central emphasis and hence employment creation, decent work and respect for core labour standards. The notion of a 'just transition' is a useful proposition. It

calls for restructuring to be based on guaranteeing socioeconomic security of workers.

A preference is shown for localised decision-making and workplace-based approaches along the lines of the models developed for Occupational Health and Safety. The document also calls for education programmes to facilitate the shift in consumer behaviour for workers. The document adopts a global approach to dealing with poverty in which industrialised countries must take the lead. This includes dealing with the negative effects of liberalisation, biased trade rules, and doing more to finance development. The document also calls for an improvement in the living conditions of farmworkers, women, children and youth. It specifically prioritises: the need to 'strengthen public management of vital utilities; fight HIV/AIDS; harmonisation and safe use of chemicals; sustainable transport energy and forestry; and improving conditions for workers in the tourism and farming sectors.

The Global Unions document is a welcome point of departure for building a global platform for sustainable development. It covers many of the critical areas where workers are likely to be affected. The emphasis is on 'integration of the social dimension' of sustainable development, the need to guarantee socioeconomic rights and the notion of just transition are especially significant.

The document does, however, reveal some weaknesses: The broad scope of the issues covered in the document runs the risk of reducing it to a 'wish list', without any clear sense of critical and priority areas. It is not clear if the document is meant as a negotiating document or a platform for building broader unity. While there is some acknowledgement of the negative

impact of liberalisation and globalisation there is no substantive analysis of the potential economic trade-offs involved in, for example, the link between trade and wages or employment or of the link between trade and poverty.

The document also (unwittingly perhaps) masks many of the North-South contradictions and it pays insufficient attention to the unequal power relations within the global economy. For example, although there is talk of a 'new role for countries and governments', the current system of de facto global governance based on US hegemony and the interests of corporate globalisation is left more or less unchallenged. This gives the impression that reforms in global governance are possible without radical shifts in the distribution of power. Lastly, while the document goes a long way towards emphasising the centrality of poverty eradication its overall approach still seems heavily biased in terms of traditional northern trade union approaches, thus for example, the emphasis on labour standards and technical workplace-based approaches.

Conclusion

Notwithstanding the above criticisms the Global Union remains a useful document. It remains to be seen how much of the labour group proposals will be adopted in the final text, assuming a final text is eventually agreed. Given the politics of the WSSD it is however unlikely that many of the Global Union proposals will be included. Does this mean that workers should ignore the WSSD? On the contrary the WSSD provides a focus for organised labour to raise the debates and awareness within civil society as well as build broad opposition and alternatives to the system of global capitalism.

Smith is a researcher at Naledi.



special report

NGOs

in the service of whom?

The role of NGOs, as part of civil society, in the WSSD process has become rather contentious. James Petras and Henry Veltmeyer examine whose interests are best served by the presence of NGOs in society.

Throughout history, ruling classes representing small minorities have depended on a coercive state apparatus and social institutions to defend their power, profits and privileges. In the past, particularly in the Third World, imperial-ruling classes financed and supported overseas and domestic religious institutions to control exploited people and deflect their discontent into religious and communal rivalries and conflicts.

Although these practices continue today, in more recent decades a new social institution has emerged providing the same function of control and ideological mystification – the self described ‘non-governmental organisations’. Today there are at least 50 000 NGOs in the Third World receiving more than \$10bn in funding from international financial institutions, European, US and Japanese governmental agencies and local

governments. The managers of the biggest NGOs manage million-dollar budgets and receive salaries and perks comparable to those of corporate chief executive officers. Thousands of NGO directors drive 4X4s and live in fashionable suburban homes. They are more familiar with and spend more time at the overseas sites of their international conferences on poverty than the muddy villages of their own countries.

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They jet to international conferences, confer with top business and financial directors and make policy decisions that affect – in the great majority of cases, adversely – millions of people, especially the poor, women and informal sector workers. NGO leaders are a new class not based on property ownership or government resources but derived from imperial funding and their own capacity to control significant popular groups. NGOs have become the latest vehicle for upward mobility for the ambitious educated classes. Academics, journalists and professionals have abandoned their earlier interests in poorly rewarded leftist movements for lucrative careers in managing NGOs. They bring with them their organisational and rhetorical skills and a certain populist language. These structures have displaced and destroyed the organised leftist movements and co-opted their intellectual strategists and organisational leaders.

NGOs have become significant worldwide political and social actors

that operate in rural and urban sites of Asia, Latin America and Africa while their donors sit in Europe, US and Japan. The justification of their positions – that they fight poverty, inequality etc – are self-serving. There is a direct relation between the growth of NGOs and the decline in living standards: the rise of NGOs has not reduced structural unemployment or provided living wages for a growing army of informal workers. It has provided a thin layer of professionals with income in hard currency, which has enabled them to escape the ravages of the neoliberal economy that affects their country and people.

This image contrasts sharply with how they view their positions. They describe themselves in press releases and public debates as representing the 'third way'.

Today most left movements and popular spokespeople criticise organisations such as the World Bank, multinational corporations, etc who determine the macroeconomic agendas

for the Third World. The attack on the lives of those living in the Third World takes place on both the macroeconomic and micro-socio-political levels. The effects of structural adjustment programmes and other interventions have the potential of causing popular discontent. That is where the NGOs play an important function. They deflect popular discontent away from the powerful institutions towards local micro-projects, apolitical 'grassroots' self-exploitation and 'popular education' that avoids class analysis of imperialism and capitalism. On the one hand they criticise dictatorships and human rights violations but on the other they compete with radical socio-political movements in an attempt to channel popular movements into collaborative relations with dominant neoliberal elites.

Contrary to the public image of themselves as innovative grassroots leaders, they are in reality grassroots reactionaries who complement the work of the International Monetary Fund and other institutions by pushing privatisation from below and demobilising popular movements, thus undermining resistance.

Origins and growth of NGOs
Such organisations have emerged under different types of conditions:

- They emerged as a safe haven during dictatorships where dissident intellectuals could pursue the issue of human rights violations and organise 'survival strategies' for victims of harsh austerity programmes. These humanitarian NGOs were careful not to denounce US and European complicity in local human rights violations or question emerging free market policies that impoverished the masses.
- The real growth of NGOs has occurred in times of rising mass movements that challenge imperial

hegemony. Popular revolts loosened the purse strings of overseas agencies and millions of dollars poured into various hotspots from the 1970s. The growth of radical socio-political movements has been a lucrative commodity for ex-radical and pseudo-popular intellectuals who have sold the idea of NGO projects to interested and well financed private and public foundations closely aligned to European and US multinational corporations and governments. NGOs are essentially put in various countries to 'put out the fires'. Under the guise of constructive projects, they argue against engaging in ideological movements, thus effectively using foreign funds to recruit local leaders, send them to overseas conferences and encourage local groups to adapt to the reality of neoliberalism. As outside money becomes available, we see the growth of NGOs that begin to compete for a piece of the action and this spills over into local communities. Each 'grassroots' activist corners a new segment of the poor to set up an NGO.

Deepening economic crises, where intellectuals and academics have lost their jobs, has led to a growth in NGOs. Such structures become job placement agencies where professionals can situate themselves.

NGOs might in some instances be progressive but often act as the vehicle for transactions between old regimes and conservative electoral politicians. They use their grassroots rhetoric and status as 'democratic' human rights advocates to channel popular support behind politicians and parties that confine their transition to legal-political reforms instead of socioeconomic changes.

Are NGOs internally elitist and externally servile?

In reality NGOs are not non-governmental organisations as they receive funds and often collaborate with overseas government, institutions etc. It is questionable to what extent their programmes are accountable to local people as opposed to their overseas donors. The progress of programmes is reviewed not by the locals but by overseas donors. Aside from programme reviews, interventions are often not determined by local needs but by the agendas of overseas donors. Therefore, in order to secure funding, NGOs will structure project proposals in line with the interests of Western funding elites.

NGOs foster a new type of cultural and economic colonialism – under the guise of a new internationalism. Hundreds of individuals sit in front of high-powered PCs exchanging manifestos, proposals and invitations to international conferences with each other. They then meet in conference halls to discuss the latest struggle and offerings with their 'social base' and then pass on the proposals to the 'masses' through pamphlets and bulletins. When overseas funders show up they are taken on 'exposure tours' to showcase successful projects where the poor are helping themselves and to talk to successful micro-entrepreneurs. Shifts in funding priorities or bad evaluations by non-locals could result in the dumping of groups, communities etc.

NGOs compete with local socio-political movements
NGOs are not and do not represent mass movements. They mobilise people around projects and use the 'language of the left' to bring people on board. The NGOs ultimately compete directly with socio-political movements for influence among the poor, women,

racially excluded etc. Their ideology and practices divert attention away from the source of and solutions to poverty. NGO 'aid' affects very small sectors of the population and ultimately leads to competition between communities for scarce resources. The same is true amongst professionals: each sets up their NGO to solicit international funds. The result is the proliferation of NGOs that fragment poor communities into sectoral and subsectoral groupings unable to see the larger social picture that afflicts them and even less able to unite in struggle against the system.

It is no coincidence that, as NGOs have become dominant in certain regions, independent class political action has declined and neoliberalism has gone uncontested. The bottom line is that the growth of NGOs coincides with increased funding from neoliberals and the deepening of poverty everywhere.

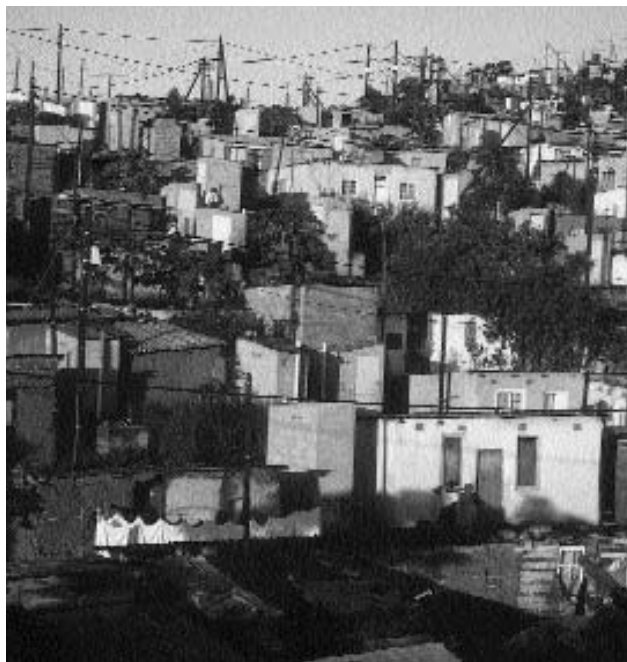
Is there an alternative way?

One could well argue that not all NGOs are the same and some do criticise and organise against the big institutions. There is, however, an overwhelming view amongst peasant leaders in Asia and Latin America that even progressive NGOs continue to play a divisive and elitist role – they want to subordinate the local leaders so they can lead and speak for the poor. Progressive NGOs use peasants and the poor for their research projects and benefit but nothing comes back to the movements. The answer lies in NGOs converting themselves into members of socio-political movements.

This is an edited version of an article written by Petras and Veltmeyer entitled 'Globalisation unmasked: Imperialism in the 21st Century' published by Zed Press.

From Seattle to Johannesburg

The Seattle movement – which came to the fore during the WTO negotiations in Seattle in 1999 – is expected to converge on Johannesburg for the WSSD. Michael Sachs analyses the character of the Seattle movement and points out that it's progressive credentials should not be taken for granted. There are many currents in its broad stream, and some flow against the tide of development in the South.



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The origins of Seattle are complex. In both form and content it has direct roots in earlier periods of mass mobilisation, particularly in industrialised countries and often referred to as the 'new social movements'. These include, amongst others, the women's movement, the gay liberation movement, the peace and hippy movements of the 1960s, the conservation and environmental movements that emerged in the 1970s and the anti-apartheid/anti-racism movements of the 1980s.

Developments in the traditional left and working class organisations have also been key. After the cold winter of the 1980s (where Thatcher, Reagan and Kohl dominated the politics of the First World) social democratic parties, with roots in earlier periods of proletarian resistance, swept to power across Europe. However, against the backdrop of rapid globalisation, these progressive parties appeared to continue the policies of their neoliberal predecessors, thus casting doubt on the continued relevance of the Social-Democratic project. At the same time the collapse of the Soviet bloc threw Marxist-Leninist tendencies into turmoil around the world. 'Social movement trade unionism' (particularly *Solidarnosc* in Poland) and the re-emergence of 'civil society' in Eastern Europe that assisted with this collapse were also crucial inspirations and precursors to Seattle. The apparent failure of both the Social Democratic and Leninist tendencies to advance the interests of the working class from the helm of state sent many from the left onto the streets in search of new

answers to old questions. This spurred the growth of a 'new left', which, although closely associated with the 'new social movements' of the 1960s and '70s, had at most tenuous connections to the broad workers' movement and little experience of mass-based electoral mobilisation.

Perhaps the most inspiring factor in the origins of the Seattle movement was the Zapatista uprising of 1994. This military expression of discontent among Mexico's 'indigenous people' coincided with the introduction of the North American Free Trade Agreement (NAFTA), which came into force in January 1994. NAFTA awoke the Americas to the era of capitalist globalisation and, simultaneously, the Zapatista uprising provided a direct link between North American and South American struggles, all of which regarded themselves as resisting this corporate-led/private sector agenda. In Seattle, these and other streams of dissent found collective strength in a single, but turbulent, confluence of popular mobilisation.

It would be premature to characterise the content of the Seattle movement. However, what is clear is that a new cultural/political space has been defined: an arena of mass mobilisation that, to a large degree, was abandoned by traditional parties in western democracies who converted themselves into narrow electoral machines.

Those who have filled this space have also transformed it with new approaches to dissent. Like the Zapatistas, many do not seek to ascend to state power in order to transform the existing socioeconomic order. Rather, in keeping with their roots in cultural dissent, they aim to 'reinvent daily life as a whole', to construct alternative systems in creative action.

Seattle in the South?

No doubt much sound and fury will be associated with the Johannesburg Summit. But the Seattle movement is likely to have longer-term consequences for our own political terrain. If so, what are they likely to be? This raises important questions of the relation of Seattle to the South. Is it a truly global movement, or essentially a movement of the North? If global, what is its relation to the struggle for a post-imperialist world? And, if Northern, how does it interface with progressive movements in the South?

The Seattle movement has creatively linked Northern with Southern struggles. This partly mirrors the growing importance of large global companies, with supply chains that cut across national boundaries. These *transnational corporations* have spawned a new *trans-nationalism* of resistance: 'Thanks to Shell Oil and Chevron, human rights activists in Nigeria, democrats in Europe, environmentalists from North America have united in a fight against the unsustainability of the oil industry... It is Nike, of course, that has most helped to pioneer this new brand of activist synergy. Students facing corporate take-over of their campuses by the Nike swoosh have linked up with workers making its branded campus apparel, as well as with parents concerned at the commercialisation of youth and church groups campaigning against child labour - all united by their different relationships to a common global enemy.'

But the Seattle movement is not yet truly global. It has emerged from (and remains rooted within) a history of typically *Northern* forms of struggle. The popular expressions associated with its existence are (until now) all linked with the names of Western capitals: Seattle, Genoa, Washington,

Cologne and Birmingham. It may be the case, too, that in the global relationships of struggle forged against a common enemy, it is the North that is most commonly the dominant partner.

This is evident in the unidirectional flows of funding that construct 'civil society' in the South, as well as the political and ideological agendas that shamelessly underpin such funding.

In South Africa, for example, 'civil society' is frequently construed to exclude popular organisations by definition. Those with any link to a mass base, such as trade unions, student formations, organised religious communities, civics or any other popular organisation that emerged from the anti-apartheid struggle, fall outside the scope of 'civil society'. Instead, 'civil society' is (in both theory and practice) conflated with 'NGOs', a narrow network of service and advocacy groups. These organisations are free of any association with the project of national liberation, and therefore, are the only structures that will satisfy the bias for 'independence' in the donor community.

Furthermore, while it is true that thousands of 'civil society' activists from the South have been drawn into global networks of dissent, Seattle's dependence on digital technology and frequent air travel imposes serious limitations on them. In Africa, for example, there are (on average) only two telephone lines for every 100 people (in some countries there is one for every 1 000); and Internet access is largely confined to capital cities.

These facts impose selection mechanisms for African (and other Southern) participants that are anything but 'democratic and horizontal'. And this raises the ugly but important question of the politics that underlie such selections. The potential (if not actual) problem emerges of a small

coterie of activists, residing in Southern capitals and raising the banner of Seattle in the South by linking to its electronic networks in the North; but being distinguished by their lack of any tangible connection to popular politics or developmental action. Their importance (for the North) is to provide a fig leaf over the absence of Southern leadership, but their actual relevance to broader popular struggles in the South is limited, and therefore, their claims to represent a 'countervailing force' to a 'global elite' are trite and self-serving.

Seattle vs. Jo'burg #1: National liberation & the state

In South Africa, the national liberation movement remains, for all its alleged misdemeanours, the main progressive force around which popular anti-imperialist and transformatory politics are organised. The convergence of these progressive forces is given concrete expression in the tripartite alliance, which is based on a fundamental strategic agreement that 'the primary task of the current period is the implementation of the National Democratic Revolution (NDR)'. In other words, while certainly at odds over important areas of policy, all actors within the mainstream of progressive politics agree on the need to build a national democratic state as a vital step towards the creation of a post-apartheid society founded on the vision of the Freedom Charter.

But amongst Seattle's multitude are many who are hostile to the project of national liberation and the Third World nation-state. Ideas of *anti-statism* come in various shapes and guises: from the anarchist left to the neoliberal right. Some believe the nation-states of the South, far from being the potential apparatus of social transformation in the hands of the poor, are an intrinsic part of a new machinery of imperial

domination. For example, Hardt and Negri in their influential book *Empire*, argue that: 'The postcolonial nation-state functions as an essential and subordinated element in the global organisation of the capitalist market ... From India to Algeria and Cuba to Vietnam, *the state is the poisoned gift of national liberation.*'

In their view the nature of the nationalism amongst the oppressed is ambiguous during the struggle against colonialism since it exhibits both progressive and reactionary tendencies. Once the anti-colonial struggle achieves national sovereignty, however, nationalism of the oppressed becomes thoroughly reactionary.

If we accept this view of *national-liberation-in-state*, we would conclude that projects of Third World national liberation, including our own, should be tossed to the dustbins of history, together with the systems of transnational domination that have inevitably co-opted them. Our democratic and non-racial state is, and can be, nothing but an agent of a new Empire. This view, which is common amongst Seattle activists, goes against the grain of the project of national liberation around which progressive South Africans are broadly united.

Seattle vs. Jo'burg #2: Growth and development in the South

The second potential area of programmatic contradiction between the Seattle movement and the South revolves around the question of the environment and its relation with growth and development, particularly in the South.

In South Africa, the recent alliance summit 'placed the challenge of economic growth, development, job creation and poverty eradication at the centre of the challenges we face in the current period'. As progressives we may

differ on the relations between democracy and development, or between growth and redistribution. But nobody seriously challenges the urgency and centrality of economic growth and social development. This accords with the consistent position of the South in international fora; especially those, which, like the forthcoming WSSD, are concerned with issues of environmental protection. At the first UN Conference on the Human Environment in 1972 Indira Gandhi (then Prime Minister of India) famously remarked, 'Poverty is the worst form of pollution'. This is not a position against environmental protection, which is clearly important to all. Rather it is a position that the central and most urgent problem faced by humanity is the eradication of poverty. To overcome this problem, a fundamental restructuring of international economic relations is required.

But many in Seattle would not agree. The greens (who are of no small significance to the Seattle movement) reject the imperative for growth and development in the South. They argue that the environment is simply not big enough to accommodate it. For example, the Heinrich Böll Foundation (HBS), a think-tank associated with the German Green party, argues that: '...if all the countries of the globe followed the industrial model, five planets would be required to provide the carbon sinks needed by economic development. As humanity is left with just one, such an equity approach would become the mother of all disasters. Consequently, there is no escape from the conclusion that the world's growing population cannot attain a Western standard of living by following conventional paths to development. The resources required are too vast, too expensive, and too damaging to local and global ecosystems.'

In other words, the South should not do what the North did. It should not attempt to accelerate industrial growth and development, which has been shown to reduce poverty. Instead, the South should 'leapfrog' into an age of solar power. It should devise a new 'development path' based on eco-friendly technology and harmony with nature.

In a purely linear sense we cannot escape the logic of the green arguments. If the South did follow exactly the same 'development path' as the North, this would certainly result in the destruction of the planet. Furthermore, unlike the past, we now have the technology and the knowledge to avoid a path that entirely consumes its own natural resource base. Who could argue that the South should not seize the advantage of the latecomer and integrate such knowledge into its programmes.

But the Northern Development Model, which the greens so roundly condemn for its environmental abandon, is not simply based on the inappropriate application of knowledge. In addition to being environmentally unsustainable, it is a 'development path' that is founded on the colonial subjugation of the world. Therefore, the 'development path' followed by the South most certainly cannot mimic that of the North: it must be different in a host of respects, of which the application of environmentally friendly technology is perhaps amongst the less urgent.

More urgent, one would think, to development in the South, is the question of the fundamental and morally repugnant systemic imbalances in North-South relations that are premised on history which the North continues to maintain and through its political and economic dominance. For example, Oxfam recently reported that:

'If Africa, East Asia, South Asia, and Latin America were each to increase their share of world exports by 1%, the resulting gains in income could lift 128 million people out of poverty... In their rhetoric, governments of rich countries constantly stress their commitment to poverty reduction. Yet the same governments use their trade policy to conduct what amounts to robbery against the world's poor. When developing countries export to rich-country markets, they face tariff barriers that are four times higher than those encountered by rich countries. Those barriers cost them \$100bn a year – twice as much as they receive in aid.'

The demand for development in the South is, therefore, linked with a restructuring of the international division of labour towards a more efficient global growth path. This implies we overcome the legacy of past injustice.

But, the effect (if not the intention) of the green argument is to shift the debate away from these questions of North-South relations. It is argued that the historic divides *between* the colonised and the perpetrators of colonialism are irrelevant in a globalised world. Instead, the divisions *within* countries are emphasised. Once again this point is well put by the Heinrich Böll Foundation: '... The conventional North-South distinction obscures the fact that the dividing line in today's world, *if there is any*, is not primarily running between Northern and Southern societies, but right across all of these societies. The major rift appears to be between the globalised rich and the localised poor.

... In contrast to Rio, the Johannesburg Summit will concentrate on poverty eradication. The South may pin up the badge of poverty, demanding a greater share in the world

economy. However, while the task is a noble one, its politics are ambivalent... Much too often, and for quite some time now, the Southern governments, supported by their elites, have indulged in the expansion of their own consumer classes and have secured their own power base under the banner of poverty eradication. Against this background, it is clear that the struggle for poverty reduction will not be decided in controversies between Southern and Northern governments, but in conflicts between the marginalised majority and the global middle class – which includes domestic governments, corporations and multilateral institutions.'

Questions of global racism, of national domination, of imperialism, of the North bearing any responsibility for the poverty of the South are deftly avoided. Instead a crude notion of class war is deployed to delegitimise Southern states and undermine their demands for global equity in forums such as the WSSD. 'Domestic governments' (popular, democratic, progressive or not) are part of the problem.

Oddly, this position strikes a resounding chord with those on the outside-left of South Africa's liberation movement who have always argued that the 'national question' (the question of racism and racial oppression) is a distraction from 'pure' working class struggle.

But this strange coincidence of position signifies more than just an interesting ideological irony. In addition to providing the intellectual basis for many 'civil society' activists in the South, institutions such as the Heinrich Böll Foundation also deploy considerable financial resources to promote these views across the globe. They form part of a 'donor community' whose blessing is required for the



initiation and implementation of projects.

Anecdotally, last year's NGO-led march at the World Conference Against Racism in Durban illustrates the kind of confused irony that such relations can generate. South Africans were mobilised to oppose a conference *against* racism. The pamphlet that called them to this (strategically dubious) action, proclaimed: 'Another world is possible! Resist global capitalism!' and then, in fine print 'sponsored by the European Union'.

Conclusions

Rather than being a movement *against* globalisation, the Seattle movement is itself a radical and democratic expression of the globalisation process. Through symbolic protest and cultural power, it poses a project of *popular*

counter-globalisation in contrast to that of *elite* globalisation. All progressives should welcome this development. After all, deepening of democracy and the building of alternatives in action requires a strong and diverse set of organisations, independent of the state.

However, given its Northern foundation, we should not uncritically accept that all those raising the banner of Seattle are friends of the South. Various currents converge on the confluence called Seattle, and amongst them are those that flow against the tide of national liberation and development in the South. Some are ideologically opposed to the state we are trying to build. Others oppose the imperative of poverty-reducing growth and development on which we agree.

For better or for worse, Seattle will have a direct influence in shaping the forces that contest the political space in the arena left behind by our cadreship in Parliament, government and union bureaucracy. Our challenge then is to ensure that we revitalise the link between this cadreship and the spaces of popular mobilisation that Seattle is redefining.

The Johannesburg Summit will provide an opportunity for progressives to do just this: an occasion for the broad liberation movement to assess its own role in national and global civil societies. While there are lessons of struggle that we can teach the world, it would also be important for us to learn from the thousands of activists, radicals and revolutionaries who will descend on our biggest city, many of whom played a direct and important role in the liberation of our country.

This is an edited version of an article, which appears in the latest edition of the ANC's quarterly journal 'Umrabulo: Let's talk of politics'. Michael Sachs is a researcher for the ANC.

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Nepad: What's in it for labour?

Notoriously, unions and the other major groups in civil society argue that they have been largely left out of the Nepad process. Cosatu's Policy Unit analyses Nepad's proposals on governance and economics.

This analysis relates to the Nepad base document (from late 2001), which was formally presented to Cosatu in May 2002.

The great strengths of Nepad are its claims as an initiative originating in Africa, and its insistence on democracy. The labour movement has been at the receiving end of too many repressive regimes – including in Swaziland and Zimbabwe – to reject that position.

Despite these strengths, however, Nepad still seems to aim primarily at engaging overseas donors. Indeed, its core strategy appears to be a trade off, in which Africa offers improved economic and political governance in return for increased foreign aid and investment. This trade off also lies at the heart of the World Bank's current strategies. An effective development strategy would have to do much more to mobilise and empower Africans both politically and economically.

Nepad's overall strategy

As it stands, the Nepad base document essentially argues that economic stagnation and poverty in Africa result from low foreign investment, which in turn results because of weak states. Following colonialism, Nepad says, African

states were too weak – mostly due to 'a shortage of skilled professionals and a weak capitalist class' – to bring about development. Nepad argues specifically that many African countries 'lack the necessary policy and regulatory frameworks for private sector-led growth'. In other words, the strengthening of the state is to strengthen capital, not to restructure it or give a voice to the majority.

Nepad's strategies therefore start with proposals to strengthen capitalist democracy and end conflicts. The governance proposals focus on strengthening the state so that it can protect property rights in a sustainable way, which in turn requires a sufficient degree of democratic rights (free speech and elections) as well as measures to address the worst effects of poverty. The state should also provide key public goods – Nepad stresses infrastructure, education, healthcare and support for smallholders in agriculture.

To strengthen the state itself, the Nepad base document focuses quite narrowly on improving public finances. It does not, however, specify how improved public financial management will be measured. Instead, it proposes

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a task team of central bankers and ministries of finance to review national policies and establish standards and codes of good practice.

The risk here is that the composition of the task team is narrow, and composed of leaders

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whose main aim is to control government spending and avoid inflation. That means the team may call for inappropriately restrictive policies. In contrast, making economic governance responsive to developmental needs requires the involvement of those engaged in carrying out developmental tasks – ministers of agriculture, trade and industry and welfare, for instance.

In short, Nepad's focus on good governance could in theory lay a basis for more equitable development. In practice, faced with fiscal restraints governments typically end up cutting anti-poverty programmes, while continuing to free up markets. The net impact can be highly negative for the poor and ultimately for sustainable development.

Nepad's economics are notoriously vague. Beyond setting ambitious targets for growth and poverty alleviation, they provide little more than to set agriculture and infrastructure as priority sectors, and call for regional integration. In other words, there is almost no detail on how the growth target will be achieved, except through increased foreign aid and debt relief. There is certainly no clear strategy for restructuring African economies to ensure growth and development. Thus, the main proposal for manufacturing is to establish national standards bodies – certainly a worthy aim, but one hardly likely to bring about rapid industrialisation.

A major concern for Cosatu is the emphasis on privatisation as the route to expand infrastructure. Most countries in Africa have even less

regulatory capacity than South Africa. In these circumstances, where the poor cannot pay for services, the private sector will not provide them. Infrastructure can then become, not a motor for broad development, but a luxury for the rich and foreign investors.

It seems the reason the economic proposals are so vague is that the real focus of the programme is not on the underlying economic issues, but on how to attract foreign funds through better governance.

In sum, despite some ringing anti-colonial rhetoric, Nepad ultimately seeks primarily to make Africa more attractive to foreign capital. The positive side of its strategy is that it recognises the need for a strong, democratic and non-corrupt state that

can undertake anti-poverty measures. The negative aspect is that strong limits are set on that state, by restraining its ability to spend as well as by looking increasingly to the private sector to provide basic services.

At an analytical level, the fundamental problem with the Nepad governance and economic strategies lies in the unquestioning assumption that

development must start by strengthening capital. That assumption has two basic flaws.

First, it is true that strong capital is needed to develop a capitalist economy. But different fractions of capital play very different roles in the economy. Simply strengthening business, without defining which groups are needed for development, can have a highly negative effect. In South Africa, for instance, supporting the dominant mining and finance groups seems likely to lead to greater

movement of capital out of the country, as they explore options abroad, rather than to higher investment or rising living standards for the poor. As the article on foreign investment in SA indicates, when the economy is not growing very rapidly, foreign investment may actually undermine and weaken local capital.

Second, strong capitalist countries also need strength in other classes. Nepad refers only fleetingly to labour, smallholders in agriculture, micro producers in the towns, and the professional classes. Yet these groups must play a central role in any effective, popular development strategy. Leaving them out means there is precious little incentive for the majority of Africans to mobilise to support Nepad.

Finally, the very vagueness of the Nepad document underscores a question about how far continental initiatives can go. We need to develop practical proposals for dealing with the problems of Southern Africa. If we can make the sub-region work, then we will have a far better chance at addressing the problems of the continent as a whole.

Toward an alternative
A more effective development strategy would focus more on empowering the majority of Africans both politically and economically. From this standpoint, the main obstacles to development are massive inequality and repressive states. That effectively gives real power to foreign capital and a few local, often corrupt, allies. Moreover, mass poverty; combined with small populations in most countries, means there is little incentive to invest to meet domestic needs.

Indeed, internationally, social development and economic growth have occurred only where governments have intervened extensively to bring about greater

equality in incomes and wealth as well as rising skill levels. Central to achieving this objective are consultative policy making on the economy in the context of a strong state-driven strategy to support domestic investment and production.

Critical aspects of an effective development strategy thus include:

- Norms for greater popular participation in policy-making as well as mass mobilisation around key projects. Nepad needs to address the closed and oppressive nature of the inherited state structures, as well as the nature of the capitalist class itself. The establishment of consultative structures like Nedlac would be a step in the right direction.
- Programmes to ensure more equitable control of productive assets. That requires a stronger public sector as well as support for a co-op movement, skills development, land reform and assistance to small and micro enterprise. It also needs more consultative policy-making on the economy, so that governments cannot be captured by a clique of big businesses, most of which are based overseas.
- Strategies to raise living standards for the poor, through government spending on social services and basic infrastructure as well as measures to encourage production of basic necessities. This approach would require a clear commitment to ensuring that fiscal strategy is sufficiently relaxed to support growth and development, without leading to unsustainable debt. In that context, the issue of debt relief becomes critical, since many countries have had to cut back radically on spending already as a result of excessive debt-service costs. Nepad does call for debt relief, but does not link it to its fiscal proposals.

Foreign investment

The Record

Nepad is largely premised on the argument that Africa needs foreign investment in order to achieve the targeted 7% growth rate. Similar hopes for foreign capital underlie much of South Africa's domestic policy. Cosatu's policy unit looks at the trend in SA.

Foreign investment in South Africa has been highly unreliable since 1994, with a devastating and still unexplained decline in 2000 and very low inflows since then. Foreign investment by South African companies, meanwhile, has climbed, contributing to depressed domestic investment. Foreign investment, at least in manufacturing and services, has in several cases been associated with de-industrialisation and job losses.

As the table on pg 34 shows, in nominal terms, foreign investment in South Africa climbed steadily from 1994 to 2000 – at which point, it dropped from R84b to R28b. The fall was fuelled by a massive decline in portfolio investment, from R83b to

R12b. (Portfolio investment is investment in shares and bonds not expected to give the investor control over productive assets.)

The reasons for the decline in foreign investment after 1999 remain unclear. Although foreign investment has risen since 2000, the net inflow remains far smaller than for most of the 1990s. The quarterly figures for the second half of 2001 and the first quarter of 2002 show sharply lower investment into South Africa compared to 1999.

The figures on foreign investment for the second quarter of 2001 are heavily distorted by the unbundling of Anglo American, affecting the 2001 annual results. The Anglo transaction involved the listing in London of

'As disconcerting as the extraordinary fluctuations in foreign inflows in the past few years are the figures on outflows due to South African investment abroad.'

Foreign capital flows into and out of South Africa

	1994	1999	2000	2001	First quarter 2002
Foreign investment into SA					
direct	1.3	9.2	6.2	57.2	1.6
portfolio	10.3	83.9	11.8	-24.0	4.4
other	-1.6	-9.3	10.8	-18.1	13.7
total	10.1	83.7	28.8	15.1	19.7
Investment by SA abroad					
direct	-4.4	-9.7	-1.9	28.7	-1.0
portfolio	-0.3	-31.5	-25.6	-43.6	-5.7
other	-1.1	-1.0	0.9	-11.2	0.7
total	-5.7	-42.2	-26.6	-26.1	-6.0
Net capital inflows					
direct	-3.0	-0.5	4.3	85.9	0.6
portfolio	10.0	52.3	-13.8	-67.6	-1.4
other	-2.6	-10.4	11.8	-29.3	14.4
total	4.4	41.5	2.2	-11.0	13.7

Note: Negative figures indicate a capital outflow.

Source: Calculated from, South African Reserve Bank, Quarterly Economic Review June 2002, p S-90.

Anglo American, leading to equity (portfolio) investment abroad; and the purchase of De Beers, which appears as foreign direct investment into South Africa.

As disconcerting as the extraordinary fluctuations in foreign inflows in the past few years are the figures on outflows due to South African investment abroad. Between 1994 and 2000, direct investment by South African companies outside the country totalled R50b – while foreign

investment into the country came to R45b. In the same period, portfolio investment abroad rose dramatically, although until 2000 it was offset by even larger inflows. In the past three years it levelled out at around R30b a year.

But the numbers do not tell the whole story. Labour has also experienced at first hand the reality that foreign investment is not always positive in the longer run.

Specifically:

- The repatriation of profits can mean that foreign investment leads to a net outflow of resources from the country. While investment inflows fluctuated, the outflow of profits rose steadily. In 2001, South Africa lost almost R50b in profits repatriated abroad, compared to R10b in 1994.

- When the domestic economy is only growing slowly, increased foreign investment to meet local demand may just displace local production. That may bring down some domestic prices. But the cost may be high. For one thing, the domestic producer often loses jobs. Even more dangerous is that local production becomes subordinated to the international strategy of the foreign investor. If the foreign company wants to increase their exports to Southern Africa, they may cut domestic production. We have seen this situation in dairy, pharmaceuticals and engineering, with local subsidiaries of overseas firms reduced to warehouses for foreign products.

Obviously, this does not mean all foreign investment is bad. In the auto industry, South Africa has seen rapid growth as a result of our industries' position in the international strategies especially of German producers.

Still, our experience since 1994 points to the dangers of basing our development strategy on foreign investment. A more effective approach would focus on mobilising local savings for growth, rather than putting our faith in the uncertain prospect of foreign capital.



ANC gears up for its national policy conference

ANC structures are supposed to be preparing for the national policy conference being held in September 2002.

The Labour Bulletin looks at the key debates, which will shape the direction of discussion at the conference

The ANC has been involved in a lengthy policy review process in preparation for the 51st national conference in December 2002. The review of policy has taken place, for some time, in various structures such as the ANC's Economic Transformation Committee (ETC). The ETC, for example, has been meeting on and off for the last two years to review existing economic policy with the aim

of drafting an economic growth path. Aside from the ETC, other structures have been meeting in recent weeks to debate broad policy. This process will culminate in the national policy conference in September, which is supposed to lay the basis for the adoption of policy resolutions at the year-end national conference. The starting point for the policy review process was the existing policy

positions adopted by the 50th national conference in December 1997 in Mafikeng.

The 1997 Mafikeng Conference confirmed that successful economic transformation required a set of economic policies that were mutually re-enforcing and which, as a package, addressed the structural problems in the economy. These objectives as set out at the 50th general conference are:

- A competitive, fast growing and developing economy that creates sufficient jobs for all those seeking work.
- A redistribution of wealth, income and opportunities in favour of the poor and the historically disadvantaged.
- A society in which sound health, education and other services are available to all.
- An environment in which homes are secure and places of work are productive.
- The popular involvement and participation of all South Africans in the economy and in economic decisions.

Building on the Mafikeng resolutions, government adopted a combination of policies in the form of an Integrated Economic Action Plan in 2001. This plan was reformulated into a Microeconomic Reform Strategy in 2002 (see SALB 26 (1) and (3)). The Microeconomic Reform Strategy does not represent the totality of

discussions is the failure of government's institutional arrangements to deliver. It has become clear that, as one observer says, 'the policy and implementation arena are not speaking to each other'. Time and time again this issue came up in different forms: 'uneven capacity to implement', 'lead time between policy formulation-law-regulation-implementation-review', 'implementation is hampered due to lack of coordination between government levels', 'no proper synergy' and so on.

Government can draft the most ambitious and comprehensive policies but limited or inadequate capacity is preventing implementation. As one delegate commented on the culture of government: 'We do not do anything about people who do not do the job (no civil servant gets fired for incompetence and sometimes even is promoted for being incompetent). We have not worked sufficiently hard to change the culture.'

Delegates pointed out that the ANC had not implemented a previous decision to provide resources and capacity to local government. One delegate jokingly recounted an exchange between delegates around whether the country – drafting First world policies with third world capacity as opposed to third world policies for third world capacity.

A broad assessment of the policy arena was conducted where discussion focused on government's overall achievements, shortcomings and challenges for implementation. Some of the achievements recorded included: improvements in the delivery of some basic services, socioeconomic advances, stable macroeconomic policy, servicing debt and the economy being able to deal with external factors.

The problem areas and challenges are in many cases interlinked and relate to the following: insufficient focus because the ANC is trying to do everything; the lack of balance

between social and economic efficiency; job creation and poverty; corporate governance issues in relation to parastatals/regulators

and government, parastatals need to be brought into the system; inadequate strategies for developing and supporting local authorities; skills mismatch in the economy, which affects service delivery; questions around input costs such as tariffs and wharfage and other aspects of industrial strategy; welfarism (redundancy in public service); the cost of bureaucracy and whether capacity to deliver poverty programmes exists; issues around domestic and foreign investment and a lack of synergy around infrastructure.

The following challenges were highlighted with the aim of ensuring: the domestic market leads investment;

'Government can draft the most ambitious and comprehensive policies but limited or inadequate capacity is preventing implementation.'

government's economic transformation agenda. Rather it is an attempt to integrate those strategies and programmes critical to accelerating growth.

Assessment of policies

The debates in the various workshops revealed that there would be no dramatic shift in overall policy. Instead, there could be a refinement in some policy areas – such as black economic empowerment and the approach to the financial sector – as well as an attempt to build on and strengthen implementation of existing policies. One of the most critical issue to have emerged from these

Linked to the capacity problems in government, one senior minister lambasted various parliamentary structures, such as the National Council of Provinces, ANC study groups and the like for their lack of understanding of issues being debated in Parliament. Issues around implementation and capacity brought to the fore national government concerns around the provinces and local government structures. It is clear that local government structures lack capacity to function properly and this directly affects huge areas of delivery. Local government's inability to promote local economic development is of concern to national government.

the implementation of investment incentives; growth linked to development; tightening coordination within government and between government and its agencies/regulators/parastatals; the strengthening of capacity of government to implement policy; sector strategies linked to parastatals; proper regulatory framework regarding the financial sector, which includes issues around access to credit for the poor; the need to link domestic economic priorities with Nepad and the region; procurement to ensure promotion of local production; the need to focus on priority delivery areas; issues around land; the implementation of a strategy to increase household income and livelihoods in rural areas; more targeted intervention around skills development; the need to develop an integrated approach to deal with tensions between social and economic issues and the need to properly define the role of the state.

Emerging from this process a number of core areas were identified for further discussion:

- developmental state (what is meant by a developmental state);
- promotion of the micro economy (which includes land tenure);
- capacity for implementation (which includes issues around deployment to ensure political control of institutions, the role of parastatals and how they engage with government, local government and skills development);
- participation of civil society in policy-making;
- black economic empowerment;
- Nepad.

Key areas for discussion

As mentioned above, it is not anticipated that there will be a wholesale policy review. However, a refinement of tactics could take place in a number of policy areas, some of

which relate to the abovementioned issues. During various discussions, it became clear that a number of resolutions adopted in Mafikeng have never seen the light of day. There was an acknowledgement of the need to draft resolutions, which were not all encompassing but provided a broad framework for government. A range of resolutions – relating to the economy, black economic empowerment (BEE), state asset restructuring, the future of key sectors in the economy, skills development, employment, rural development, building a cooperative movement and regional development and Nepad – are expected to be debated at the national policy conference. There are a number of policy areas that require further clarification or where formal strategies have not been finalised. They include the following:

BEE

Government does not yet have a comprehensive policy on BEE, although every department has programmes to achieve this aim. The absence of such a strategy has given rise to ambiguity about the definition of BEE and the character of the empowerment process. This has resulted in fronting and other forms of misrepresentation in order to access BEE opportunities. (The dti together with other government departments have recently developed a BEE strategy, in part, in response to the publication of the BEE Commission report.)

Despite the government programmes in place, most studies suggest there has been virtually no change in the overall distribution of incomes and wealth since 1994. In this context, the fundamental question is whether BEE aims to:

- ensure blacks are fairly represented among the top owners and managers of companies; or
- improve the position of all black people, especially women, through

measures that ensure a more equitable distribution of incomes and assets overall.

The ANC has adopted the second view, which means BEE includes such broad-based redistributive strategies as land reform, reprioritisation of government services and job creation. Nonetheless, many measures considered part of BEE, such as set-aside programmes for black investors when selling state assets and a bias toward black-owned companies on procurement, seem geared primarily to support black capital. Further, such initiatives have had mixed success. Special Purpose Vehicles have left many BEE initiatives heavily indebted, BEE initiatives in strategic sectors of the economy that are particularly averse to transformation still need to be developed, there is a problem of front companies and the continued weaknesses of the state procurement system, and 'black-chip' shares on the JSE have performed poorly.

A major debate revolves around the usefulness of setting targets, and how targets should be understood. The ANC itself must do more to report and assess progress. On that basis, it may be possible to begin to develop clearer numerical objectives. Resolutions therefore, need to be drafted which attempt to deal with these issues.

Employment

It is clear that the fight against unemployment is critical, Government believes there are no magic solutions or quick fixes. Unemployment in South Africa is a deep, structural problem, reflecting the large inequalities inherited in ownership and skills. New jobs will not be generated overnight, at least not in the numbers needed. Fighting unemployment will be a long haul.

Government has yet to fully articulate an integrated employment strategy of the type proposed at Mafikeng. Moreover, a number of

'resolutions should also focus on areas such as the abuse and corruption in the micro-lending sector ...'

Mafikeng resolutions have not been implemented, such as raising the cost of job shedding to employers, reducing the prices of wage goods, lowering transaction costs on the labour market, improving the access of the poor to assets and undertaking large-scale public works projects.

The report of the Committee of Inquiry into Comprehensive Social Security (CCSS) has argued that if high unemployment is here for the foreseeable future, government must strengthen welfare and involve the unemployed in community development projects. Otherwise the country will end up with unacceptable levels of poverty and social isolation. Employment projects could include community services, such as homecare for people with AIDS and childcare, as well as public works.

Further, the adoption of an active labour market policy to address unemployment has been constrained by the structural nature of unemployment in the South African economy and poor labour market information. It is critical then that resolutions be adopted that aim to support proposals for large-scale public works and community services programmes as proposed by the CCSS. Such projects could support the expansion of social infrastructure, public housing, home-based health care, ABET and childcare as well as the delivery of critical public services to poor communities. Other resolutions could focus on ensuring more targeted interventions around skills and the use of SETAs; sector summits and regional forums should be established to identify where sustainable job creation is possible; procurement policies should aim to increase demand for quality local

products; and land reform and the transformation of the financial sector must be accelerated to ensure food security and rising incomes for the rural poor, in particular. If necessary, government must expropriate land for the purpose of land reform.

Skills development

Discussions have revealed that limitations still exist around skills development with many companies still not taking up the benefits provided for in the Skills Development Act. Resolutions should therefore, focus not only on addressing this issue but those relating to the educational system. For example, those subjects in schools that have been neglected such as maths and science (many black schools do not have teachers for maths, science, computer or cultural studies – all of which are critical in the modern economy). Of 400 000 black matriculants last year, only 1 000 had maths and science grades high enough to take university courses. In 2000, almost half of all schools still had no electricity, and only one in ten had computers for learners.

Financial sector restructuring

A number of issues around the financial sector remain unresolved. Key to this is the role it should be playing in contributing towards the development of historically disadvantaged communities. However, the financial sector alone cannot overcome the obstacles to development. Therefore, measures to transform the financial system must be embedded in a coherent and comprehensive development strategy.

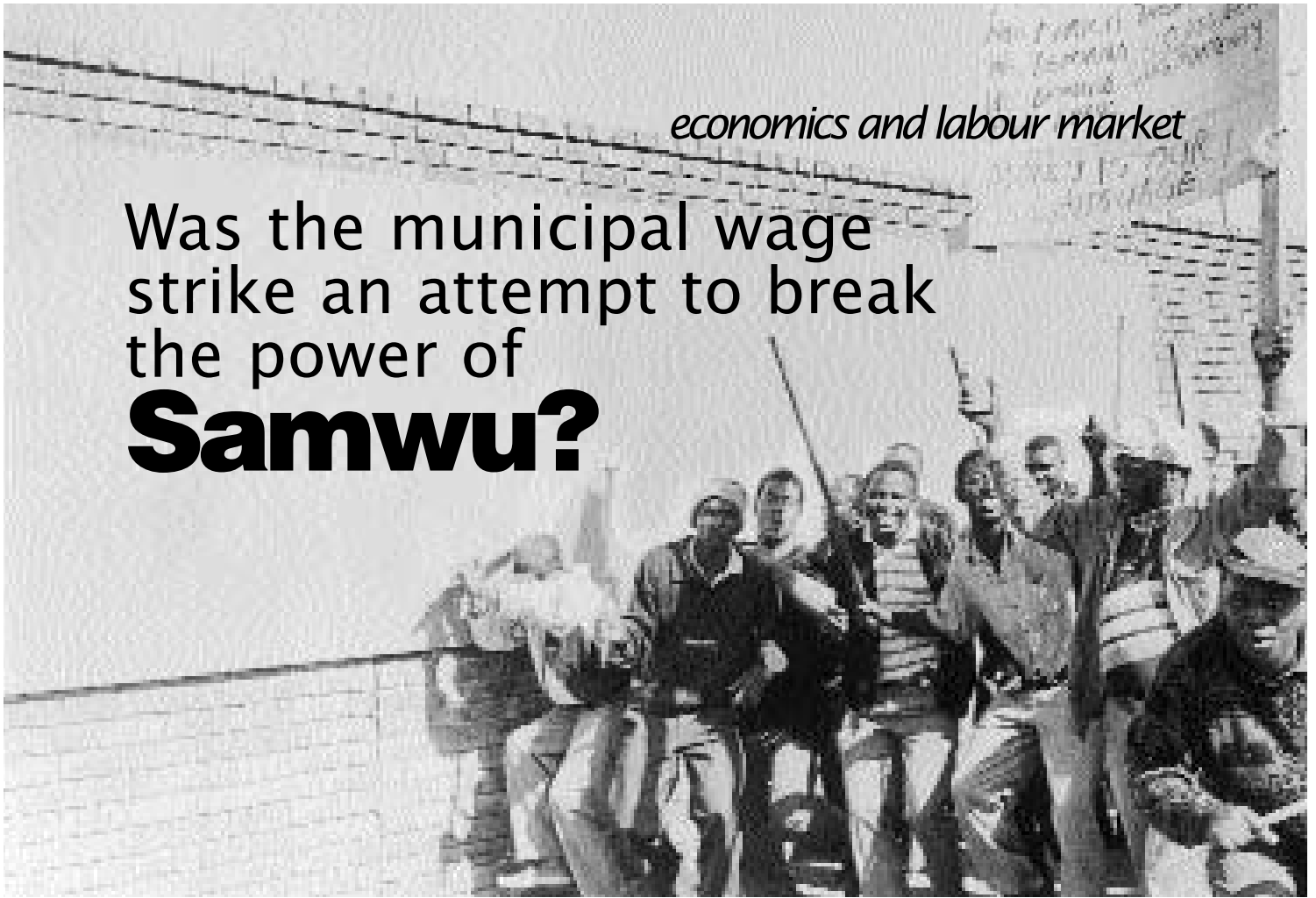
Government has a variety of possible instruments for affecting decisions by financial institutions.

They include the location of government accounts; requirements around the direction of credit and establishment of outlets; support to new kinds of borrowers; deposit guarantees to protect lower-income depositors; tax incentives or sanctions; anti-discrimination requirements and procedures; and direct support for innovative forms of financial ownership, such as cooperative banks and stokvels.

In the absence of a coherent policy, however, government has not used these instruments consistently to transform the financial sector. Engagement at Nedlac in the run up to the Financial Sector Summit, now planned for mid-August, seems likely to lead to more explicit and vigorous measures to restructure the financial sector. In particular, some agreement seems likely on regulation of credit bureaus, development of more appropriate legislation for cooperative banks, anti-discrimination measures, and the direction of contractual savings toward more productive investments. The issue of prescribed assets (setting aside a portion of assets in retirement funds for development projects/social investment) has been a controversial issue for some time. However, some form of requirement for more targeted investment should form part of the discussion.

Resolutions to be adopted should take into account the developments taking place around the financial sector summit. However, these resolutions should also focus on areas such as the abuse and corruption in the micro-lending sector with the aim of developing strategies to ensure poor people have access to affordable financial services. LB

Was the municipal wage strike an attempt to break the power of **Samwu?**



The Anti-Privatisation Forum (APF) explains the significance of the recent municipal strike and how, for many workers, it was a strike against government and its policies

For the APF and many workers, the recent municipal strike was against the ANC government and its policies that favour capitalists. The South African Local Government Authority (Salga) represents and negotiates on behalf of municipal employers – the majority employer being the ANC. Anyone watching the strike unfold might have asked, ‘why doesn’t Salga pay what the workers want and end the strike?’ The reality is that the ANC in government wanted to break the South African Municipal Workers’ Union (Samwu) resistance. Breaking the strike would have

weakened the union’s ability to resist the ANC programme of restructuring and privatising local government.

Samwu has consistently fought privatisation and slowed government’s privatisation programme. Simply giving Samwu workers 9% and avoiding the strike, as the ANC government did in the public sector, would not have weakened Samwu resistance to their programme. Significantly the leading Salga negotiator is an ex-Nehawu general secretary and Cosatu central committee member, who learnt union bashing in the iGoli 2002 struggle against privatisation.

What role did top ANC ministers play during the strike?

The APF believes the role played by top ANC ministers supports our view that the strike presented government with an opportunity to weaken the union:

- *The Minister of Provincial and Local Government* said he would try and get Salga to the negotiating table following Samwu’s request for this. Remember, Salga consistently put off negotiations, hoping that workers would go back to work and that the strike would break. Are we serious that this top minister sat on the biggest strike in municipal



history but did not know what his lieutenants planned, or that he was not part of the attack on Samwu?

- *The Minister of Defence* was more honest, openly threatening and calling in the army to protect scabs during the strike in Durban.
- *The Minister of Labour* publicly rebuked Salga for not negotiating, but did he support the Samwu demands?
- *The newly appointed Minister for Safety and Security* seemingly took a back seat, whilst police viciously attacked, arrested and harassed strikers, including shooting at them.
- *President Thabo Mbeki* was embarrassed during the strike because the streets of Durban were dirty during the African Union launch. He openly accused Samwu leaders and workers of betraying their movement. His contempt for the workers' struggle and protection of bosses and their governments makes his kind the real betrayers.

As for the councillors ...

We never heard a single public voice of dissent. Instead, we only heard threats against the trashing of the streets. For us this was a legitimate weapon, clearly showing the daily dirt and rot that workers silently clean away every day. Undoubtedly councillors feared losing their jackets if they spoke out, as then Councillor Trevor Ngwane did, when the ANC suspended him for publicly criticising the iGoli 2002 privatisation plan of Johannesburg. Yes, we heard some changed their tune during the strike, but we never heard them publicly.

Strikes are wars, which draw a line between workers and the bosses. Politicians that sit silently on fences are not supporters of the workers' struggle.

The role played by the APF

The APF decided before the strike began that it was crucial that it was supported.

We did this for three related reasons:

- Samwu has supported the APF and is a friend in the workers' struggle.
- We saw the strike was against the same ANC local government that cuts the electricity and water of millions, evicts and forcibly removes communities (for example Thembalihle and Mandelaville), privatises our services and fails to account and take our mandates.
- The APF supports working class struggles wherever it can and builds unity with unions and workers.

The APF embarked on various initiatives to support the strike in a number of areas including Alexander, Katlehong, Vosloorus. They ranged from mobilising members around the strike and discouraging scabbing; distributing pamphlets supporting the strike; picketing at depots; participating in Samwu marches and incorporating the strike into APF programmes:

- when marching against evictions and for a flat service rate to the Emfuleni Council;
- when marching in Alexandra against the housing department for demands to upgrade flats; and
- in Thembalihle during the struggles against forced removals.

The APF also sent a letter to the mayor of Ekurhuleni demanding a meeting to explain why he interdicted essential service workers to break the strike. Our attitude to court interdicts against essential service workers is that workers have a choice, and they can use their mass strength and unity to ignore the interdicts. Further strength to do this could have come if Cosatu was prepared to build federation-wide action against dismissals. Six out of ten Samwu workers do not have the right to strike because they are deemed to be essential

service workers. It is impossible to build a powerful municipal strike without reclaiming the right to strike through mass power. This is capitalist law. It affects the working class in communities through cut-offs, but stops the producers of these services from striking.

Conclusion

The three-week municipal strike was far more than just about wages. It was brought on by the organised attempts of Salga and the ANC in government to consciously weaken Samwu, rather than a narrow cost-cutting exercise. Salga unilaterally signed a wage agreement with the minority municipal union, Imatu, as an attempt to take away Samwu's right to bargain. It developed a consistent attack of court interdicts aimed at taking away workers' right to strike. There was a vicious and bloody police attack on strikers resulting in severe injuries, imprisonment and the situation where the army was brought in to 'protect' the scabs. The very organisation that workers have placed their hope in for a better life, the ANC in government has shown itself as the major obstacle to a living wage, and a government of privatisation, retrenchments and cut-offs. Its plans to achieve a shift in the balance of organisational and political power, away from Samwu. Fortunately, they were not able to achieve this due to the united mass action of Samwu workers. Samwu workers go back to work with some casualties, but their organisation and unity is broadly intact. They have built their own confidence for the battles ahead, but have also contributed to strengthening the working class everywhere in their battles against capital and the governments that represent it.

The APF can be contacted at (011) 339-4121.

Reflections on the Samwu strike

In view of the significance of the recent Samwu strike it is critical that some form of post-mortem is conducted. The Labour Bulletin poses a number of questions in an attempt to kick-start this process.

The Samwu strike was the most visible and longest strike since the railway workers' strike led by SARHWU in 1987. It affected many towns and cities across the country. This exposed the public to the union's plight as well as fellow trade union members in other sectors directly to the strike and created the possibility of active and engaged support.

But how effectively did Samwu and its federation, Cosatu, exploit the advantages of the scale of the strike to ensure the maximum effect of the strike weapon? Was the union and its allies inside and outside of the federation able to build adequate solidarity as a counter to statements and actions by the Salga negotiators, the police, politicians in elected office, senior government officials, and in some instances, the press?

Questions to consider

What questions should the union movement be asking itself as a means of drawing out some lessons for the future? What are the useful issues to bear in mind in planning and building a national strike?

The following are some issues and questions, which readers can begin to think about.

Picketing and other actions - what is most effective?

Samwu officially encouraged mass

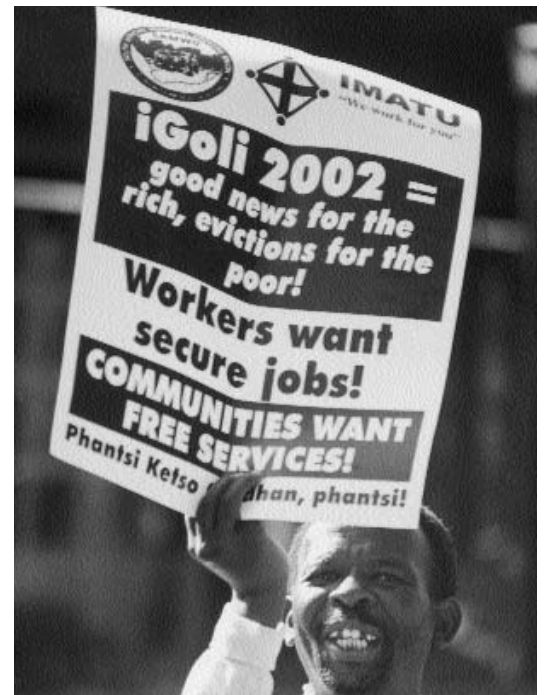
picketing outside of workplaces, but this did not happen on a large scale. Striking workers mostly gathered in single meeting places and marched. How can the picket tool become more organised and effective as a means of stopping production in cases where not all workers are on strike?

The union leadership took a public stand against the trashing of streets. But trashing streets is a popular world-wide tactic of municipal workers on strike as a means of highlighting the 'dirty work' of many municipal workers, and so it continued. Public opinion on the trashing seemed very divided. Do you have a view on such a tactic?

What other actions by the striking workers might have been effective?

Effectively using leadership thrown up by the strike

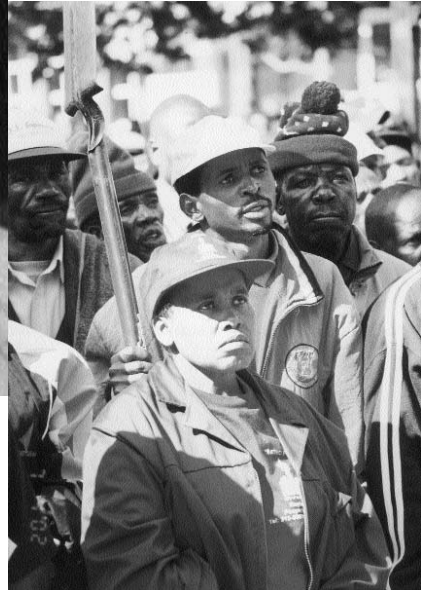
Strikes always throw up new leadership. The scale of the strike would inevitably have revealed hundreds of workers ready to continue to play a leadership role of one kind or another. It is often difficult for a union to find creative ways of accommodating and encouraging such new leadership, especially where they were not previously elected into official structures. Has Samwu been able to find a role for such emergent leadership both during and after the strike? What is the experience of other unions in establishing strike committees in the course of a strike, and what



happens to these committees afterwards?

Media coverage - getting the sympathy of the public?

Right from the start the union projected the strike as not only about the absolute wages of its members, but also about the huge inequalities in wages in municipal services. This was very effective in soliciting public support and sympathy. Are there any lessons here for other strikes?



White-collar workers – how do strikers relate to them?

The predominantly white-collar union Imatu, reached agreement with Salga. But many Imatu members actually supported the Samwu demand for a higher increase. During a strike, what is the best way of relating to higher paid workers whose union has already reached agreement? Indeed, more generally, how should unions in a multi-union environment relate to one another on an ongoing basis in an effort to *avoid* a situation where one union settles and another does not?

Building solidarity within a federation – was there enough?

Most Cosatu affiliates made public statements in support of the strike, as did Cosatu itself. Various unions threatened solidarity strike action. Were federation structures prepared to carry out the threat of solidarity action, if the strike had continued? In the same vein, were Samwu leaders explicit about what they wanted in the form of solidarity, and were they pro-active in educating and mobilising sister unions?

Building federation structures to take forward the Living Wage Campaign – was this done?

Related to the question of building solidarity within Cosatu, did the

federation effectively use the dispute to build its own structures and the Campaign for a Living Wage? While workers in all sectors identified with the demands of the strikers, to what extent was this boost in confidence translated into practical campaigning and building the strength of the local Cosatu structures, which are known not to be very active at the moment? And in the follow-up to the strike, how can all structures, but especially the locals, be strengthened to carry forward the Living Wage Campaign in all sectors?

To what extent has the strike opened up debate on exactly what a Living Wage is? Can it be said that even the agreed minimum for municipal workers of R2 100 is a Living Wage?

A strike fund – could this have been established?

The striking workers received no pay for three weeks. In some local areas, for example Pietermaritzburg, workers of other Cosatu unions made cash contributions to the strikers through the Cosatu local structure. Could more have been done in this regard? Is such financial solidarity best handled at the local level, or should unions set up national funds for donations during a strike?

A related issue is the extent to which workers in debt can undermine union

militancy. The union had anticipated that high levels of debt amongst workers would affect the planned strike. To what extent are unions beginning to address the issue of debt amongst their members and the underlying reasons for workers being trapped in a debt spiral?

Building solidarity with communities – why were there not more joint actions?

A few examples of joint marches with members of local communities were reported. What is the state of local community and political structures that there were not more examples of such joint actions? What is the role of strikers in mobilising community support?

Action against striking workers and the union – will post strike solidarity be forthcoming?

The strike is now over, but Samwu and its members are facing disciplinary and legal actions in many municipalities. Disciplinary action has been threatened against essential service workers who went on strike, and the union is being threatened with lawsuits to cover the cost of the strike. What will the response of the union's federation be to such actions?

Should the union lobby to review issues around essential services and the

mechanisms for reaching minimum service agreements?

About 60% of Samwu members are classified as essential service workers. However, if minimum service agreements had been legally endorsed then up to 70% of members would have been protected and not considered having engaged in illegal industrial action. The essential services committee did not approve a number of minimum service agreements. This aggravated the situation and threats of interdicts began to emerge.

Increasing pressure for long-term agreements – how should unions respond?

The agreement reached includes agreement in principle on a three-year contract, which will give workers an increase of inflation plus 1% for 2003/4 and an increase of inflation plus 1,5% for 2004/5. Many unions are coming under pressure to sign extended period agreements. However, the way in which inflation figures are calculated does not take into account the burden of higher than inflation food and transport prices on the poor. Do you have any experience of a two- or three-year agreement? What is your view of longer-term agreements?

The role of relevant information for collective bargaining

During negotiations it became clear that the parties did not have relevant information at their disposal. The union requested information around the cost of the total wage bill and a spread of the wage rates. Apparently, the employer claimed this information was not available. This type of information is critical for collective bargaining.

How should unions engage with former trade unionists who have become management negotiators?

It is understood that the presence of a key employer negotiator (previously a senior union official) created tension in the process. Such a person is perceived as being 'union friendly', but not necessarily by the union. Personal dynamics can, at times, cloud the process and delay agreement being reached.

How should unions go about rebuilding their structures following a lengthy and acrimonious strike?

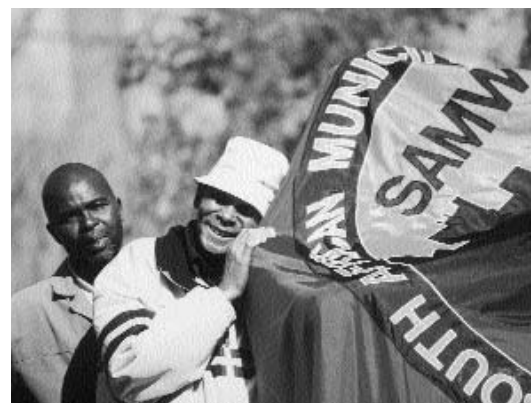
Strikes tend to bring to the fore a range of organisational issues that otherwise would not be evident. Unions should share their experiences about what mechanisms are put in place to rebuild structures, if necessary. This is especially critical if differences emerged between the leadership and members as to whether the strike should take place.

The role of ANC elected politicians – could it have been different?

The question uppermost in many people's minds, and perhaps the most serious question of all is: Did the ANC government believe the strike was an opportunity to smash Samwu as a 'troublesome' union? Was there a political agenda behind Salga's stance?

Not one ANC councillor is known to have publicly supported the demands of the municipal workers. Was this because they were scared of being disciplined? Was it because they were ignorant of the issues? Or was it because they believed the demands of the workers were unjustified? Did Cosatu members put any pressure on their councillors? Is it completely unrealistic to expect such support? Will the absence of support from councillors have any impact on the next local elections?

President Mbeki publicly attacked the strikers when he accused the union



of causing embarrassment and 'betraying the movement' during the AU Conference in Durban. A number of commentators in the press responded by saying that Mbeki had made a big mistake, and that he should rather have seen the strike as a reflection of democratic rights.

The Minister of Labour, Minister Mdlalana appears to have played a role in pressurising Salga to negotiate. But where were Sydney Mafumadi, Minister for Local and Provincial Government and former deputy general secretary of Cosatu? And what is to be made of the Minister of Defence, Minister Lekota's call for the army to intervene in Durban? Why did Minister Nqaqula not intervene to restrain the brutality of the police during the strike?

Do you think there was a political agenda? What do you think of the role played by councillors, Cabinet ministers and the President? In the same vein, to what extent do members support the political agendas of union leadership? Do union leaders ever place their own political agendas ahead of the interests of their members?

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If you have any thoughts on any or all of the above questions, please write to the 'Bulletin'. Or use the questions to debate with others, and submit a collective view.

Where are we at with the growth and development summit?



Much fanfare was made when President Thabo Mbeki announced plans for a growth and development summit during his opening address to Parliament this year. Five months down the line, plans for the summit remain rather vague with indications of it being postponed until 2003. The Labour Bulletin looks at where the process is.

As mentioned in *SALB 26 (2)*, the idea of a growth summit became a reality during the President's opening address in Parliament in February 2002. In his speech Thabo Mbeki linked such a summit to the idea of a social accord/compact.

Since that announcement preliminary discussions have taken place within Nedlac, various alliance structures and government. Some unease emerged as to whether the process should continue or whether it should die a slow death. This view was largely based on the concerns around what such a process would deliver in view of the experience of the Presidential Jobs Summit in 1998. It became clear during discussions that the summit should be postponed until next year. It was acknowledged that if it took place this year it would degenerate into yet another jobs summit experience as a number of major events would be dominating the scene.

In June 2002, Cabinet endorsed a document, which outlined a process to be followed in the build-up to the growth and development summit. The dti's head of external relations and policy coordination Wendy Dobson says government wants to ensure the process focuses on concrete issues rather than having an open-ended agenda. There has been some speculation that government wants to determine the agenda to ensure the summit process is not used as an opportunity to renegotiate government policy.

Dobson says government is looking to engage on a number of very targeted issues. The identification of these issues, which will form the subject of the agenda, will take place through a consultation process with senior representatives of the various

constituencies. It is envisaged that a minimum of three to five issues will be agreed on for an agenda for the summit process, Dobson says. Once these issues have been agreed to task teams will be established to deal with each of the issues identified. The success of the process will be dependent on senior level representation from all constituencies. Dobson pointed out that consultation might not be limited only to official business representation in Nedlac, but could extend to other sector specific business organisations.

In recent months there has been some concern expressed within government around the level of business input to broad policy debate and the disorganised state of business organisations. Such concerns were vocalised during the public hearings in Parliament on the dti's integrated manufacturing strategy. Business input and contributions could be given a boost with the recent decision by AngloGold chief executive officer Bobby Godsell to head up the business grouping in the MLC. Informally, government has welcomed this move. It is anticipated that the process will be held under the auspice of Nedlac. However, discussions in other structures such as the MLC could contribute to the success of the process.

The *Labour Bulletin 26 (2)* did a special focus on the growth and development summit which highlighted some issues, which could form the basis of an agenda. However, emerging discussions within the ANC in the build-up to the national policy conference in September reveals possible areas for discussion including the role of towns in economic development and the realisation of the need to the possible introduction of community-based public works programmes.



The African Union and Nepad

The National Economic Development and Labour Council (Nedlac) has agreed to engage on Nepad and the African Union (AU)

The New Partnership for Africa's Development (Nepad) and the African Union (AU) is to become a standing agenda item at Nedlac. This was agreed at an executive council meeting at Nedlac in July.

The council was addressed by the Minister of Trade and Industry, Alec Erwin. He reported on the recent inaugural assembly of the African Union in Durban, where the assembled heads of state and government met and considered the report of the Nepad Implementation Committee which was established in July 2001.

Erwin said there had been good progress in terms of the AU's adoption of a Peace and Security Council. It was a priority now to get this up and running. There had also been agreement on an African Peer Review Mechanism. This mechanism would promote adherence to a number of commitments that the heads of state made in a declaration on democracy, political, economic and corporate governance, adopted at the Durban meeting.

There were initial action plans on priority areas, which the G8 had broadly agreed to fast-track, these included:

- West African Power Pool (building new power and gas stations)
- Southern African Zambezi Valley Projects (rail, roads etc)
- Nile River Basin Project (rehabilitating wetlands and lakes to promote agriculture).

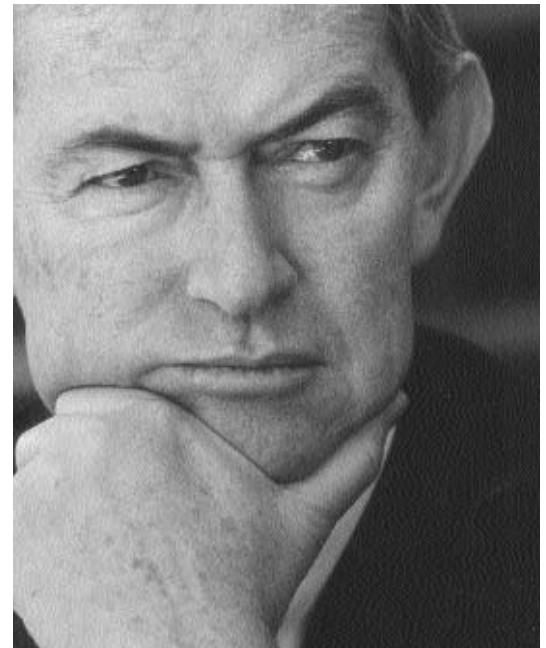
Erwin said that a process was in place with Business to update it on Nepad, but that there needed to be a process in Nedlac that would engage on Nepad issues.

Constituency queries

The business delegation indicated that it was broadly in support of Nepad. It requested clarity on the relationship between Nepad and the AU. It also enquired as to what would happen to countries that do not voluntarily submit to peer review.

Labour agreed that a Nedlac process needed to be formalised, as Nepad was moving very fast, and there was a need for information dissemination. With regards to encouraging dialogue between the social partners, labour asked whether the heads of state were thinking of setting up a mechanism for social dialogue along the lines of Nedlac. Labour was also concerned about how the peer review would

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operate, in particular with regards to leaders such as Muammar Gaddafi, who the media had portrayed as being opposed to Nepad. It also enquired about how individual countries would coordinate in terms of the regional process.

Community wanted to know how civil society was going to be involved in the various AU structures, such as the economic and social council. It also enquired how plans that were already in place, such as the Plan of Action on Disabled People in Africa would be fitted into the AU programme.

Government response

Government explained that Nepad was a process taking place within the AU. It was a project, not an institution. AU



'Government said that although the debate was intensive, the over-riding aim of the African Union was to ensure democracy and good governance. He played down the influence that Colonel Gaddafi would have within the AU and Nepad.'

countries would be called on to implement the Nepad programme. Under the Nepad initiative, the continent had been divided into five regions, although there were some problems with this that needed to be sorted out. With regards to the old and new leadership, government said that although the debate was intensive, the over-riding aim of the AU was to ensure democracy and good governance. He played down the influence that Colonel Gaddafi would have within the AU and Nepad.

Government said it was important that social partners linked up throughout Africa to ensure they have a meaningful involvement in the AU. It said that Nedlac needed to advise other African countries in terms of setting up similar institutions, and that constituencies needed to strengthen their relationships with their counterparts in the rest of Africa. ■

Issues currently on the

Nedlac agenda

Development Chamber

A national summit for civil society participation under the Cotonou Agreement will be held on 12 - 13 August. The aim of the summit is to build capacity amongst civil society in order to facilitate greater involvement in the implementation of the Cotonou Agreement, which was signed between the European Union and the African, Caribbean and Pacific countries in 2000.

National Plan for Higher Education - A meeting was held with the Minister of Education on 26 July 2002 to discuss the plan. Constituencies were given the opportunity of raising their concerns directly with the minister.

Draft White Paper on Water Services

HIV/AIDS - The task team has covered the issue of workplace best practice, and is now looking specifically at what programmes are in place for rural and unemployed people.

WSSD - The Nedlac constituencies have been very involved in the lead-up to the Summit, and will also be taking part in the Civil Society Conference parallel to the Summit.

Public Finance and Monetary Policy Chamber

A report on the food price increases is due to be finalised shortly. The constituencies have been engaging on a number of proposals on how to tackle the issue of the rising food prices.

A Financial Sector Summit will take place on 20 August 2002. This will be the culmination of many months of engagement by the constituencies on issues such as third tier banking, cooperatives, credit bureaus and the extension of banking to under-banked sectors of society.

Trade and Industry Chamber

- *Sector summits* in the metals and engineering and the petrochemicals sectors are currently being planned.
- *Integrated manufacturing strategy* - Nedlac parties are giving input to the governments industrial strategy.
- *Trade agreements* - the Chamber is facilitating input into South Africa's trade negotiations, including setting up parallel processes to the committees under the WTO in order to prepare for the next round of negotiations.

Labour Market Chamber

Social Security - in a joint task team with the Development Chamber, Nedlac is coordinating the response of the constituencies to the Taylor Commission Report on a Comprehensive Social Security system.

Productivity research being undertaken by the Department of Labour and the National Productivity Institute will be fed into the Nedlac process.

Strikes

Primary, secondary or sympathy?

Anton Roskam and Peter Mahlangu discuss the labels primary, secondary and sympathy strikes and their impact on interpreting the Labour Relations Act

Labels are always dangerous. They are especially so if they are derived from loose industrial relations talk and used to interpret the Labour Relations Act (LRA). For example, although the broad policy distinction between 'disputes of right' and 'disputes of interest' informs the way in which the right to strike is limited in section 65 of the LRA, the Act does not use these words anywhere.

Another example is the different kinds of strikes. In loose industrial relations language there are four kinds of strikes: primary strikes, sympathy strikes, secondary strikes and socioeconomic strikes.

A 'primary' strike is one in which the strikers have a material interest in the outcome of the dispute. They are, for example, seeking a change in their own terms and conditions of employment. A 'sympathy' strike is one in which the strikers are striking in support of their colleagues' demands. They are, for example, not striking to increase their own wages but to put pressure on the



employer to increase the wages of their fellow colleagues. A 'secondary' strike is a particular kind of sympathy strike. Here strikers strike in support of the demands of their colleagues employed

by a different employer.

The LRA refers only to the words secondary strike in section 66. (Section 77 deals with protest action in relation to socioeconomic issues, which is

essentially a socioeconomic strike. We will not deal with this strike here.) Therefore, although the terms primary, sympathy and secondary are popular in the industrial relations community, the LRA in large part avoids mentioning them.

Are these labels useful in interpreting the LRA? We believe not. In fact they only serve to confuse the process of interpreting the LRA. Three cases, *Afrox Ltd v SACWU & Others* (1) (1997) 18 ILJ 399 (LC), *CWIU v Plascon Decorative Inland (Pty) Ltd* (1999) 20 ILJ 321 (LAC) and *SACTWU v Free State & Northern Cape Clothing Manufacturers' Association* [2002] 1 BLLR 27 (LAC), demonstrate this.

In our view, the confusion in interpreting the LRA stems from crude attempts to align the industrial relations labels with the various sections of the LRA. In terms of this approach section 64 refers to primary strikes, section 66 to secondary strikes and section 77 to socioeconomic strikes, but no section refers to sympathy strikes. Therefore, it is argued, one should read implicit limitations into the right to strike.

The *Afrox* case

In the *Afrox* case the employees at Afrox's Pretoria West branch embarked on a protected strike relating to a change to staggered shifts. The union called on its members employed by Afrox at its other branches to go on what it labelled a 'secondary' strike in support of their colleagues' demands at the Pretoria West branch. Afrox, arguing that the proposed 'secondary' strike was unprotected since there was only one employer involved, approached the Labour Court for an interdict.

The court held that the strike was not a secondary strike as contemplated in section 66 of the LRA because there was only one employer. However, the court also held that the mere fact that

the union labelled the strike 'secondary' had no legal effect on its true character. In the court's view, the LRA did not require that before employees can go on a protected strike, they should have been the ones who referred the dispute to conciliation. All that section 64 required was that the dispute must have been referred to conciliation, which the Pretoria branch employees had done. Accordingly, the strike in the other branches of Afrox was a protected 'primary' strike in terms of section 64 of the LRA, and the interdict was declined.

Employees in the other branches would not have been affected or even benefited by a change to the shift patterns in the Pretoria branch. Clearly, in common industrial relations language, the strikers at the other branches were involved in a sympathy strike. Their strike was, however, protected as it complied with section 64 of the LRA.

The *Plascon Decorative* case

In this case Plascon's employees within the bargaining unit embarked on a protected strike after Plascon refused to accede to their demands relating to wages and other terms and conditions of employment. When the strike commenced, employees outside the bargaining unit also downed tools. Plascon responded by issuing notices of disciplinary action against the non-bargaining unit employees on the basis that, since none of them was a party to the dispute or had any material interest in its outcome, they were guilty of misconduct.

The union approached the Labour Court for an urgent interdict to restrain

'In our view, the confusion in interpreting the LRA stems from crude attempts to align the industrial relations labels with the various sections of the LRA.'

Plascon from disciplining its members outside the bargaining unit and a declarator to the effect that the strike by all its members employed by Plascon was protected. The matter was heard by the Labour Appeal Court (LAC) sitting as a court of first

instance. In its founding papers, the union contended that all its members employed by Plascon had the right to embark on strike action in support of the demands of their colleagues in the bargaining unit.

In the court's view, the issue was whether the right to strike as embodied in the LRA contained the limitation for which Plascon contended, namely that only those employees of an employer who are directly affected by the strike demand may embark on a protected strike. The court started, by endorsing the view expressed by Kentridge AJ in *S v Zuma & Others* 1995 (2) SA 642 (CC), that 'constitutional rights conferred without express limitation should not be cut down by reading implicit limitations into them'.

After analysing the relationship between sections 64 and 66, the court approved the *Afrox* decision and concluded that employees employed by the same employer who are not directly affected by the strike demand must, if they are capable of striking at all, fall within the terms of section 64. Any other approach, the court said, would result in 'the most telling anomaly...that no statutory protection would be afforded employees who strike in support of demands by co-employees, while secondary strikers supporting a demand by employees employed by an entirely different employer may receive

such protection'. (p 328-329) The court declared that the strike embarked upon by all employees employed by Plascon complied with the provisions of Chapter IV of the Act.

Again, using the common industrial relations labels, the workers outside the bargaining unit who were striking in support of their colleagues' demands, were involved in a sympathy strike. But their strike was declared protected in terms of section 64 of the LRA.

The *Sactwu* case

When one would have thought that the issue had been finally laid to rest, it once again reared its ugly head. In the *Sactwu* case a company called Jaff & Co has a manufacturing facility in Kimberley, which falls under the jurisdiction of the Free State and Northern Cape Bargaining Council. Its head office in Johannesburg falls within the jurisdiction of the Northern Areas (Gauteng) Bargaining Council. Another company, Newclo (Pty) Ltd is in a similar position with its manufacturing plant being in the Free State and its head office in Johannesburg.

The five bargaining councils in the clothing industry negotiate terms and conditions of employment through an informal National Bargaining Forum. Once agreement is reached at this level, all the five regional councils adopt it as their main agreement. Agreement could not be reached in the 2001-2002 negotiations, and the five councils followed their dispute resolution procedures. A stalemate remained in the Northern Areas, which covers Johannesburg, and the employees, including those employed at the head offices of both Newclo and Jaff & Co, embarked on a protected strike.

The union sent a notice of 'secondary' strike action to Newclo and Jaff & Co in Kimberley and Kroonstad respectively in support of their

members' demands in the Northern Areas. The two companies then sought an urgent interdict from the labour court on the basis that the intended strike by employees in Kimberley and Kroonstad would be unprotected.

Acting Judge Jammy granted the interdict. According to him, the intended strike was not a secondary strike since only one employer was involved. Neither was it a primary strike, because there was no dispute in Kimberley and Kroonstad. He held that in any event, the employees were obliged to follow the strike procedures contained in the constitution of their bargaining council (ie the Free State and Northern Cape) and this had not been done.

On an urgent appeal before the LAC, the decision of the Labour Court was reversed. Zondo JP delivered the judgement of the LAC. The other judges agreed with his views. The LAC held that 'the dispute which the intended strike sought to bring to an end had already been referred to the bargaining council with the requisite jurisdiction for conciliation and such attempts had failed. After all the statutory requirements had been complied with, a protected strike had been embarked upon. The dispute could not be referred to conciliation for the second time'. The court also said that the fact that the employees belonged to a different bargaining council was immaterial.

The *Sactwu* decision affirmed both the *Afrox* and *Plascon Decorative* decisions by clearly spelling out that what matters is not whether all the strikers are directly affected by the strike demand or whether they have any material interest in its outcome, but whether the provisions of the LRA have been complied with.

As Halton Cheadle notes in *Current Labour Law 2001*, the Labour Court's confusion in the *Sactwu* case arises

from the use of the terminology of primary and secondary strikes, which blinded the court from an analysis of the provisions of the LRA.

The LRA distinguishes between two kinds of strikes – section 64 and section 66 strikes. It therefore does not assist to ask whether the strike is in support of a primary strike or not. The real question is whether the strike is in compliance with the LRA.

Section 64(1) provides every employee with the right to strike if the dispute with that employer or its association has been referred to the CCMA or the bargaining council with jurisdiction and the required notice has been given. It does not matter whether the employees are in the same bargaining unit or not, part of the same bargaining council, whether they will or will not benefit from any settlement of the strike. All that matters is whether the requirements of section 64 have been met. (See Halton Cheadle, in *Current Labour Law 2001* at p 77.)

If one must label the strike primary or sympathy, then it is very important to note that section 64 is not limited to primary strikes, but also regulates sympathy strikes. It may also regulate certain kinds of secondary strikes that are not covered by section 66 of the LRA.

The *Sactwu* decision will go a long way in entrenching the right of workers to strike, regardless of their interest in the strike dispute. As the LAC said in *Plascon Decorative*, '... there is no justification for importing into LRA, without any visible textual support, limitations on the right to strike which are additional to those the legislature has chosen clearly to express.' (at p 329)

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Anton Roskam is a director and Peter Mahlangu a candidate attorney at Cheadle Thompson & Haysom Inc.

Winners and losers of the changing labour laws

The amendments to the Labour Relations Act (LRA) and Basic Conditions of Employment Act (BCEA) finally come into effect from 1 August 2002. The amendments were the subject of debate at the recent 15th Annual Labour Law Conference.

Much has been written about the process leading to the final drafting of the amendments, which were seen by business to favour labour. Labour lawyer Andre van Niekerk argued during the conference that he did not necessarily support conventional wisdom, which saw business as being the loser in the process. He believed that the real losers were a range of institutions such as the Commission for Conciliation Mediation and Arbitration (CCMA) and the Labour Court. The 'failure to reach agreement

on a number of issues has compromised the integrity and efficiency of those institutions and processes,' he said. The labour department has disputed this and indicated that the overall review process had a broader focus than to exclusively look at the functioning of one institution.

The issues raised by van Niekerk include the following:

- **Labour Court** - The Labour Court was established in 1995 as a specialist court, with a status equivalent to the High Court and Supreme Court of Appeal. The intention was to create a specialist, expeditious and efficient system of dispute resolution. Regrettably, the Labour Court no longer meets any of these criteria because government, business and labour were unable to agree on matters relating to the tenure of Labour Court judges and the gratuities to which they should be entitled at the end of their periods of office. This has been on the table for more than six years and remains unresolved. The consequence has been that the Labour Court has recently been unable to attract suitable candidates for appointment, and a significant number of those judges that were appointed in earlier times have left for the High Court. Amendments proposed at the outset of negotiations attempted to resolve this issue by proposing that judges of the Labour Court be appointed simultaneously as judges of the High Court. Transitional provisions were included to permit current Labour Court judges, who

opted not to transfer to the High Court, to accrue and be paid benefits equivalent to Judges of the Land Claims Court on expiry of their terms of office. Refinements of the drafting in the bill were prepared for submission to Parliament. They were dropped at the last minute. The failure of the Amendment Act to resolve the Labour Court issue will exacerbate the backlogs, delays and overburdened court rolls, and that increasingly, the Courts will be staffed by judges who may not be acknowledged specialists in labour law or the cadre of acting judges.

- **CCMA** - A number of delegates at the conference believed that the CCMA was not consulted sufficiently on the changes to the LRA. The proposed measures included the capacity to charge fees for arbitrations (to encourage the referral of more disputes to private arbitration), restrictions on employer and worker organisations formed solely to acquire the right of representation in CCMA proceedings, the conflation of conciliation and arbitration procedures into a single process in unfair dismissal cases, and extending the basis on which commissioners are entitled to make costs orders in arbitration proceedings. An inability to reach agreement on these issues led to the debate being deferred to the CCMA governing body. The issues remain unresolved since the parties who manage the CCMA, have been unable to reach agreement on them.

Are debt administrators creating **economic oppression?**

Debt administrators are responsible for administering debt for an increasing number of workers. Reneé Grawitzky looks at the implications of this for workers and how administrators – some, who are also operating as micro lenders, could abuse them.

In more recent years access to credit has become easier. This has played an important role in putting an increasing number of people in debt.

What does it mean to be put under administration?

Various employers, especially on the mines and some financial institutions (involved in providing micro loans) began to notice about two to three years ago that debt administrators were cropping up in various parts of the country. They were mainly lawyers who had set themselves up as administrators.

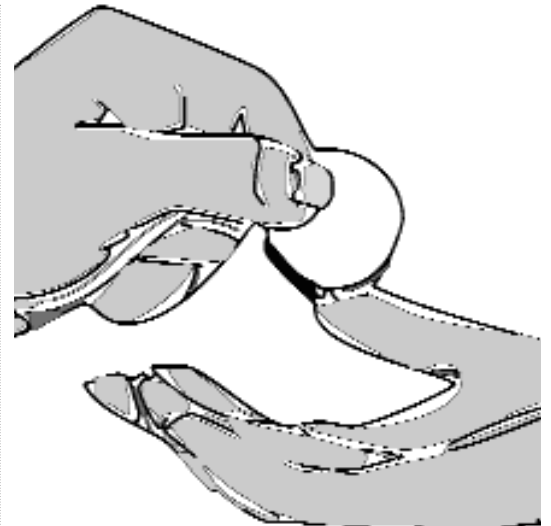
How often have you seen pamphlets or notices stating: 'We will solve all your debt problems' or 'Are you tired of being in debt?' Administrators promote themselves as being in a position to help people get out of debt. But are all administrators acting in your best interest?

Being placed under administration is a drastic measure that should not be taken lightly. It has future implications if you want to get future access to credit as it effectively means that you are putting yourself under voluntarily liquidation (bankruptcy). In addition, the cost of being placed under administration can be high if abuse is involved. This measure does not also necessarily mean that you will become debt free – especially if you come up

against an unscrupulous administrator who is in it to make profits.

People in debt turn to administrators in the hope that they will help them. The debtor (person in debt) gives the administrator a fixed monthly amount, which is supposed to be used to pay off debt that exists. Some administrators do operate within the law and attempt to help people. But there is a growing market of administrators who are encouraging people to go into administration for their own gain. They charge very high fees to administer the debt and in some cases receive payments from the person in debt but pocket the money and do not pay it over to the creditors. Therefore, a person in debt could land up in a worse position at the hands of administrators.

The Micro Finance Regulatory Council (MFRC), a regulatory body that has been entrusted with regulating the micro-lending industry and ensuring that borrowers are protected from unscrupulous moneylenders, argues that people placed under administration must be properly counselled and advised about the consequences of his/her decision. The MFRC is concerned that most debtors who are placed under administration do not qualify for this drastic measure and that they are not informed about the legal consequences.



The legal aspects of an administration order

The law provides for people to be put under administration. The MFRC explains that section 74 of the Magistrate's Court Act 32 of 1944 makes provision for the granting of administration orders. An administration order can be regarded as initiating a process of a 'modified form of insolvency'. The process is appropriate for dealing with the affairs of debtors who have few assets, a low income and who genuinely wish to settle their financial obligations but are experiencing financial difficulties.

If an order is granted, rescheduling

of the payments of existing obligations occurs without sequestration of the estate of the debtor. An administrator is appointed to control the financial affairs of the debtor. The administrator must:

- calculate the debtor's reasonable living expenses;
- propose a distribution schedule of the remaining funds available to creditors; and
- inform creditors that the debtor is under administration. This has the effect that they are no longer entitled to institute legal action against the debtor.

The administrator is entitled to levy a fee for the rendering of the above services and the debtor will naturally reimburse any expenses incurred by him/her during administration.

Where abuse occurs

Independent administrators often approach people in debt with the seemingly appealing offer to consolidate all their debt and settle it over a period. Sometimes this type of approach is made by an intermediary of the micro lender (who often pushes himself forward as the administrator) who tells the person in debt that he can get a loan equal to the consolidated amount of all his existing debts once an administration order is granted. This promise is not disclosed to the creditors or the court. Once the order is granted, the names of all the other creditors are deleted from the list of creditors and the micro lender enters his/her name as the sole creditor. The micro lender then has the security of an administration order to ensure his loan is paid off but the other creditors are not paid. The debtor may not strictly be unable to meet his/her financial obligations; the administration order may merely appear to be an appealing way to simplify his financial position.

Debtors are often not aware that the entering of an administration order

against them has a number of negative implications:

- Debtors are unfairly required to pay additional fees for obtaining the orders and paying the administrators.
- Debtors are required to service their debt over a longer period of time. This often impacts negatively on the position of the debtor.
- The debtor's ability to obtain credit in the future may be affected.
- Creditors cannot recoup monies owed by debtors under administration and are often compelled to write off the debt.

Very often the administrator is connected with the micro lender in some way. He/she is often merely acting on behalf of the micro lender and therefore, cannot administer the estate independently and equitably. The danger then exists that a monthly sum is claimed from the debtor in excess of that which he can reasonably afford. There is also a discrepancy in legislation relating to the fees that can be levied by administrators: in the Act they are capped at 12,5% of the collected monies while the rules relating to the Act refer to fees of 10%. Unscrupulous administrators then levy fees of 22,5% of monies collected or even higher.

Administrators also often enter into agreements with debtors to the effect that a sum in costs may be deducted from monies paid in by the debtor before any payments are made to creditors. This sum is often taken in addition to the percentage prescribed for fees (as discussed above). A recent phenomenon is the setting up of pyramid schemes. Some unscrupulous operators offer to decrease monthly payments required if the debtor in question introduces more people to be placed under an administration order.

The MFRC has received complaints from debtors under administration orders relating to administrators who instructed debtors to inform creditors that they were under administration.

Creditors still harass debtors, and in some instances, creditors still deduct amounts from debtors' bank accounts (in addition to payments made to administrators) even after administration orders were granted. This leads to situations where debtors have insufficient funds for their basic needs. In many instances, debtors were unable to contact administrators, and, when they did reach the administrators and leave messages, these were not returned.

Conclusion

There is rising evidence that micro lenders are involved with debt administrators and in some instances are in fact acting as both. These people are benefiting from the adverse position in which some workers find themselves. Workers, unions and employers should be aware of this trend and the potential negative impact this could have. Workers through their unions should begin to lobby for the setting up of a non-profit making organisation, which will provide debt counselling on a national basis.

Many questions have been raised as to the rise of micro lenders post 1994 and the subsequent emergence of debt administrators. One observer asks: 'Are debt administrators previous apartheid supporters who are replacing political oppression with economic oppression?' ¹⁸

In the absence of a national non-profit making body providing debt counselling, workers and employers who have questions about the dangers of administration orders or those who are seeking debt counselling can contact the following organisations:

- MFRC (011) 647-4446
- Black Sash (044) 382-4458

Every province has a consumer desk, which is normally located within the provincial department for economic affairs and finance.

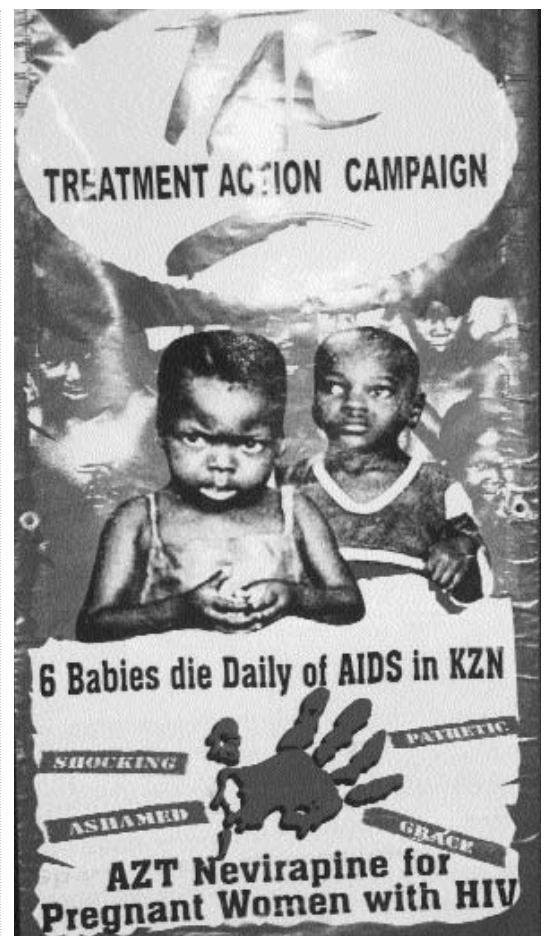
How the TAC is emerging as a **social movement**

Hundreds of delegates from across the political spectrum gathered in Durban recently to attend the TAC/Cosatu conference, which aimed to build consensus on a comprehensive strategy to stem the rise of HIV/AIDS. Renée Grawitzky looks at the emergence of TAC as a social movement and its alliance with Cosatu.

The Treatment Action Campaign (TAC) has been likened to the role played by the United Democratic Front (UDF) under apartheid. The difference however, lies in the fact that the leadership of the TAC do not aspire to overthrow the government or any government nor do they want to transform the organisation into a political party. They view the TAC as a social movement, which is forced to fight a political battle because of the policy position adopted by government. 'We are being forced to fight our own government,' the TAC leadership argues. TAC national secretary Mark Heywood says it is political as it goes to the heart of government policy. 'Here we have a health crisis that demands immediate investment in public services in this country,' but this is being ignored because of the denialist tendency that has taken route in government, he says.

TAC's relationship with government
Both Heywood and TAC leader Zackie Achmat agree: 'We are not in business to challenge government for the sake of challenging government.' They acknowledge there are elements in and outside the TAC who would like the organisation to use HIV/AIDS to overtly attack government. That was not the initial approach adopted, as the organisation believed that to succeed it had to win over government. 'We need to ensure the dignified treatment of people through the public health care system.' If the organisation becomes anti-ANC then we will alienate a large number of people who would otherwise be our supporters, Heywood says.

The TAC believes there are a number of people within the ANC who do support the organisation. However, many do not come out openly and



Social movements are traditionally defined as the scenario where there is an organised collective attempt by a group of people to further a common interest through joint action outside the sphere of established institutions. TAC's aim is to forward a common interest – to get access for all to treatment. Sociologists would view TAC more as a reformative social movement that is trying to alter some aspect of the existing health policy because of a sense of injustice around government's failure to grant access to treatment for HIV/AIDS sufferers.

Pregs Govender, former ANC MP (recently resigned her position) made an impassioned speech during the conference about how the status and role of women in society was making them vulnerable to contracting HIV/AIDS. She ended her speech by reading a poem she wrote following her decision to abstain from voting on the 2001 defence budget. She said: 'because I believe that the over R50bn going to the multinational arms companies of Britain, Sweden and Germany, belong to SA's people who are dying of poverty, HIV/AIDS and violence'. She wrote the poem prior to the Committee's hearings on 'How best can SA address the horrific impact of HIV/AIDS on women and girls?' and the report of these hearings that 'I wrote on behalf of the Committee':

*We live and speak no longer conscious of our wholeness,
Our connectedness
We have begun to believe we are fragments
That our stories are disconnected from each others
So often we have sat silently
With our grief, our pain, our horror, our anger,
Our hopelessness, our despair
At how successfully
We have been disembodied
We no longer hear our own voices
We no longer see our own faces*

*I know that in our hearts
We cannot have forgotten who we are
In our hearts
We cannot rubbish our collective dream and vision
And the love that inspired courage across our land
Against the hate and fear of apartheid's patriarchy
Who aimed to destroy not just our communities
But our very sense of self*

*Today is another battle we face
Both men and women
With the patriarch within our minds
Who holds captive our hearts, our souls
His power of fear and hate
His hierarchies of exclusion and silence
His memory of forgetting*

*It is time to reclaim ourselves
So collectively we can reclaim our power of love and courage
It is time for all of us
Women and girls and the men and boys who love us
And whom we love
To subvert the patriarch in our minds
In our homes
In our churches, temples and mosques
In our workplaces
In all our institutions
In our country
In our world*

'... there is a narrow Africanist nationalist male dominated agenda, which is dominating the ANC.'

indicate their support. This is largely as a result of the fact that there are many in the ANC who are still operating in a post-1994 fog of loyalty, which dictates the need to keep the party line. This stance is constantly reinforced by conspiracy theory type claims. This has led to the closing of ranks. 'As a result, instead of openly criticising the official party line, people are getting out,' Heywood says.

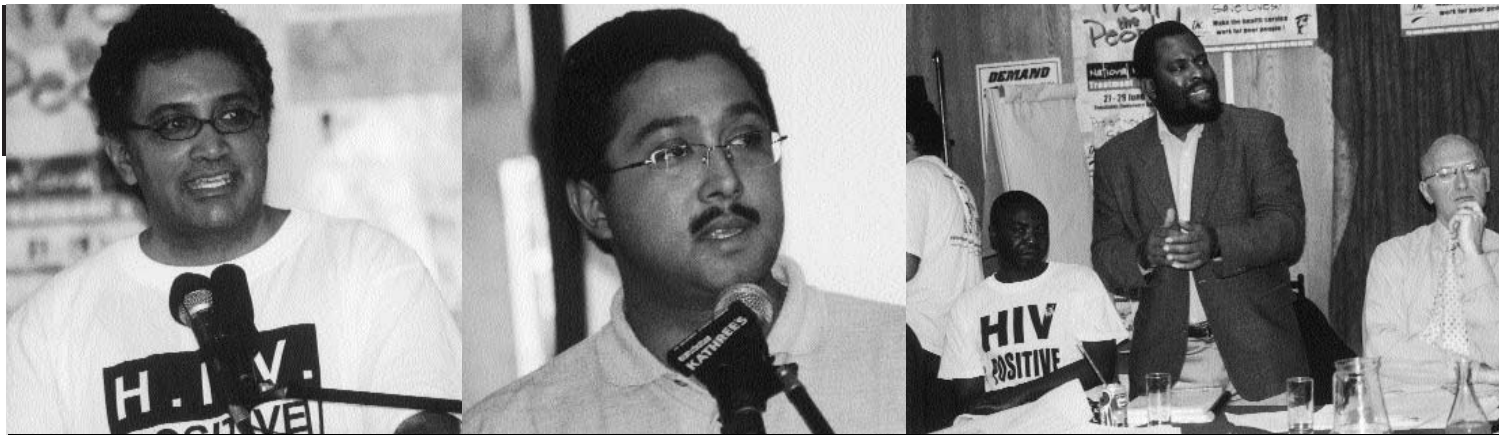
Achmat adds 'We will criticise ANC policy if it needs to be criticised.' However, criticism is not welcomed despite the fact that 'criticism is traditionally viewed as the most pure expression of loyalty,' Achmat says. He points out however, that in terms of criticism it would be a mistake to see the ANC as a single homogeneous entity. There is a range of members with different ideas. But at present, Achmat says, 'there is a narrow Africanist nationalist male dominated agenda, which is dominating the ANC.'

Achmat believes the ANC is creating its own opposition by adopting the position it has in relation to HIV/AIDS. The TAC has no desire to be a political opposition. Its aim is to unite people across the political spectrum to ensure treatment for all. The cross section of delegates who attended the conference in Durban reflects the potential of the organisation to unite people across racial, religious, political and class lines. This in itself is however, potential opposition as the TAC evolves into a single-issue social movement. Political opposition does not only come in the guise of a political party. It emerges in groupings such as the TAC and the strengthening of civil society. Governments across the globe talk about the need for a strong civil society and collective action. In reality, this is

not always what is desired. Anybody in a position of power will try and ensure limited or no competition. This applies to governments, business, institutions, non-governmental organisations and even trade unions. Therefore, organisations such as TAC can be viewed as potential competition. It is therefore not surprising that government is decidedly hostile.

An observer says the irony is that counter-tendencies such as the TAC have been given the space to operate (as other interest groups that could emerge) because of government's position and because people have seen that social mobilisation can deliver. Achmat, who had a history in anti-apartheid politics in the Western Cape in the 1980s, believes social mobilisation should be used whether it is for the provision of antiretrovirals or other socioeconomic demands. The TAC is not questioning the validity of government. Its view is that whatever government would be in power, it would be questioning its position. Achmat says it's ironic that government's official position (with some slight changes) as endorsed by Cabinet on 18 April 2002 is a good one. However, in reality government's position remains a denialist one and the 'ANC will suffer more from its denialist position'.

Who is the TAC's support base? The TAC is building a support base amongst community-based organisations, the church, labour and individuals within different political parties. The organisation is viewed by some as a safe space for disgruntled people to fall into. Disillusioned ANC members (or others) would not be labelled as the so-called 'loony left' if



Left to right: TAC Chairman Zackie Achmat, head of ANC's Health Committee Saadiq Karim and Cosatu's president Willie Madisha.

'Achmat believes the ANC is creating its own opposition by adopting the position it has in relation to HIV/AIDS.'

they aligned themselves with the TAC. Achmat says the majority of people in the TAC are in fact ANC supporters. There are different types of people who become aligned to the TAC:

- The majority are drawn to the organisation because of the need to do something for the collapsing health care system.
- A small minority who want to use the opportunity to deal with government. This grouping could include people from the far left to the right. These people, Achmat says, do not last very long in the organisation.
- Others who believe there is something that can be done but might not necessarily agree with all of TAC's tactics.

TAC and its alliance with Cosatu TAC believes its alliance with Cosatu is important. Achmat says it's important to be seen to be aligned with a critical block that is also loyal to government. This is necessary if TAC is not to be viewed as an oppositional structure. 'We are not attempting to or have any desire to overthrow the government or any government for that matter. All we want to do is get medicines to people,'

Achmat says.

The TAC leadership believes its alliance with Cosatu is a natural progression of a relationship that has evolved over time since the late 1980s.

Achmat believes that the relationship can work for both organisations. As a one-purpose or single issue organisation the TAC can focus exclusively on HIV/AIDS and is therefore, in a position to assist organisations such as Cosatu, which has to deal with a range of issues. Achmat highlights some of the reasons why the labour movement has not sufficiently dealt with the issue of HIV/AIDS:

- Officials and shopstewards need significant medical and scientific experience. Unions do not have sufficient internal support in this regard and it is in this area that the TAC can assist the unions.
- Issues, which were in the past, viewed as so-called soft issues such as gender and health and safety were not always taken seriously. The spread of HIV/AIDS has however, changed this approach.
- Unions need greater support on social issues affecting HIV/AIDS.
- At present much of the campaign is

around the level of leadership. There is a need to ensure shopstewards understand all issues around HIV. As with most relationships, it is not always smooth sailing. Although both Cosatu and the TAC agree on the overall objective of access to treatment for all, they do not always agree on the tactics, which should be used to achieve this. This is largely based on the different traditions and types of relationships, which both organisations have developed with the ANC-ruling party. The TAC is more prone to utilise the courts to achieve its objective. That has not always been the way and tradition of Cosatu. In response to possible criticism over the TAC's decision to 'rush off to court', Achmat says: 'Only people who are afraid, acting from a position of ignorance or are prepared to make the right noises but will not win the battle,' adopt such a position.

The TAC has begun to build a relationship not only with organised labour but also with the church. 'If we combine with these organisation we will be able to affect the course of the epidemic. However, if government leads this alliance it will change the course of the disease,' Achmat says.

A Cosatu official **talks out**



Senior Cosatu leaders were rather surprised when their campaigns co-ordinator told delegates at the TAC/Cosatu conference how, as a mother, she was dealing with her daughter's HIV status. Cosatu's Theo Steele talks to the Labour Bulletin about her experiences.

How was Cosatu's campaigns co-ordinator Theo Steele to even imagine in 1998 when she became involved in federation's HIV/AIDS campaign, that she was preparing herself and her family for the day when her daughter would inform her that she was HIV positive? 'If my daughter had come to me in 1998 and informed me that she was HIV positive, I could not have been able to handle it,' Steele says. However, since joining Cosatu fulltime in 1998 as their campaigns co-ordinator, she has learnt about the disease (and in the process taught her children) and is now in a position where she can cope and assist her daughter and many others in her position.

As a Sactwu shopsteward in the late 1980s Steele thought that HIV/AIDS was a US-based issue affecting gays and drug users. Today, she knows differently. Steele recalls how her views around the disease began to change during the 1990s when it suddenly began to affect those around her. This

'monster disease' was attacking our people, she says. 'If you were tested then it meant a death sentence. That is why people did not want to be tested.' At that time people were not talking so openly about antiretrovirals and we were not aware of treatment and how one could live with the disease.

Steele began to realise over time, through treatment literacy, that the disease was not a death sentence. This has helped her come to accept that her daughter can live with the virus.

Steele's desire to spearhead the HIV/AIDS campaign led to her involvement with the Treatment Action Campaign (TAC). She became an executive member of TAC and remains one to this day.

Steele believes that the HIV struggle has to be fought in the same way as the political struggle was fought. 'We need people to speak openly about the disease. One can still be a loyal member of the ANC.' As a shopsteward, Steele recalls how she would challenge her bosses (and union leaders) if necessary. Steele feels now that if she must challenge government in the same way that she challenged her employers in the workplace, then so be it.

In the post-1994 period her children asked her why she was continuing with

her work when she had done so much. Throughout the 1980s and 1990s Steele shared her experiences and knowledge with her children. She educated her children about her HIV/AIDS work so when her daughter had to take an AIDS test for insurance purposes she did not refuse. Steele said she was safe in the knowledge that her daughter would be negative. Her daughter did not have multiple partners. She had only ever had one partner whom she married. 'I saw her as my innocent daughter.'

Steele's daughter phoned her at work last year to inform her that she was positive. The first thing she asked her mother was: 'Why do I have the disease and where did I get it from?' Steele realised that the campaign to 'be faithful and condomise' had no relevance to her daughter. She had been faithful but how had it helped her. This has direct bearing on gender issues and how women are viewed in our society.

'When my daughter was ready, I began to speak out about her status.' Steele had not spoken openly in a public forum until the TAC/Cosatu conference. However, she has begun to talk to the women at Cosatu head-office.

Cosatu pleads for **safety on trains**

Government's transport policy calls for strategies to meet the needs of different groups of users. Cosatu's Western Cape region resorted to strike action to place pressure on Metro Rail to provide proper services to commuters. This issue, which is now being debated in Nedlac, has the potential of forcing government to either change or adhere to its stated policies. Cosatu's regional secretary Tony Ehrenreich explains how the campaign has unfolded.

A crisis on Metro Rail in the Western Cape, which saw at least one worker a day injured, killed or maimed, coupled with poor service, forced Cosatu to take action. The federation eventually went out on strike on 13 July 2002 following months of discussions with the company. The action was pre-empted by the realisation that there was a lack of will on the side of Metro Rail, the South African Rail Commuter Corporation and government to change the conditions under which commuters were forced to travel over the last few years. The strike was intended to force Metro Rail to:

- ensure an adequate number of trains;
- improve safety and security on trains;
- provide one free train for the elderly and the unemployed per week;
- provide an insurance system in the event of accidents and prioritised expenditure.

When did the dispute arise?
In November 2001 Metro Rail cut an already overcrowded service in the Western Cape by 84 trains. Cosatu

responded to this and initiated negotiations in an attempt to get the trains reinstated. This was achieved following strike threats. During this process, Cosatu members raised a range of problems they were experiencing with Metro Rail. In an attempt to resolve the ongoing train crisis the matter was referred to Nedlac. The participants in these negotiations included Metro Rail, South African Rail Commuter Corporation, the Department of Labour and provincial, local and national government. During these negotiations it became clear that there was no urgency on the side of these parties to deal with the problems, which include the following:

Adequate number of trains to prevent overcrowding

By the company's own admission, the number of trains required to service the demand of commuters was higher than is currently in place. Metro Rail should be conducting a new census to determine service needs coupled with a budget, which should be forwarded to the NCCR and Transnet nationally. A



Unicity survey has found that the majority of lines run at over 100% of capacity during peak times. Cosatu has proposed that the present commuters be spread over a greater time period in the morning to reduce the levels of overcrowding. One of the ways this can be achieved is by getting schools to start one hour later, and for learners to travel one hour later. The details of this spread can be calculated.

Safety and security on trains

Travelling by train has become hazardous both in terms of accidents

and crime. Accidents could be avoided if all doors are closed prior to a train leaving the station. This would, in some small way, start to ensure that accidents are reduced. This can be implemented immediately, but Metro Rail has all kinds of excuses. In terms of crime, there should be security personnel at every train station. Secondly, there should be dedicated rail police that are part of existing police services. Thirdly, there should be a dedicated alarm system in each carriage (Cosatu has done research in this area and has found that a company can quite easily provide this capacity at a cost of R700 per carriage). Many companies would be willing to sponsor these alarm systems. Finally, access in and out of the train system should be controlled at every station to stop thugs getting on.

One free train for the elderly and unemployed

Corporate sponsorship could be used to ensure this goal is achieved.

Planning a new train line

Cosatu has called for the building of a new rail line, which has the potential of improving commuter services and creating greater efficiencies in the system. The proposal will bring about a better spread in the usage levels of the different lines and get commuter traffic flowing more evenly in different directions across the Metropolitan areas. It would also cut out unnecessary linkages and reduce travel time. This would provide an opportunity for the rail network to run in a complete ring around the Metropolitan area. The proposal is to build a rail line from Muizenberg to the Strand. The Kaptein's Klip and Khayelitsha line would join up with this crosscutting line. In addition to these four stations on this line, there would be a number of other stations, which would contribute to the promotion of tourism along the coast. The new line would also enable

commuters to travel from Khayelitsha to the coastline and over to the Muizenberg line to Cape Town. Another potential line is from Cape Town to Atlantis. As a result of these negotiations we have received requests from commuters in Worcester for a service that would link them with Wellington.

Comfort on trains

It is totally unacceptable that trains are in such a state of disrepair. During winter the commuters get wet because many trains do not have windows.

Metro Rail insurance

Their insurance is completely inadequate and provides no support or adequate compensation for people who have been afflicted on the trains.

Criminal charges

Cosatu has taken the unprecedented step of bringing criminal charges against Metro Rail for culpable homicide. This action has been necessitated by the fact that nobody takes responsibility for those who are killed or die while travelling by train. There is clear evidence of disregard for commuters. This disregard borders on criminal negligence from the side of management and government and will only end if somebody is forced to take responsibility for it.

Funding

Metro Rail has wasted public monies to promote their image to the public instead of utilising the money to improve conditions for commuters. At huge expense, they recently published a full colour four-page insert in two Cape Town-based newspapers. This is a blatant waste of scarce resources. Government through a complicated system of subsidies funds Metro Rail. Presently government is clearly not making sufficient funds available to provide an adequate service. Government, at all levels, must provide

adequate funding to address the problems identified and to implement some of the proposals Cosatu has put forward. It is scandalous that government took back R30m in profit made by Metro Rail last year, the monies could have been used to address the inherent problems in the organisation.

Allocation of funding in the province

A brief evaluation of how money is spent in this province reveals that working families and their interests are not considered adequately. The Western Cape government spends millions in all areas to improve safety in the city centre or to build a concrete divide between the N2 and N1 freeways to make car commuters' journey safer. We support and applaud this. But the government cannot spend R500 000 to improve the transport safety of working families. This must be condemned.

Conclusion

Cosatu was left with little option but to embark on strike action to highlight what is happening to commuters in the Western Cape. This action, as much as anything, is directed at government and their failure and inability to provide effective public transport and to fund this.

Ahead of the strike, Cosatu even sent an open letter to the premier, Mr Van Schalkwyk, to contribute to a resolution. The premier left the province in crises with people dying everyday and a strike looming that would have an impact on the economy. Clearly we must conclude that this premier is as much of a political delinquent as his predecessors and we can only expect that there will be further instances where politics is put before the people. Cosatu can only express its dismay for the complete disregard of the premier for working families and their concerns.

This document forms the basis of a report prepared for discussion in Nedlac.

The effects of support service outsourcing on workers and trade unions in public universities in SA

There has been much debate around the restructuring of government subsidised universities and its effect on curricula and research. Little attention has focused on the effect of such restructuring on support service workers. Lucien van der Walt, Chris Bolsmann, Bernadette Johnson and Lindsey Martin look at how many of the gains made by public sector unions in the early 1990s are being eroded.



Much of the discussion around the restructuring or 'transformation', of government-subsidised universities has centred upon the restructuring of curricula and research: making courses and research more 'relevant' to the post-apartheid South Africa. This is where the controversy begins, because there is a great deal of debate surrounding what exactly relevance means. What sort of research should be undertaken? Are the universities ivory towers? And should they be? Does it mean training students to be more globally competitive future employees? Should African themes be more

thoroughly integrated into the course content? How can the universities relate to impoverished communities, and development more generally? How can access for poorer students be undertaken?

The silent partners
These debates have been very heated but in some ways have generated more heat than light. In particular, little attention has been paid to the effects of restructuring upon the support service workers employed in the universities. Government has been cutting funding to the universities, but this has been a long-term trend, and

first emerged in the 1980s under the former apartheid government.

The Growth, Employment and Redistribution strategy (Gear), adopted by government in 1996 explicitly talks about a cut in spending for the universities: 'With spending on education at nearly 7% of GDP there is a need to contain expenditure through reductions in subsidisation of the more expensive parts of the system and greater private sector involvement in higher education.'

Today, few universities receive more than 65% of their income from government.

The decline in state subsidies has

'Every single public sector university in South Africa has outsourced at least one support service function. ... The effects of this process were, on the whole, very negative for workers'

had three main effects on the 21 public universities in South Africa: Firstly, a process of bifurcation takes place, where in the past, the university sector was clearly divided into a white and a black sector. The Historically Disadvantaged Institutions (HDIs), largely established after 1945, were far less resourced than their white, Historically Advantaged Institution (HAIs) counterparts. They had less research capacity, a far less qualified staff base, poor research records, and their degrees had low market value. The effect of subsidy cuts is to continue the bifurcation of the sector into HAIs and HDIs. HAIs are better able to weather the storm because they have more resources and a better market profile.

Secondly, as government support declines, all the public universities, HAIs and HDIs alike, have been under pressure to reduce costs where possible. Although government has bailed out a few universities facing bankruptcy, it is unwilling to do this on a regular basis, and would prefer to see the universities sustainable. Those who cannot make it are seen as prime candidates for closures and mergers. Thus, institutional survival requires cost cutting in the context of government budget austerity. This is typically done by reducing services and cutting back on staff costs.

Thirdly, universities have also sought to raise income from new sources wherever possible. This can be done through increasing student numbers, often through offering new, vocational courses. This can also take place through attracting private sector

investment, and establishing research partnerships with the state and big business.

It is the HAIs who are best positioned to develop new sources of income. They are more prestigious, they have more research capacity; and attract wealthier students.

University workers and restructuring

Evidently, the above restructuring has an important impact on both academics and students. An increasingly corporate management style is emerging in many universities that is reflected in an increase in the academic workload; pressure on academics to generate more income for the universities; a growth in short-term contract academic labour; and a general increase in tuition fees, which accounts in large for the general decline in student numbers in the universities over the last few years. Yet, what then of the third component of the university community, the support service workers?

Every single public sector university in South Africa has outsourced at least one support service function. The first example is that of the University of Venda, which began a process of outsourcing in 1985 to the most recent examples being the University of the North and Medunsa in 2001. Furthermore, with only three clear exceptions of the Rand Afrikaans University, University of Port Elizabeth, and the University of Venda, the process of outsourcing had taken place in the post-apartheid period. Support service outsourcing at the universities,

in other words, has overwhelmingly a characteristic of *post-apartheid* South Africa. The affected departments were typically catering, cleaning, general maintenance and grounds keeping. In a number of instances, other departments were affected: notably security, laundry and transport.

Reasons for support service outsourcing

The primary reason for outsourcing was to cut costs. This applied in 80% of the cases. The next major reason given was the need to dispense with the provision of 'non-core' services, that is, those that do not strictly fall within universities' teaching and research functions. This was true of 53,3% of the cases. The need to cut costs was cited by universities across the board, both HAIs and HDIs. This would seem to reflect the *general* squeeze resulting from funding cuts. Managers reported the need to make their institutions 'leaner', to 'do more with less', to 'reduce overheads', and to restructure due to 'financial considerations', and a lack of 'sufficient resources'.

However, all of the institutions that cited the need to focus on 'core' activities were HAIs, with the single exception being the University of the Western Cape. These institutions were informed by the vision of the market university, and were not simply cutting back, but *actively repositioning* themselves as increasingly commercialised entities.

Effects of outsourcing on support service workers

The effects of this process were, on the

whole, very negative for workers. This can be described in three ways. Firstly, support service restructuring by public sector universities has led to enormous job losses. There are two main causes of these retrenchments, namely the closure of departments pending outsourcing and the rationalisation and staff cuts in the universities generally. Discrepancies emerge with the number of job losses, with management maintaining that 4 912 jobs were lost and unionists saying that 5 660 were lost. Therefore, even if we do use management's lower figure, we are probably not looking at *not less* than 5 000 support service job losses in the public university sector, mostly since 1994. Considering the patterns of retrenchment, seven campuses retrenched 300 or more workers each accounting for 3 823 workers, or 77,8% of the total. Therefore, considering there are 60 000 people employed in universities, around 1 in 12 university employees was retrenched due to outsourcing. The actual proportion of *support service* workers is higher, as these workers are not a majority in the sector, which has a heavily professional employee base. Surprisingly, many of the biggest retrenchers were *not* financially desperate HDIs, but well-resourced HAIs: so, Pretoria retrenched 800 workers, Wits 623, and Potchefstroom at least 400. These were all institutions that cited the need to focus on 'core' business.

Secondly, outsourced workers earned lower wages than workers had received for the same job before outsourcing and workers received fewer benefits than previously. The situation varied from campus to campus, and between companies: in some cases, access to medical aid had been lost, in others, provident funds, in others, bursaries and leave; in yet

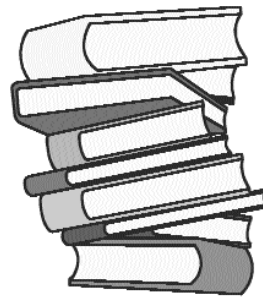
others, a combination of these benefits had been lost. In general, workers felt that their jobs were more insecure. Finally, working life was in at least some respects worse than had previously been the case. To illustrate this, in one instance, the union reported that workers found it harder to take time off, and did not get paid for any sick leave that was not accompanied by a doctor's note. Moreover, work had been intensified and that, in addition to cleaning on the campus, workers were often redeployed at short notice to other sites. In another case, workers worked eight hours, as opposed to the seven they had worked for the university, and sometimes even longer; further, during this time, their breaks were more strictly monitored.

Thirdly, a process of *deunionisation* of much of the sector due to outsourcing has taken place. Very few union representatives felt the union had been adequately consulted with regards outsourcing. Others felt the union was ignored, 'marginalised', 'disregarded', 'frustrated', or even that management had violated the substantive content of agreements reached. Union membership also fell due to support service restructuring: the total union losses are 5 473 with 113 of these being shopstewards. Therefore, unions have lost loyal members, experienced shopstewards, union dues, and representation. Unions have not succeeded in regaining lost ground in the new companies. In only two out of 17 cases did the majority staff union have a recognition agreement with at least one outside

company and only one of these was a Nehawu branch.

Unionists complained that the union now had 'little strength', that its resources were 'over-stretched', that 'our fight does not have impact now', and that the union had become weakened relative to both management and conservative staff associations.

In several instances, union respondents feared that declining union membership could lead to a withdrawal of union recognition by management, or a loss of status as a majority union amongst support service workers.



Conclusion
University workers have lost out significantly due to university restructuring. Many of the gains in trade union representation, and remuneration and conditions, achieved by the surge of public

sector unionism in the early 1990s have been wiped out. In the mid-1990s, unions in the sector could aspire to centralised sector bargaining as part of a programme of radical transformation. The profile of the typical university support service worker is shifting from a relatively well-paid, secure and unionised worker, to a low-wage, minimal benefit, non-union flexible worker. And this is the challenge the unions need to confront.

The article is based on a report conducted by Lucien van der Walt (University of the Witwatersrand), Chris Bolsmann (Rand Afrikaans University), Bernadette Johnson (University of the Witwatersrand) and Lindsey Martin (Rand Afrikaans University).

LB

New forms of corporate social responsibility

A challenge to multinationals

In the build-up to the WSSD various attempts have been made to ensure that corporates will be forced to report more extensively on social, ethical and environmental issues. Andre van Niekerk looks at these developments at an international level.

The Second Report of the King Committee on Corporate Governance devotes an entire section to 'integrated sustainability reporting'. The heading to the section recalls that corporate citizenship is the commitment of business to sustainable economic development and the improvement of quality of life by working with employees, their families, the local community and society at large.

The report acknowledges that social, ethical and environmental issues can no longer be regarded as secondary to conventional business imperatives, and proposes that companies be obliged to report at least annually on these 'non-financial' issues.

This proposal endorses an extended notion of corporate social responsibility, developed in the 1990s, that has assumed economic, social, political and ethical dimensions. Corporate social responsibility in this sense generally requires companies to conduct their affairs in good faith and to take active and responsible steps to minimise the impact of their operations on the

environment, to protect consumer interests, to observe fundamental labour and human rights and to refrain from unethical practices.

The role of organised labour
Although the King Report recognises the role to be played in corporate governance issues by a number of third parties (the media and organised business in particular) there is little, if anything, said about the role of organised labour, or the impact of the new drivers of corporate governance on industrial relations. In its description of what the report considers as the 'defining characteristics of good corporate governance' there is an oblique reference to 'employee relations' and the rights of freedom of association. These limited references fall shy of the substance of the United Nations Global Compact (which is annexed to the report) proposal that business should uphold the rights against forced labour, and to equality in employment and occupation, freedom of association and to bargain collectively. In this sense, the report

appears to promote a 'human resources-based' approach to the new conception of corporate social responsibility, and seems to minimise the role of organised labour in defining the nature and extent of that responsibility.

At the heart of the debate is the relationship between a company and the society in which it operates, and the obligations they owe to those societies. Most South African companies are familiar with this polemic, but South African multinationals are perhaps less familiar with its application in a global economy.

On the international front, organised business and organised labour have been less coy about the implications of good governance initiatives for labour relations. The International Organisation of Employers, representing some 130 national employer associations worldwide, has endorsed the UN Global Compact and requested employers to 'promote voluntarily within their own business activities' the principles recognised by the Global Compact.

This is a significant endorsement of

the call made by the United Nations Secretary General in January 1999, when he challenged business leaders to embrace and enact in individual corporate practices, nine universally agreed principles. These included:

- Support and respect the protection of internationally proclaimed human rights.
- Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- The elimination of all forms of forced and compulsory labour.
- Undertake initiatives to promote greater environmental responsibility.
- Encourage the development and diffusion of environmentally friendly technologies.

This list is not intended as a code so much as a 'framework of reference to stimulate best practices' and as an inter-agency activity of various UN agencies, including the International Labour Organisation (ILO). For the ILO, this initiative presents new challenges.

This is especially so as the new bearers of economic power in the global economy are not the national governments that make up the ILO's membership. They tend to be multinational corporations, and while employers are represented in the ILO by reason of its unique tripartite structure, individual employers are not. Accommodating the multinationals to the ILO structure in one form or another presents a significant challenge to the organisation.

Labour's response

Labour's response to these developments and the corporate social responsibility debate in particular has been generally supportive. A number of indicators of how this support might be translated into practice emerged during the 90th session of the International Labour Conference held in Geneva during June 2002.

First, employers were challenged to respond to the internationalisation of

industrial relations, and to have industrial relations conducted at the level at which economic decisions are taken. In a global market, this is increasingly the level of the multinational enterprise. This is as much a challenge for the employer group in the ILO (which comprises representatives of national employer federations) as it does for the ILO itself.

A second vehicle through which corporate initiatives might be pursued, is the international framework agreement, in which international union federations seek to engage with multinationals within the framework of a formal agreement.

In a resolution submitted to the conference but ultimately not adopted, worker delegates called on governments, employers' and workers' organisations to 'undertake forms of social dialogue at the international level through such means as participation in the United Nations Global Compact and through encouraging framework agreements between multinational companies and international trade union organisations'.

The main purpose of a framework agreement is to establish a relationship between a multinational and an international trade union federation. Framework agreements do not establish collective bargaining rights or minimum wages so much as broadly articulate worker rights. Many of these make direct reference to ILO standards, and it is not surprising that they have enjoyed the support of the director general of the ILO.

A typical framework agreement might include undertakings to recognise that employment should be freely chosen, that there should be no discrimination in employment, that there should be fair compensation for work performed, recognition of the right to organise and to bargain collectively, and implementation of good health and safety and environmental standards.

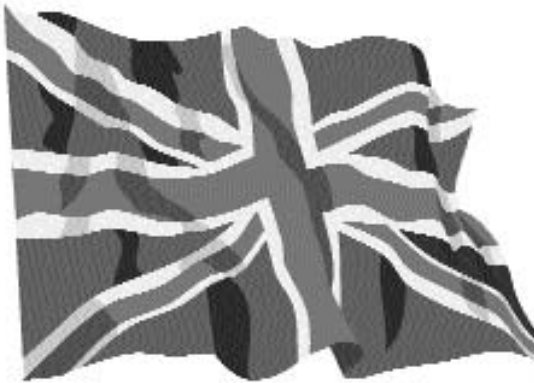
Union support for framework agreements probably have as much to do no doubt with falling levels of trade union membership across the globe as they do with attempts by the international union movement to position itself in the wake of the perceived social and environmental fallout accompanying globalisation. But it is a significant development, even for South African multinationals, some of which have been approached to conclude such agreements.

A third possible response, and one with which most South African companies are possibly more familiar, is the corporate code of conduct. But even these have taken on a new dimension. Initially, demands for codes concentrated on working conditions within multinational companies, but the focus has shifted to employment conditions in the supply chain. While multinational companies bear no direct legal responsibility for working conditions established by suppliers, public perception has held them accountable. Codes of conduct typically make reference to core ILO conventions, as identified in the ILO Declaration on Fundamental Principles and Rights at Work, and some make provision for monitoring by third parties.

The response to calls for new corporate initiatives on social responsibility might take a variety of forms. Some of these are recognised by the King Report, which rightly draws attention to aspects of human resource management that characterise good corporate governance. But responses that acknowledge organised labour as a stakeholder and the interface between corporate governance and industrial relations are equally if not more important, and it is these that will ultimately be the more credible.

LB

Andre van Niekerk, involved in the drafting of the recent amendments to labour laws, is a lawyer with Perrott, Van Niekerk Woodhouse Inc.



A new mood in the **British trade unions**

The British trade union movement suffered some major defeats in the 1980s, which led to a decline in militancy and membership.

Alan Thornett examines whether there is a resurgence of trade unionism and attempts to form a viable alternative to 'new Labour'.

The trade union movement in Britain suffered a series of major defeats in the 1980s at the hands of Margaret Thatcher's Tory government – the most important being the defeat of the yearlong strike of the coal miners. At the same time the Thatcher government introduced a series of anti-union laws aimed at stopping strike action or making it very difficult to organise legally.

The result of these two factors led to a decline in strike action to a 100-year low by the 1990s; the fundamental restructuring of British industry to the advantage of the employers and a decline in union membership from 13.5 million to just fewer than seven million. The reduction in membership, however, does not show the full extent of the damage. The loss of activists has been at a greater proportion than the loss of general membership.

All this has allowed an employers' offensive to take place. This has gone on unabated for over ten years and has resulted in the introduction of a range of new management techniques from short-term contracts, zero hour contracts, to the widespread use of agency labour (labour brokers). For

example, in the car factory where I originally worked in Oxford (which is now BMW) two thirds of the 3 000 production workers are agency labour.

Social partnership

At a political level the unions have adopted a social partnership approach. This stems from the view that it is no longer possible (or even desirable) to challenge the actions of the employers. Therefore, the name of the game is to work in partnership with them to ensure company profitability and hope this will result in more job security and even some share in the wealth created.

The result was a forgone conclusion: the employers took full advantage of social partnership to maximise profit, restructure employment conditions, 'down-size' the workforce or close down the factory – whichever suited them. The only result was to weaken unions even further.

The direct political reflection of the defeats of the 1980s and the introduction of social partnership was the rise of Blairism in the Labour Party. This is qualitatively different to previous forms of right-wing social democracy. It abandons all remnants of the reform

and welfare framework of the post-war consensus and totally embraces the market and the neoliberal agenda of the American right. It seeks to transform the Labour Party in something akin to the US Democrats. This process is not complete but is a long way down that road. The project is generally referred to as 'new Labour'.

New union militancy

When new Labour came to power in 1997 they kept all the Tory anti-union laws intact and set out to build a completely new relationship with the employers and distanced themselves from the unions. Thus by the end of the 1990s the trade unions remained in a very weak situation with employment conditions, in many ways, even worse than they were under the Tories.

In the past two years, or so, however, there has been a partial re-emergence of union militancy. It is modest, but it is important. It is reflected in recent strikes on rail where the Road, Maritime and Transport Union (RMT) called a series of one-day strikes on different sections of the rail network over wage differentials – the difference between the wages of drivers and other

grades of workers, which had been widened by driver shortages. There was also a one-day strike on South West Trains (the rail network south of London) over the victimisation of a driver and militant trade unionist Greg Tucker. In each case there was very strong solidarity amongst the strikers.

Although in the end the RMT executive wavered and called the SWT strikes off there were successful settlements with Arriva North and Scot Rail in Scotland.

In London there is a movement amongst public sector workers for an increased London weighting allowance – given the cost of living in London. In the middle of March, 8 000 teachers struck and marched through London demanding higher London weighting – after voting by 86% for strike action. The demonstration represented a fifth of the total London teaching labour force. Demonstrations by other workers in support of increased London weighting are expected in the months ahead.

This militancy is also reflected in a recent big vote for strike action amongst postal workers against the privatisation of the Post Office. This has not yet been implemented, although thousands of postal workers have demonstrated and lobbied Parliament over the issue.

This shift is reflected in the election of more ‘militant’ general secretaries of a number of unions. Bob Crow, who has a long record as a militant trade unionist and comes from a Communist Party background, was elected general secretary of the RMT. He was elected in the face of a big campaign by the right to stop him. Mark Serwatka, on the far left, was elected general secretary of the PCS.

In each case union members were voting for the most militant option and against the old social partnership leaders of the ‘80s and the ‘90s. It is not a return to the militancy of the ‘70s, but is a welcome development, which can start to rebuild union strength. This new militancy is also reflected in a growing hostility to new

Labour and its privatisation agenda, which has been accelerated since last year’s general election and new Labour’s second term. Despite the disaster of the privatisation of British rail, privatisation is still being forced through on the London underground and into health and education. In fact new Labour has taken privatisation into areas the Tories never dared.

The new militancy is also directly reflected in the rapidly changing attitude of union members to the trade union political funds. A portion of union dues is supposed to be used for political purposes. These funds are the principal source of finance for the Labour Party – including new Labour today. Despite its systematic attack on unions, new Labour receives £8m a year from them in political donations. The question is now being asked why the unions should continue bankrolling a Labour Party that, in government, is not sympathetic to the unions.

The issue of the political fund is being directly connected to the fight against privatisation. The unions are giving millions of pounds a year to the very people who are forcing privatisation on them. The time is right for a re-look at political funds. Unions have begun to debate this issue. In the interim the GMB (general union) has massively cut its payments to the Labour Party as a protest against privatisation. UNISON (the public sector union) the FBU (fire fighters union) and the RMT are reassessing their payments to the Labour Party.

Socialist Alliance

Recently the Socialist Alliance (SA) – which has been the political response of the left to the rise of new Labour – called a trade union conference on the issues of the political fund and privatisation. It was a huge success with 1 100 activists attending. It was viewed as the biggest rank-and-file trade union conference in Britain for many years. The SA, an alliance of far

left organisations and individual socialists, aims to build a political alternative to new Labour. The SA approach at this stage is not to go for disaffiliation from the Labour Party. Disaffiliation in the absence of a viable alternative would further de-politicise the unions.

The SA is not in favour of trade union donations going to non-socialist/non-working class parties – such as the Liberal Democrats. It supports unions withholding payments to new Labour in order to fight privatisation or defend their members against the effects of new Labour policy. What is unacceptable is the current situation where huge sums of money go exclusively to new Labour.

Beyond the debate on the political fund, British unions need to build some level of militancy and win some important confrontations with the employers. There have been some partial victories but not enough to turn the tables on the employers. This needs to be stepped up now that a number of unions are led by general secretaries who are not in the mould of social partnership and are prepared in some circumstances to support and promote strike action. Already there has been a linking up of the public sector unions with a view to coordinated action against privatisation. The aspirations and the good intentions still need to be turned into action, to bring about real change.

The SA has triggered a process of unification between the unions and various other organisations. The rise of the Socialist Alliance indicates that there cannot be a separation between the need to rebuild trade union strength and the construction of a political alternative to new Labour.

Alan Thornett was a senior shopsteward for many years in the car industry, and is the author of two books on the struggles of car workers: ‘From Militancy to Marxism’, and ‘Inside Cowley’.

World Bank policies and labour rights

The World Bank and the role it plays in promoting liberalisation, privatisation, the free movement of capital, so-called free trade and labour flexibility is often the subject of heated debate. Asbjørn Wahl explores the effects of these policies on workers and society and calls on labour to adopt a strategy, which is broader than just merely demanding inclusive minimum labour standards in agreements.

The struggle for trade union and labour rights is, of course, decisive if we are to develop a civilised society. In order to achieve better labour standards, we need to analyse why trade union rights are being undermined and why we experience a brutalisation of work in most parts of the world today. What are the driving forces behind the attacks on trade union rights and labour standards? We need to identify the causes if we are going to improve working conditions and by that, the quality of life for working people.

A large part of the international labour movement, the International Labour Organisation (ILO) and many Northern governments are demanding minimum labour standards in international agreements and as an integrated part of the policies of the international financial institutions. Minimum standards are concretely defined as a collection of very basic ILO Conventions, such as those regarding the right for workers to organise and to bargain, bans on child and forced labour and on gender discrimination.

The international trade union movement has invested a lot of resources in campaigning for these demands, not only in relation to the World Bank, but also the International Monetary Fund (IMF) and the World Trade Organisation (WTO). The results have so far been scarce. In fact, according to annual reports from the ILO as well as from the International Confederation of Free Trade Unions (ICFTU) over the last 10-15 years, violations of trade union and labour rights have been increasing.

Even in the developed world, trade union and labour rights are being weakened and undermined these days. This is not happening because there is a lack of formal labour standards. It is happening in spite of relatively strict labour laws and regulations. A serious brutalisation of work is going on in most of the developed world. Physical and in particular mental pressure and stress are increasing phenomena at work, and a rapidly growing number of workers are being expelled from the labour market altogether. In Norway, almost 15% of the total population

between the ages of 16 and 67 – the latter being the age of retirement – are now on early retirement, disablement benefit or some kind of rehabilitation. The figure has doubled over the last 20 years.

Violation of laws and agreements
So why are we experiencing this rather dramatic development in the labour market in a country that is wealthier than most other countries in this world, and wealthier than at any time previously in its history? It is not a lack of labour standards, laws and regulations. Norway has probably one of the best labour regulations in the world. The fact is that the laws and agreements, which regulate the Norwegian labour market, are being violated and undermined in practice on a daily basis in workplaces. Working conditions and labour rights are, in other words, not primarily an effect of formal labour standards. How is it, then, that we can improve working conditions and labour and trade union rights?

Let me go back in history to the end

of the 19th Century when workers started to organise in Norway – in trade unions and in political parties. Working conditions were miserable and there were no labour regulations. Through political and labour struggles, conditions were gradually improved and formally institutionalised through labour laws and collective agreements. A gradual shift of the balance of forces between labour and capital took place – in favour of labour.

Labour's strength was not only reflected in labour laws and regulations but more importantly, in the general taming of market forces. Capital's power was reduced in favour of politically elected bodies. Competition was dampened through political interventions in the market. Capital control was introduced and financial capital was strictly regulated. Through a strong expansion of the public sector and the welfare state, a great part of the economy was taken out of the market altogether and made subject to political decisions. A considerable reduction of the physical and mental pressure on workers was an important consequence of this development.

The turning point occurred in the 1970s when labour started losing its momentum and a shift in the balance of forces occurred – this time in favour of capital. The capitalist forces went on the offensive and the current era of neoliberalism started. This is the reason behind the undermining of labour and trade union rights both in developed and developing economies. It is first and foremost about power and it cannot be changed only by formally introducing labour standards. Over the last 20 years we have been facing the abolition of capital control and fixed exchange rates, the deregulation and liberalisation of markets, the privatisation of public services, the increased use of competitive tendering and outsourcing, the downsizing of the workforce to the absolute minimum, and the consequent increasing labour intensity, and the flexibilisation of labour.

So what does all this have to do with the World Bank?

Well, the neoliberal policy, which has contributed so strongly to the brutalisation of work and to the attacks on labour rights, is also the policy of the World Bank. It is, actually, as simple as that.

In response to its critiques, the World Bank insists that it has now strengthened its dialogue with the international labour movement – and that is true. It also insists that consultation with trade unions at a national level is the order of the day when introducing new projects. Finally, it insists that it supports the ILO core labour standards. Even though the trade union movement claims that this can hardly be seen in practice, let us be big-hearted and accept the Bank's insistence.

Then, what is the problem? The problem is that all these so-called pro-labour policies only become cosmetic changes on the surface while the Bank, through its neoliberal policy, strengthens those economic interests in society that are the driving forces behind the brutalisation of work and the undermining of labour and trade union rights. To liberalise and deregulate the markets and then think you can protect the workers by introducing formal labour standards, is like opening the floodgates of the regulated waterfall and then forbid the water to fall. Truly, it is not a very productive exercise.

In other words, the World Bank's alleged intentions regarding labour standards and trade union rights become impossible or contradictory. It's aims and the means simply do not fit together – and labour rights are on the losing side. Good intentions represent too little power when they crash with the economic iron laws of market liberalism.

Formal labour standards
This also leads to some self-criticism of the international trade union movement, in which I have been a bit

involved over the last ten years. The narrow focus on the demand for formal labour standards in WTO agreements and in World Bank and IMF conditionality seems to be based on the conception that formal rules themselves will improve working conditions. Very often we hear international trade union leaders say they cannot accept a further liberalisation of this or that unless they get labour standards included. This is an illusion, it is wrong and it is dangerous. It contributes to leading the struggle astray, and the result will be a further deterioration of working conditions.

If the trade union movement of the North really wants to support trade union and labour rights in the South, we should rather struggle to limit the power of our own multinational companies and regain the control of financial capital. If successful, this will have more positive effects on working conditions and labour rights than the so far very unproductive and narrowly run campaign and bureaucratic dialogue for formal labour standards.

Do not misunderstand me, the struggle for labour standards and trade union and labour rights is of course important – not only important, it is decisive – but only as a part of a real struggle – a struggle to empower workers and to strengthen trade unions, a struggle aimed at shifting the balance of forces between labour and capital. That means fighting market liberalism, not accepting it in exchange for formal minimum labour standards.

Market liberalism is a health hazard and a threat against trade union and labour rights – and the World Bank neoliberal policy is not a part of the solution. It is a part of the problem.

Wahl is an official of the Norwegian Union of Municipal Employees (NUME) and is vice chair of the Road Transport Workers Section of the International Transport Workers Federation (ITF). He is also a coordinator of the Campaign for the Welfare State.

LB

Will the SACU Agreement affect **SA trade policy?**

The Southern African Customs Union (SACU), a common customs area consisting of South Africa, Botswana, Lesotho, Namibia and Swaziland, has been around for a very long time. The recently negotiated new version of the SACU Agreement could potentially create serious problems for the administration of SA trade policy, especially in relation to tariffs, anti-dumping actions and rebate dispensations. Michael McDonald analyses the implications for the country.

The SACU Agreement first put in place many years ago provided that South Africa would handle customs administration, especially in respect of import tariffs, on behalf of the entire customs union.

Originally, South Africa, relying on an import replacement policy, needed to ensure adequate control of imports and the application of protective import tariffs. As our neighbouring countries did not have the capacity to adequately administer an import control system, South Africa offered to do the job for the whole of the SACU countries as it was in this country's best interests.

However, right from the very start, because South Africa was administering relatively high import tariffs in order to protect local South African industries,

the BLNS countries (Botswana, Lesotho, Namibia and Swaziland) had a serious problem with South Africa administering a common tariff for the whole of SACU. The BLNS countries had little or no industry to protect, so, because of the high tariffs imposed by South Africa, they were paying considerably more than needed for their imports of just about everything.

Thus was born the Common Revenue Pool, often called the 'customs pool'. All customs, excise and additional duties collected by the South African Department of Customs and Excise are paid into the Common Revenue Pool and is shared out among the SACU member countries, supposedly in proportion to the duties collected on imports destined for each

of the SACU members in order to compensate the BLNS for the higher cost of imports due to the high tariffs.

It did not work this way in practice. In practice, South Africa collected the duties for all imports into the Common Customs Area and then each of the BLNS countries would declare how much was imported into their country. However, as there was no easy way for South Africa to verify the accuracy of the declared imports into each country, the BLNS countries tended to considerably overstate the value of their actual imports. So much so that for many years South Africa had been actually paying out substantially more money to the BLNS countries than they were actually collecting.

This was clearly inequitable. However, South Africa was happy to be generous to its neighbours in order to keep them quiet and allow it to conduct its own trade policy, but which affected the whole of the SACU, at a time when the country was at odds with the rest of the world on trade issues.

So it went on, South Africa imposed tariffs with little or no consultation with the BLNS countries who in turn collected more than their fair share of the duties. Although the South Africa government was becoming increasingly unhappy with this state of affairs, little was done until 1994. Long and often tedious negotiations started on amending the SACU Agreement.

Over the years, the South African Board on Tariffs and Trade (BTT) has administered changes to import tariffs. It also administers the issuing of import and export permits, anti-dumping and countervailing duties as well as rebates and drawbacks of import tariffs on

goods imported for use in producing products for export.

The BLNS countries previously played no real role in the BTT, although the current legislation would allow for participation. The current Board (appointed in August 2000) even made overtures to the BLNS countries to encourage participation in BTT activities. While there was much criticism of the unilateral actions of the BTT, there was little interest shown by the BLNS members in making the process more transparent and democratic.

However, during the negotiations for a new SACU Agreement, which included a new way of calculating the customs pool shareout, the BLNS countries came up with a new complaint. Where previously they needed compensation through the customs pool for the higher cost of their imports because of South Africa's high import tariffs, now they insisted they needed additional compensation because tariffs were coming down as a result of the WTO Uruguay Round tariff cuts, the SA/EU Trade, Development and Co-operation Agreement and the new Southern African Development Community (SADC) Free Trade Agreement.

In an attempt to take the heat off the issue of the shareout of the customs pool revenues, the BLNS countries harped on the fact that the BTT, as it currently operates, was entirely undemocratic and they demanded more of a say in the determination of tariffs and such like.

This raises one of the key problems of the new SACU Agreement. Remember, in spite of a lot of other smokescreens, the BLNS countries' only real interest is the maximisation of the customs pool. Although maybe it should be, democratisation of the BTT functions was not a real issue.

Nevertheless, the new SACU

Agreement (which is due to be ratified by Parliament later this year or early in 2003), in addition to spelling out an extremely elaborate new formula for determining shares in the customs pool, also includes a particularly cumbersome mechanism for the ultimate determining of all tariff changes, anti-dumping duties and other customs issues by a Council of Ministers of the SACU states.

At present, the BTT investigates tariff and other matters within its ambit and then through reports it makes recommendations for changes in tariffs, anti-dumping duties and the like to the Minister of Trade and Industry. The Minister in turn can either accept a recommendation of the Board or he can completely reject its report, but he cannot amend it. If he accepts a recommendation, he passes on an instruction to the Department of Customs and Excise through the Minister of Finance in order to amend the tariff.

The Board itself is shortly to be transformed through a new Act of Parliament into the Commission for International Trade Administration (CITA) which will operate similarly to the BTT with a few additional functions. However, reports and recommendations of the new CITA will no longer go directly to the South African Minister of Trade and Industry, but along a very circuitous route through a SACU Secretariat (based in a BLNS country and not in South Africa), a Commission of Senior Officials, a SACU Tariff Board and ultimately to a SACU Council of Ministers which will be comprised of Ministers of all the SACU countries and which will make its decisions through consensus. In addition there will be an independent Tribunal to arbitrate disputes which cannot be resolved by the Council of Ministers.

This appears by many to be entirely unworkable. Presently, there are no guidelines or regulations on how the different parts of this institutional framework will operate nor are there any timeframes in which they will operate.

Up until recently, the current BTT has met weekly, usually in all-day sessions (They are currently experimenting with bi-weekly meetings, but are finding it difficult to get through their agendas). How long it will take for a tariff amendment or other matter to get through this new proposed labyrinth is anybody's guess, but don't hold your breath.

Bearing in mind that the real issue for the BLNS countries is the maximisation of the customs pool, it is more than possible that BLNS ministers could oppose any recommendations that diminish the customs pool (lower tariffs, rebates of duty etc). So, lack of consensus on many issues is not necessarily unlikely. Then, with all this elaborate structuring to ensure democracy in decision making on trade issues, the final arbiters may be undemocratic appointed committees, (the Tribunal).

Furthermore, it would appear that, notwithstanding the possibly lengthy time delays involved in reaching decisions, South African trade policy could be held to ransom by any one of the BLNS countries. This is despite the fact that most of industry and 90% of the GDP of the whole region comes from South Africa.

It is becoming clear that there needs to be a rethink about how this new SACU Agreement is going to work.

Michael McDonald is Head of SEIFSA's Economic and Commercial Services, and a Business South Africa representative in the Trade and Industry Chamber of Nedlac.



African trade union **roundup**

This is a new column intending to provide brief news items on the significant stories on workers and trade unions in Africa.

Zimbabwe

The Zimbabwe Congress of Trade Unions (ZCTU) has called on the Zimbabwe government to take responsibility for the economic crisis facing the country, and to stop blaming others. It challenged government to restore good governance, restore relations with its development partners (including the trade union movement) and to 'lift the nation out of the current economic morass'. Privatisation and commercialisation should also be put on hold. This emerged following a policy workshop on collective bargaining held on 15 July 2002.

Namibia

A wage dispute between the Namibian government and the Namibia Public Workers Union (Napwu) and the Namibia Teachers' Union (Nantu) is looming. The unions are demanding increases of up to 25% while government has not budgeted for any wage increase for civil servants for 2002-2003.

Zambia

Zambia Congress of Trade Unions (ZCTU) president Fackson Shamenda has called for quick investigation, arrest and prosecution of all those suspected of having plundered public resources. He cautioned that President Mwanawasa should not be worshipped over his actions against former President Chiluba, as democratic forces had been pointing out the

corrupt practices of Chiluba and his followers in government for some time. Mwanawasa should, however, be encouraged to continue, 'doing the right thing'.

Congo (DRC)

Mineworkers at DRC's giant mining company Gecamines went on a three-week strike in May to demand payment of 19 months wage arrears. The company would not budge and is now threatening to fire 10 000 mine workers. Their union has repeatedly alleged that the signing of corrupt contracts with government officials has caused the current financial crisis of the company.

Mozambique

Five hundred sugar cane cutters belonging to the Sugar Workers Union (SINTIA) went on a wildcat strike at the Maragra sugar plantation. They were protesting against errors in their wage calculations. Workers returned to work after the company acknowledged it had made errors and undertook to rectify these. However, the company has insisted that deductions be made from the workers' pay to cover the cost of damages to equipment during the strike. The union is contesting this. The cane cutters, who are seasonal workers, are paid about US\$1,5 (less than R20) for every six tonnes of cane cut.

Kenya

Kenya Railways Corporation

retrenched 2 000 workers early this year as part of its restructuring programme. The retrenched workers were evicted from their railway owned homes. It has now announced a further round of retrenchments.

Ghana

About 500 Nestlé workers went on a wage strike in Tema, Ghana, in July. Also in Tema, workers at the PSC Shipyard went on strike to protest the government's ongoing contract with a Malaysian company, which now owns 60% shares in the previously state-owned dry-dock. The union has accused the Malaysians of running down the dry-dock over the past six years and having not paid the full value of the shares bought in the operations. The strikers rejected a management proposal to put in place an interim management committee, which would include two Ghanaians. The strike had not been settled at the time of going to press.

Nigeria

The Nigerian Labour Congress (NLC) suspended its one day nationwide warning strike scheduled for 10 July after the Federal Government agreed to establish a national negotiating forum to negotiate wage increases in minimum wages.

The Bulletin hopes to expand this column to include a roundup of the rest of the world. Readers - please submit any short stories of interest that you may be aware of.

Jozi Summit Film Festival pays tribute to the best of **African cinema**

In August South Africa will be the focus of the world. Johannesburg will be wearing its spring colours, ready for one of the most significant events ever to happen on the continent, let alone South Africa.

As part of the parallel educational and cultural programme for the Summit, an expansive film and audio-visual campaign will be held between 18 August and 4 September 2002.

The purpose of the Jozi Summit Film Festival 2002 is to use film to ensure public participation and understanding of key issues being debated at the Summit, as well as communicate current and existing national and international social development problems, challenges and potential solutions.

Most importantly, while the Jozi Film Festival provides a platform to showcase the best films from the African continent and Southern countries, it intends to convey the message that the South in general wants socially and culturally relevant films. Top quality films that tell its stories, reflect its problems and address its needs and concerns, while entertainingly tussling with controversies around sustainable development issues.

Over 100 international, thought provoking, entertaining and educative films – best productions from South Africa, Africa and the world highlighting issues from *The effects of Chernobyl* to *Lumumba* and the liberation from colonialism – will be screened.

To be as inclusive as possible the festival will be extended to township



locations where media penetration is low. There will be workshops, educational sessions and a series of exhibitions will be set up at selected tertiary institutions, townships and Rural Multi Purpose Community Centres around Johannesburg (Jozi). Film gurus will be in attendance at particular screenings to provide expert insight into and analysis and discussions of films.

The list of films being flighted includes greats such as *Mapantsula* – a great movie about love, life and death in the ghetto of Soweto; *Hyenas* – a masterpiece on the clash between western consumerism and African community values.

On the Women of the Sun and Women in Film circuit, award winning *Divorce Iranian style* and *Femme et femmes* will grace the screens. For more information, contact (011) 340-9430 or go to www.jozi.co.za

Hyenas (above) and *Le France* (below).



Will the real head of the African Renaissance please stand up ...

In their desire to encourage controversy ahead of the SACP's national congress, the mainstream media seems to have overlooked one of the more amusing sections of the so-called controversial interview between SACP deputy general secretary Jeremy Cronin and left-wing Irish academic Helena Sheehan in January 2002. Media coverage predominantly focused on a few comments made by Cronin on p27 of the interview.

However, if they had read further to p33 (on Redeye's screen) they would have found some real humour. Cronin and Sheehan were discussing the concept of the African Renaissance and what it means. In an attempt to illustrate some of the debates on the African Renaissance Cronin recounts an incident in a central committee meeting. 'I was slightly more politely raising some of these concerns about African Renaissance and one member of the central committee, who is a

More about the WSSD

Redeye learnt that the SA mining industry appears to view the WSSD as a potential media opportunity and is arranging mine visits for those who want to see what industry has done to the environment. Imagine a group of militant 'greenies' converging on South Africa's mines to witness the devastation caused.

Who cannot think this is a media opportunity!

minister in government said: 'How can the party have had a discussion on the African Renaissance without coming first to me? I am the minister charged with the African Renaissance in the president's office.' I sent the individual a note saying: Did the Italian renaissance have someone in charge? Which of the two obvious personalities was charged with the responsibility? Was it Leonardo or Machiavelli? Which one do you think you are?'

(The reader who correctly guesses who the head of the African Renaissance is will be eligible to win a seat (next to the man himself) at the ANC's gala dinner during its national congress.)

What has happened to fair and free trade?

SA has certainly become a favourite destination for conferences. Whether it is the AIDS conference, World Conference Against Racism and now the upcoming WSSD. Government has emphasised that money is being well spent as these conferences help promote the country as a tourist and investment destination - with the ultimate aim of creating jobs.

Ahead of the Summit one would have thought that sex workers would be gearing themselves up to provide sustainable service for the influx of international delegates. By all accounts many sex workers appear to be relocating to Gauteng to ensure they are close to their target market.

Their spirits might, however, be dampened by claims that sex workers

are being cleared off the streets of Sandton and surrounding areas. In an attempt to pre-empt possible loss of market share and market access - the Internet has come to their rescue.

It is hoped that these workers will do SA proud and out perform their counterparts in Korea who did not fully appreciate the competitive edge that Africans display.

The ANC goes corporate

First corporate SA was enticed by Pieter Dirk Uys to buy into his *Sex with Pieter Dirk Uys* videos aimed at educating employees on HIV/AIDS issues. Now the CEOs of SA's leading companies are being invited to spend a number of fun-filled days with the country's leading politicians - at a price of course. As part of the ANC's drive to raise funds for its upcoming national congress in December 2002 it has begun approaching corporates to sponsor the event in different ways. They can spend some of their hard earned profits by being able to put up an exhibition in the 'networking lounge' and/or attend a gala dinner where the ANC leadership will be in attendance. Can you imagine the joy of being able to sit next to your favourite ANC minister!

Not to be outdone, the SACP also wined and dined with senior executives of corporate SA when it hosted a gala dinner during their congress - at Sun City. Perhaps the slip up by the labour wire service calling the SACP the SA Capitalist Party was timeous.