South African
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SA Labour Bulletin turns 40: Bringing you critical labour analysis since 1974

Editorial

Strikes are an exercise of workers' power and also a strategy that workers use to demand better living and working conditions. Mfundo Mpushe talked to engineering sector workers in Uitenhage and Port Elizabeth during the recent National Union of Metalworkers of South Africa (Numsa) strike which was settled with a 10% increase for the next three years among other concessions.

Striking workers always defend their turf against strike breakers and those who go to work during industrial actions often face violence. Crispen Chinguno traces how this violence has been a feature of South African labour relations. But violence is not only worker violence. There is state violence by the police, employer violence, and even violence within and between unions.

Besides doing tough and dangerous work underground women miners face a host of other problems such as sexual harassment and a harsh working environment, write Doret Botha and Freek Cronjé. However, some of the problems could be resolved by gender-sensitive workplace and government policies.

The taxi industry can be described as a 'decentralised labour process', writes Siyabulela Fobosi. The working conditions are informal and the Basic Conditions of Employment Act and the Sectoral Determination for the taxi industry rarely followed. Therefore, the taxi industry falls under 'petty commodity production' or petty service provision where there is no clearly defined division between capitalist, manager and wage-labourer.

The policies by government to deal with youth unemployment will not work because they only look at the labour market without taking into account the role that the state can play by introducing policy interventions through laws, education, training, social welfare and labour relations among other interventions, writes Tumi Malope. It must be taken into account that the labour market operates differently from a commodities market. In most instances policies such as the youth incentives are threatening the gains that have been made in attaining decent work.

Mobile phones especially with their message services are an important communication tool for informal business women. Chenai Chair looks at how women have been using mobile phone technology to follow up payments and communicate with their customers in Cape Town's Khayelitsha and Philippi townships.

Militant workers strike against their employers, and do the same against their union. This was the case when the South African Municipal Workers Union (Samwu) members marched against their leadership. This happened amid allegations of missing funds from union coffers and what the workers see as poor financial decision-making on the part of the leadership or in some instances outright corruption.

On the gender front, unions such as the South African Commercial Catering and Allied Workers Union (Saccawu) has created spaces in which women can learn on their own. Zuziwe Khuzwayo explains how the union planned its activities to increase women's capacity through training, workshops and campaigns.

Inequality in South Africa has given rise to political groups that have identified themselves as champions of the poor. At the same time the poor have revolted against the growing inequality. Molifi Mohautse and Ntokozo Zulu show how inequality, economic growth and conflict are connected.

Drawing from Paulo Freire's ideas David Balwanz, Sandile Zwane and Itumeleng Moabi ask what the purpose of education is. Contributing to the popular debate on skills, the writers argue that focusing on education for employment will not address the structural causes of unemployment.

Although the Mozambican town of Tete is booming from the mining of coal and gas, not enough jobs are being created for the unemployed locals. Therefore, poverty continues to exist despite the boom, writes Joshua Kirshner.

With collective bargaining open to all unions in Zambia there is always a mistrust when shop stewards report back to workers on the outcome of the negotiations. Shop stewards and union officials often experience anger and are insulted for failing to meet workers' expectations. The officials are also accused of taking bribes.

Managers of state-owned enterprises in Zimbabwe don't see anything wrong with earning obscene salaries even when workers employed by the same enterprises have not been paid for months. Tapiwa Chagonda attributes this to the ghosts of the hyperinflation period which peaked in 2008 and which has left an imprint on the minds of the state-owned enterprises managers. With this mindset underhand dealings and kickbacks are the order of the day.

Elijah Chiwota, Editor

The *South African Labour Bulletin's* mission is to:

- provide information and stimulate critical analysis and debate on issues and challenges that confront workers, their organisations and their communities; and
- communicate this in an accessible and engaging manner.

In so doing the SALB hopes to advance progressive politics, promote social justice and the interests of the working class.

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In the workplace

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Engineering/metals strike in Uitenhage and PE

For better wages not profits

Since 1 July 2014 the engineering/metals sector workers strike led by the National Union of Metalworkers of South Africa (Numsa) has been in full swing. **Mfundo Mpushe** explains how the strike unfolded in the Nelson Mandela Metropole.

William Matlala

Young metalworkers take to the streets of Johannesburg.

Strikes by the union are taken as a last resort and are a tactic the union employs after several attempts to resolve matters peacefully with the employer have failed. History shows that employers will seek to save money for shareholder profits rather than spend it on increasing workers' wages and benefits. It is also common knowledge that employers will not give in easily on wage increases. Hence, workers have to put pressure by going on strike.

This is what Erik Olin Wright calls the antagonism between 'associational-power' of workers which is pitted against the 'interests of capitalists'. Argues Wright: '...increases in the power of workers adversely affect the interests of capitalists... since the profits of capitalists are closely tied to the exploitation of workers, the material interests of workers and capitalists are inherently antagonistic. Anything that strengthens the capacity of workers to struggle for and realize their interests, therefore, negatively affects the interests of capitalists'. It is this antagonism that one sees in the engineering sector strike.

HIGH PARTICIPATION

In Uitenhage and Port Elizabeth, known after the merging process as the Nelson Mandela Metropole, the engineering sector strike has been positive as far as participation of workers is concerned. The strike has also been non-violent.

'If the strike is legal I support it. Although it's hard as I'm the only bread winner at home, I fight for my rights. I stay strong,' said Andiswa Sowazi from SP Metal.

In general workers take turns in going to the picketing lines. For instance, the group that goes on Monday is not the same group that you will see on Tuesday.

'The problem is that we don't have enough money for bus fare to come every day but we are in a strike fighting the same cause. When you're employed by labour brokers you don't have much rights in the factory. It's very sad you don't know when will you be made permanent,' added Sphokazi Tali also from SP Metal.

Most workers live at Kwanobuhle and Langa townships – about 7km from workplace – and it costs R20 to and from work.

In Uitenhage most companies like SP Metal, Spicer Axle were closed during the strike and only a few small companies opened in the area. At Kruisriver a few workers turned up for work at National Standard.

In Port Elizabeth one or two companies were operating using scab labour from labour brokers. This is why one of the demands of this strike is to ban labour brokers.

At Auto Cast Company in Korsten operations continued as staff members were put on production lines. Because of the full support of the strike in this plant, management were left with no choice but to use their office employees. To these companies it's production at all cost.

Kruisriver is a remote area in Uitenhage that has also some of the most exploitative companies with bad working conditions. It is not surprising that there is low worker consciousness in this area. At some companies workers were not organised, resulting in some were working whilst there was a strike.

Kruisriver is an isolated area where unions should do a lot of organising work as some workers do not even know their rights. For example, at Uitenhage Super Steel, workers were promised increases by their employers in exchange for not going on strike.

EXEMPTIONS

In Port Elizabeth some engineering companies like Formex moved to the motor sector using the exemption process which allows employers to dodge paying wage increases. Exemption works in two ways. Firstly, it happens when a company claims it cannot afford a particular wage increase, and then applies to be exempted from paying the increases.

Secondly, some companies claim that their scope of work has changed and that their new function belongs to a different sector altogether like the motor sector. They then register for exemptions. Obviously there is a process of verifying such claims. However, what we have observed as unionists is that companies move from the engineering to the motor sector, which pays lower rates.

Most motor sector companies have been put under pressure to lower rates by big auto companies. Some like Johnson Controls have lost a contract with Volkswagen South Africa (VWSA). Some like Kromberg and Schubert even relocated to Botswana. Petrol attendants are also in this sector, which is historically dominated by individual employers who give increases when they wish. This has not gone well with Numsa which pushed for a maximum wage increase of 11% in 2013 – a figure that was even higher than that of the auto sector's 10%.

ACTION AT AUTO COMPANIES

VWSA and General Motors South Africa (GMSA) which employ about 2,600 and 1,100 Numsa members respectively are two big auto sector companies in Port Elizabeth. VWSA has not been affected by the strike as they import all components instead of using locally manufactured ones. So at VWSA it was business as usual because of this. It also meant no presence in picketing lines as some workers were not even aware of the strike let alone knowing what type of demands their colleagues were fighting for.

GMSA was heavily affected as it is dependent on local suppliers. Therefore, the company closed when the strike started. When compared to workers from Kruisriver, workers from that side of Port Elizabeth felt the pinch and knew what was going on as far as negotiations were concerned.

Ford South Africa, which has about 600 Numsa members, is one of the automobile companies that was affected by the strike. Ford SA and GMSA were both based in Port Elizabeth with VWSA about 34km away in Uitenhage.

ANGER AT MEDIA

Strikers were angry at the way that the media reported on the strike especially when they reduced the demands to a single issue.

'Media are not giving a true reflection of the strike, it's not about wages only but there's a package of total ban of labour brokers, section 37 (also known as the peace clause) to remain, and a housing allowance. But they only talk about the rejected 10%, 9.5% and 9%. Let me tell you something – those wage offers had conditions attached to them like introduction of new rates which are another attack on newly employed workers who do the same work but earn 50% less than old worker,' said a visibly shaking Andile Tu from GV Donald.

CONCLUSION

As the strike still continues workers are hoping to achieve their double digit wage increase, and a total ban of labour brokers. In the problem areas like Kruisriver Numsa must organise the 'unorganised' and bring an end to the workers' nightmares. Numsa will continue to put pressure on auto companies like VWSA which seem not to be currently affected by the strike and be in solidarity with workers at that company. LB

Names used in this article are not the workers' real names as they asked not to be identified.

Mfundo Mpushe is a Numsa shop steward based in Uitenhage in the Eastern Cape.

Numsa settlement package

After the four-week metals and engineering sector strike the National Union of Metalworkers of South Africa (Numsa) released a statement on the settlement package on 28 July 2014 after a meeting of its national executive committee (NEC).

The settlement package that our members have accepted is one which will go some way in addressing the challenges workers face on a daily basis in attempting to provide for their families in the face of the triple challenge of unemployment, poverty and inequality faced by the working class in our country today.

WAGES

- A 10% wage increase every year for our lowest paid members for the next three years.

LABOUR BROKERS

- A commitment that employees engaged by labour brokers shall continue to be entitled to all the terms and conditions of employment as contained in the Main Agreement. In order to enforce this, the Metal and Engineering Industries Bargaining Council (MEIBC) will employ labour broker compliance officers who will act on complaints of abuse and non-compliance from labour brokers.
- Furthermore, parties have committed to discourage and minimise the use of temporary employment services in the industry.
- The administration of disciplinary action will be done by the secondary employer where the worker is employed rather than by the labour broker.

IMPROVEMENTS HAVE ALSO BEEN SECURED IN SOME OF THE FOLLOWING AREAS

- On short time – parties have agreed to set up an industry short-time fund which will be used to compensate workers when they are on short time.
- Time-off for shop stewards to attend to union and industry matters.
- Opportunities for training for our members.

The union has also succeeded in negotiating a formulation of the section 37 provision of the MEIBC Main Agreement, which we are confident is legally sound and thus not disadvantageous to Numsa in any manner, shape or form.

The NEC was emboldened by the worker-to-worker unity that was displayed during the strike, irrespective of one's union logo or t-shirt colours. This unity needs to be cemented and strengthened in order to build workers' unity to fight against neo-liberalism and the capitalist onslaught.

The NEC also saluted the hundreds of thousands of our members that swamped the streets, from the beginning of the strike. Their militancy and resilience has reaffirmed Numsa as a fighting weapon and a shield for workers!

This article is an edited version of the Numsa statement.

Strikes in SA

More about fighting inequality

In recent years, strikes in South Africa have become turbulent. The Farlam Commission is currently hearing evidence of the 2012 strike on the platinum belt that was characterised by extreme violence on all sides, writes **Mohamed Motala**.

Mining companies, Lonmin, AngloPlat and Implats, assisted by the South African police, displayed aggressive behaviour towards striking mineworkers, which resulted in an elaborate show of force culminating in the biggest post-apartheid massacre in the history of South Africa. Mineworkers under the guise of carrying traditional weapons, but also defending their right to strike, used whatever means at their disposal to keep themselves and other workers from breaking the strike. 'Mister X' appeared before the Farlam Commission giving testimony of how mineworkers armed and fortified themselves physically, emotionally and spiritually with a ghastly array of tools, including human body parts.

So why is it that strikes in South Africa are not characterised by orderly picket lines with neat placards and workers singing Kumbaya, eating sandwiches and drinking tea, as they picket in a country where the right to strike is protected by the constitution?

Given all the mechanisms for representation, mediation and arbitration, conflicts of interest between workers and their bosses ought to be orderly and civil rather than disorganised and bloody. One would think that with the National Economic Development and Labour Council (Nedlac), the Commission for Conciliation, Mediation and Arbitration (CCMA), the labour courts, several government departments, employer bodies, industrial councils, registered and recognised trade unions, non-governmental organisations (NGOs), universities and think tanks, disputes would be worked out more amicably.

The strike in the metal and engineering sector was driven by the most organised and disciplined trade union in the country, the National Union of Metalworkers of South Africa (Numsa), but still there were reports of unruly marches and non-striking workers being intimidated. Sadly, there is too much media attention being focused on a few cases of disruptive conduct. One has to get beyond the front-page fear mongering about strike violence to locate the hidden reporting on the actual issues like wages, labour brokers and quality of life, which the strike was really about.

At the same time, there were calls for government to intervene in Numsa's strike. There were similar calls for intervention in the Association of Mineworkers and Construction Union's (Amcu's) strike. This call for state intervention is simply wrong.

There are essentially two types of industrial disputes. One is a 'rights dispute' and the other is an 'interest dispute'. Typically, rights disputes occur when workers feel an injustice has taken place. For example, an unfair dismissal or the imposition of certain working conditions like the introduction of a shift system, which changes working hours. If these disputes are unresolved by a mediation or arbitration process, they can be determined by a court or forced arbitration where a ruling is made and, if not adhered to, can result in the workers or employer being legally compelled to follow the ruling.

'Disputes of interest' occur when workers feel that their interests are being unfairly addressed. Typically, a wage dispute is a dispute of interest. There is no right or wrong party in a wage dispute. It is purely an economic interest battle between the workers and their employers. No court or arbitrator can rule in this instance.

Thus, the calls for state intervention in both Amcu's and Numsa's strikes have simply been

inappropriate because these strikes represent disputes of interest. The problem with this plea for the state to intervene is that it's a thinly disguised demand to get government to force workers back to work. There is no demand for government to force employers to pay higher salaries because the perception is that employers have the choice of relocating their investments, whilst for workers, half a loaf of bread is better than none – and workers should know that.

The collective bargaining system in South Africa has been shaped by earlier workers' struggles. The current arrangements were legislated and established after years of struggle by workers that had significant moments in the 1973 Durban dockworkers' strikes and the 1987 mineworkers' strikes, which led to the formation of the Congress of South African Trade Unions (Cosatu).

Yet throughout the second half of the 1980s and preceding the dawn of our democracy, strikes were highly disciplined. In the 1987 mineworkers' strike, which saw 360,000 workers go on strike, there were only 11 fatalities. More recently, the mineworkers' strike on the platinum belt consisted of 70,000 workers and the body count was closer to 50.

The difference between then and now is the closeness of current trade unions to the ruling party in government and the internal organisational discipline and strength of trade unions.

In their early years, Cosatu-affiliated union strikes were well organised and demands had a level of sophistication with issues like a living wage linked to workers' family lives. Today's strike demands are reduced to crude annual wage increases and basic trade union recognition tussles. These kinds of demands indicate poor trade union organisation as well as the fact that little worker education is taking place.

The Numsa strike was different in that it also had demands regarding labour brokers, the Employment Tax Incentive scheme, a housing allowance and training for workers. These go beyond simple wage demands and reflect a level of policy engagement as well as a return to issues that have been well thought through.

However, what is more widespread in many of today's trade unions is the fact that legal support, assistance from organisers, leadership education and training are low on the agenda of union leaders; 70% of shop stewards in the 2012 Cosatu Shop Stewards' survey indicated that they received no help from their union. A key reason for this is that there is far too much party politics getting in the way of solid factory floor organising.

At present trade union congress deliberations are simply dominated by Alliance politics (African National Congress – Congress of South African Trade Unions – South African Communist Party). The tangled web of Alliance politics has simply drawn unions away from their core mandate and created a hazardous vacuum inside the labour movement. The situation is further complicated by a ruling party with strong ties to multinational corporations that allows these big companies to use the police as their own private army against workers.

The influence of political parties on the labour movement is also organisationally damaging and corrupt. Pension funds are being looted and women sexually harassed. Patronage is evident at the highest level. Take the case of the appointment of the former president of the National Union of Mineworkers (NUM), Senzeni Zokwana to the position of Minister of Agriculture in President Jacob Zuma's cabinet. This is a former union leader who paid his farmworkers a wage of R26/day when the legislated minimum is R111/day. One would expect him to be paying the legislated minimum, at the very least.

In the absence of credible, independent, well-organised trade unions and with current arrangements not addressing the huge gaps between their salaries and those of their chief executive officers, today's workers view violence as an option. Given that the game is unquestionably rigged against them, it shouldn't be hard to understand why 83% of Cosatu shop stewards surveyed believed that non-striking workers ought to be 'engaged with politically'.

Promisingly, however, there are also signs that the current realignment of worker organisations away from the ANC will be accompanied by the rebuilding of strong democratic trade unions, which is far from what the ANC's mediation of the conflict within Cosatu is likely to yield. Despite the challenges faced by the striking Amcu workers, the intimidation they faced and allegations of violence they withstood, the important improvements to the minimum entry-level wages that the platinum strikers ushered in will have a lasting impact on closing the inequality gap.

It is high time that ordinary South Africans took a long hard look at why workers on strike need their support. Whilst the violence accompanying strikes may be difficult to support, perhaps understanding it beyond the obvious anger faced by poverty-stricken workers will help to resolve strikes faster and close the wealth divide that is tearing this country apart. LB

Mohamed Motala is executive director of the Community Agency for Social Enquiry. This article was first published by the South African Civil Society Information Service (Sacsis).

Strike violence

Some explanations

Strike violence has continued to rear its ugly head in democratic South Africa. Why has this been the case when there are many ways to deal with industrial relations? **Crispen Chinguno** explains.

The post-apartheid era promised an industrial relations system that had capacity to manage conflict including strike violence. This follows a history of an industrial relations system characterised by violence during the apartheid regime. This was expected to lose salience following the demise of apartheid. Indeed strike violence declined in the first decade after the democratic transition. However, it increased in the second decade.

Prominent strikes in this period include the 2006 security guards strike which claimed the lives of at least 55 security guards. In 2012 police killed over 34 workers at Marikana in a strike that claimed over 50 lives. Strike violence thus constitutes one of the many forms of violence. Democracy is characterised by freedom of choice and expression and associated with non-violent means of resolving conflicts. How then do we explain or should we understand this type of violence after the democratic breakthrough in1994?

This article draws from an ethnographic study conducted on the platinum belt between 2010 and 2012 to explain the use of violence in strikes by different stakeholders. The study is based on the mining industry, given that despite its decline in recent years, it remains central in shaping and explaining the post-apartheid social order common for its poverty, inequality and precariousness.

The definition of violence as a phenomenon is complex and contested. It is often difficult to agree on what it is and what it is not and how to analyse it .The same applies to strike violence. The first challenge is the polysemic nature of strike violence i.e. it evokes various meanings and interpretations. We face a problem of how to conceptualise strike violence and in addition the big question is whose violence matters. Is it the violence by the state (police), workers or employer that matters? In public discussions it is often the violence by one of the stakeholders that takes dominance and yet they are equally significant. Therefore, strike violence needs to be understood in the broad socio-economic and political context.

In this study violence was divided into two broad categories. In the first category is violence which is physical, direct and identifiable and subjective. This relates to the use of force, threat or actual violence against a person or group and may result in injury, death or physical harm. The second category relates to the social system/structure which harms people by preventing them from meeting their basic needs. This form of violence is embedded in institutional practices and associated with social injustice and is referred to as structural / non-physical, invisible or objective violence. These two forms of violence are interdependent. However, this article focuses on physical violence in strike actions. In a strike action workers strategically make use of their collective power. This reflects one of the highest manifestations of industrial conflict. Strike violence represents an escalation of this industrial conflict. There are different genres of strike violence which serve different purposes and the justification may vary. This is disaggregated here on the basis of the stakeholders: state violence (police), worker violence, employer violence and union violence (intra- and inter-union).

STATE AND STRIKE VIOLENCE

The state, according to Friedrich Engels, constitutes the power arising from society but standing

Red candles for slain mine workers: Marikana Widows hold red candles in memory of the mine workers.

above it to moderate conflicts and maintain order. The state institutes the use of public force and keeps class antagonism in check. The state in a given society may be defined by its monopoly over the legitimate use of violence. However, in South Africa this is contested. In the 2009 Aquarius strike the South African Police Service (SAPS) opened fire on a group of workers and injured at least 10 and two went missing. At Impala Platinum the SAPS opened fire and killed two and injured nine workers on 19 February 2014 during a strike action. The police alleged that the workers were armed and had ignored police orders to retreat and not advance towards Number 6 hostel. This was a group of about 150 workers who were hunting down scabs in the early hours of the morning. The 2012-2013 platinum strike wave saw various forms of state violence. On 16 August 2012 the SAPS killed 34 workers in what became known as the Marikana massacre.

Violence by the state in strikes is often argued to be a means to assert/maintain/restore/control order. However, the state is not always neutral as highlighted in some of the strikes reviewed in this study. During the Lonmin 2012 strike there was concerted collaboration between the employer and the dominant union to induce the state to use maximum force and violence saying the dispute was not an industrial relations issue but a criminal act in an effort designed to break the strike action. The state's response was thus not an independent reaction to a problem but a result of manipulation by Lonmin, which dictated to the state what was supposed to be done.

In this case there was almost a total subordination of state elite interests to capital interests. Lonmin management, as capitalist elites, manipulated the state to serve their interests. Deputy president Cyril Ramaphosa who then was a Lonmin director represented the capitalist elite and facilitated the connection between the state and elites. Lonmin, through Ramaphosa, dictated to the state the course of action. The state was in this case presented as an instrument of class rule and guarantor of economic accumulation for capital.

WORKERS AND STRIKE VIOLENCE

Workers may resort to violence in strikes for a number of reasons. The most common form of worker violence in most strikes is worker-on-worker violence, which often targets strike breakers or scabs. In the strike at Aquarius mines in 2009 workers were assaulted by fellow workers usually on the way to or from work. Again, in the 2012 platinum belt strike wave several workers were attacked by fellow workers on the way to and from work and some of them were killed. At Impala Platinum, a worker employed by subcontractor was killed by fellow workers on the way to work just before approaching the bus pick-up point in February 2012. Arson also constituted part of the violence used by the workers. A number of shacks for suspected scabs were burnt down by fellow workers during the 2012 strike wave.

These various forms of worker violence constitute the repertoires of strike violence. This may be explained firstly, as a response to work fragmentation linked to neo-liberal globalisation associated with growing subcontracting/ labour broking that undermines worker collective solidarity. Secondly, this may be explained as a response to structural violence in the labour processes. A number of informants highlighted the use of violence as a means of challenging inequality and exploitation perpetrated by capital and the state.

However, workers share competing views on the value of strike violence. Some of the workers view it as empowering and a means of forging collective solidarity. On the other hand, others view it as retrogressive. This reflects the complexity of strike violence. Yet strike violence may also be a means for forging worker collective solidarity and to overcome fragmentation. Violence, thus builds bridges and brings the divided workers together for a common cause. Interviewed workers argued that 'sometimes violence is the only way out to prevent others from taking advantage and report for duty'. Others justified the use of violence by arguing that a strike action has its own moral orders which includes the use of violence to enforce compliance.

A strike action is dependent on a collective decision sanctioned by the majority and its success is anchored in workers' collective solidarity. The scabs thus represent a reverse in worker collective solidarity and undermine the success of the strike action by turning against a collective decision and becoming the instrument of the employer. As a result, the killing of scabs is perceived to be a legitimate punishment to collaborators. Nevertheless, the killing of scabs represents a brother killing brother for the sake of solidarity. A strike has its own rules of conduct which may infringe on the democratic right which embraces the freedom of expression and choice. Workers interviewed argued that violence in strikes is used to enforce and respect the will of the majority. It is used as a rule of the majority.

UNIONS AND STRIKE VIOLENCE

Union violence in strikes may be intra- or inter-union violence. Intra-union violence is that within the union, whilst inter-union violence cuts across different unions.

Before 2012 the NUM was the dominant union across the platinum belt and almost enjoyed a monopoly. As a result, intra-union violence in strikes was more common than inter-union violence. Intra-union violence was related to internal factionalism which reflected contestation for power and control of the union. For example, in a strike in 2009 NUM branch officials and members of the national executive were attacked by members aligned to a faction. In this attack the NUM vice president lost an eye. In 2012 the NUM Impala Platinum Southern branch was attacked by members at a mass meeting where they were giving feedback to members. The NUM officials shot at marchers during the Lonmin 2012 strike and this marked a turning point.

The emergence of a rival union, the Association of Mineworkers and Construction Union (Amcu) from 2011 resulted in the escalation of inter-union rivalry which took many forms. At least 13 union officials from either side were assassinated during the 2012-2013 strike wave. At Impala in 2012 union offices were shut down in military style by a rival union faction and at the time it became dangerous to be associated with a particular union. Workers were sidelined in work teams for belonging to the wrong union. This was even more dangerous for the underground work teams. Workers were attacked and labelled *impimpis* (traitors) for having t-shirts of the wrong union. Part of the union rivalry related to trade union competition. For example, during the 2012 strike wave a number of shop stewards crossed floors to the rival union.

EMPLOYER AND STRIKE VIOLENCE

The violence by the employer in a strike action may take many dimensions. Employers usually hire private security firms to suppress workers' dissent and other violence specialists. For example, during the 2012 strike wave the private security hired during the strike used special guards from Mozambique and Angola ex-military (Renamo and Unita). The employer's use of violence in strikes is often covert, but often collaborates with the state to suppress workers' discontent.

QUESTION OF REPRESENTATION

In looking at strike violence it is important to address the question of representation of violence and how this is reinforced to justify the use of violence. In the 2012-2013 strike wave the way mineworkers and the violence were represented helps and is important in explaining the responses of the various stakeholders to the use of violence. An analysis of representation is important as some of the representations become dominant. The mineworkers were framed as primitive, illiterate, consulting traditional healers *izangoma* and using traditional medicine *muti*, violent and traditionalist. Their demand for R12,500 was represented as unreasonable and outrageous. They were labelled as financially illiterate. The violence was represented as destructive and damaging to the economy.

It is important to note that representation shapes responses. The representation of the workers as violent, unreasonable, and illiterate justified the use of violence such as the use of live ammunition by the employer and the state. The mineworkers were represented as illiterate, uneducated, traditionalists and this justified the low wages. The workers were represented as unreasonable and illiterate and this in some way silenced dialogue with the workers. The fact that the mineworkers are represented as unreasonable sought to belittle their demands for R12,500.

CONCLUSION

Violence in strikes remains an important phenomenon post the democratic transition. This violence takes many forms and serves different purposes and the justification may vary. It is argued that strike violence may be a means to assert order and on the other hand a form of resistance to challenge domination. It may also be a means of forging compliance and worker solidarity. This all highlights its ambivalence. The way stakeholders in strikes are represented shapes responses and reinforces certain practices which may include the use of violence and its justification. Strikes have their own rules of conduct which may include certain forms of violence. LB

Crispen Chinguno is a PhD fellow at the Society and Work Development Institute (SWOP) at the University of the Witwatersrand. His project focuses on strike violence on the platinum belt. This article is partly drawn from a presentation made to the Marikana Commission Phase Two at the University of the Witwatersrand in April 2014.

With sorrow and tears

Marikana miners remembered

On 16 August 2014 commemorative activities took place at Wonderkop, Marikana – the site where 34 miners were shot dead by the police exactly two years ago. It was a sombre event of sorrow, tears, poetry, music, and fiery political statements as those present remembered the tragic event that left a permanent scar in their lives, writes **Elijah Chiwota**.

The commemoration programme started with a roll call of the deceased – the 10 killed the week prior to the Marikana Massacre – and the 34 shot dead by police on 16 August 2012. As the names were called out the widows – mostly young women – stood up holding red candles that symbolised the blood of the slain workers. Men and women fought back tears when they recollected what happened on that day.

The master of ceremonies, Advocate Dali Mpofu, representing the families of the miners at the Marikana Commission, pointed at the koppies as he described where the miners were shot.

Anger was displayed at Deputy President Cyril Ramaphosa's involvement in events leading to the massacre. He had 'blood on his hands' said one poet and the audience, made up mainly of mineworkers and the local community, shouted back in a chorus. A young poet couldn't finish her recital as she got emotional. Tears muffled her voice. 'They must protect us from gangsters but they are the gangsters' sang one rapper.

As the proceedings were taking place campaigners distributed posters demanding the withdrawal of all charges against the miners who were arrested and charged after the massacre.

WHERE ALLIANCE FEARS TO TREAD

If one takes into account the speakers' line up it was clear that there was no one from the ruling African National Congress or other Alliance partners save for the distribution of the National Union of Metalworkers of South Africa posters. The commemorations were therefore a space for opposition parties and the Association of Mineworkers and Construction Union (Amcu).

Economic Freedom Fighters popular leader, Julius Malema, promised to build houses for the widows.

Other politicians who took to the stage included the Democratic Alliance's Mmusi Maimane and Congress of the People's Mosiuoa Lekota as well as other parties like the United Democratic Movement and the Workers and Socialist Party.

The Democratic Left Front's Trevor Ngwane called for the formation of a Workers Party.

The extremely popular Amcu president, Joseph Mathunjwa, also took to the stage after several songs and an *imbongi* (praise poet) had done their share in praising his leadership. He came to the stage just before the observing of a moment's silence at 3:53pm – the time when the first shots were fired during the massacre.

Mathunjwa promised R12,500 to each widow, and also mentioned that Amcu had opened a strike fund with an initial deposit of R2-million. A trust fund had also been set up to help the families of the dead miners.

Said Mathunjwa: 'You have broken the chains of slave salaries in platinum. A few workers are earning less than R7,500. This comes from your bravery, the blood and spirit [of the dead miners] and God'. He warned mining companies against closing shafts saying Amcu 'will fight fire with fire' and that it will also be an opportunity for workers to own the mines. If that were to happen the platinum would not be exported before beneficiation.

Families of the dead miners also wanted compensation from government to be speeded up because they were struggling to make ends meet now that they had no breadwinners.

Bishops, led by Jo Seoka of the Anglican Church prayed for healing for the bereaved families and called upon Lonmin to honour its promise of erecting a tombstone at the site in honour of the miners. LB

Women in mining

Struggles for gender equality

Women who work in mining, especially those who go underground, work under difficult conditions in which they are sometines subjected to hard physical work. To make matters worse they face ridicule and sexual abuse from some fellow male workers write **Doret Botha** and **Freek Cronjé**.

Women's participation in the labour force has increased over the past 30 years, mainly due to expanding economic opportunities and equal employment opportunity (EEO) legislation, which have drawn many female workers into the market. Despite women's growing involvement in the labour force, Eftimie, Heller & Strongman postulate that it is worldwide extremely rare to find any extractive industry companies with higher than 10% female employment, with many being less than 5%. This view is supported by a 2013 study conducted by Women in Mining (United Kingdom) in collaboration with Price Waterhouse Coopers (PWC), in which it was found that globally, the level of female participation in the industry at all levels is astonishingly low.

In South Africa, the newly-elected democratic government in 1994 initiated substantial socio-political and economic transformation. Accordingly, a number of laws were passed by the South African government in order to support their constitutional commitment to transform the country. The government also introduced major gender-sensitive policies and practices to reshape the socio-economic framework of the country and to normalise society and the workplace and, in so doing, promote a sense of equity and justice in the country.

Transformation in the South African mining industry is governed by the provisions of the Mineral and Petroleum Resources Development Act (28 of 2002) (MPRDA), and the Broad-based Socio-economic Empowerment Charter or Mining Charter (2002). The Act and the Charter are aimed at improving equity, opportunities and benefits for Historically Disadvantaged South Africans (HDSAs). According to the Act and the Charter, the mining industry was supposed to reach a quota of 10% women in core mining activities by 2009. According to Harmony Gold Mining Company: 'Women employed in core mining activities' implies that women should hold positions equivalent to that of men, in other words, fill positions in mining that includes, among other activities, mining, metallurgy, engineering and geology. J. Burtenshaw adds that women are also required to do the manual labour associated with mining.

The amendment of the Broad-based Socio-economic Empowerment Charter for the South African Mining and Minerals Industry (launched in 2010) set further requirements in terms of employment equity targets. Apart from the requirement of a 40% HDSA representation in core and critical skills by 2015, a further requirement is a 40% representation in management: junior management level by 2011, middle management level by 2013 and senior/executive management level by 2015, writes Cliffe Dekker Hofmeyr & Reid.

Despite all legislative measures and well-intended initiatives, the number of women in mining, in South Africa, is still relatively low and they are mainly employed in administrative and supportive positions in the industry. To establish gender equality in the male-dominated mining sector is currently one of the biggest equity challenges in the country. Furthermore, numerous problems accompany the deployment of women in core mining activities (such as shift work, sexual harassment, pregnancy issues, etc.).

Mining companies also run the risk of losing their mining licences to operate if they do not adhere

Working underground: dangerous and extremely challenging for women miners.

to the requirements of the Mining Charter. The inclusion of women in the mining sector had and still has various implications for the industry (mineworkers, managers, mining bargaining councils and the relevant state departments) as well as for society at large. Some of the major challenges and implications are highlighted in the section below.

GENDER-RELATED ISSUES

Research conducted at a platinum mine (underground), a copper mine (underground) and a phosphate mine (open-cast) revealed the following 'issues' regarding the deployment of women in the core business of mines.

Perceptions

Although great progress had been made to break down historical perceptions regarding the deployment of women in the core business of mines, resistance against women in the male-dominated mining environment still exists, however, to a lesser degree. Stereotypes, such as 'mining is not a place for women', are still present.

As one of the participants of the management target group indicated: 'It is still a cultural and perception issue'. The participants indicated that initially, when women were introduced in the core business of mining, men and women were afraid of each other. Men were afraid of getting too close to women: they were afraid of getting blamed for sexual harassment. Women, on the other hand, were afraid of men and the male-dominated mining workplace.

However, as time went by male and female workers became used to each other. Women received the chance to prove themselves by showing their willingness and capability to do their work. Resistance against women decreased.

Discrimination

Research done by Women in Mining Canada revealed that when women first entered the mining industry, they encountered opposition from some male employees, were exposed to crude jokes and harassment, and struggled to be accepted by their male colleagues. In South Africa, this problem was reinforced by the requirements of the Mining Charter, which intended to help women by enforcing the 10% female representation target, but in actual fact hindered them. Women who were employed on the mines pre-Charter were assumed to have been appointed on merit and so were treated with respect.

Women employed on the mines under the Charter run the risk of being seen as 'quotas' and are therefore not being taken seriously, as indicated by Reichardt. This view is also supported by findings of the research we carried out. Some female participants indicated that they still experience severe discrimination by their male co-workers. Some male co-workers still believe that mining is not a place for women and that women belong at home. The male co-workers are often outspoken and the female workers feel degraded and humiliated by remarks and comments made by them, especially when referring to women's ability and capability of performing mine work.

The perception still exists that women cannot do what men can do in the mining environment: women constantly have to prove themselves. In addition, the female participants reported that they often feel unwanted at the mining companies. They also often feel that they are appointed in positions due to the requirements of legislation

and not because of their abilities. The following comment illustrates the type of discrimination that female workers experience in the mining industry: 'They make bad comments. They will say "just look at that woman she nominated herself". Sometimes they say "do this" and then you feel that this work is hard, you can't do it. Then they laugh at you. They tell you "50/50, you said you wanted to come and work here, so let's do it". So even if you feel no, this is too much you just drag yourself to show them that you can do that.'

UNDERESTIMATION OF WOMEN IN LEADERSHIP

It was also evident from the research that the male employees do not readily accept women in leadership positions. The women in leadership/management positions often feel that their abilities to lead and manage are underestimated. It was indicated that the men do not readily take instructions from female employees, due to their traditional and cultural background. Furthermore, the concern was raised that women are often appointed in leadership positions but do not necessarily have the skills and capabilities to be appointed in these positions. Men feel that women cannot stand their ground, and this often leads to them overruling women.

ISOLATION

Mining is production-driven and depends highly on reaching production targets. Therefore mining teams are compiled to ensure the highest productivity and consist mainly of men. It is often found that only one or two women work together with 10 to 15 men in a team. Women often feel isolated in the male-dominated mining environment; they feel uncomfortable and unsafe in the presence of so many men. The following comments were made in this regard by two female miners:

'I think just because there are less women and more men, you feel alone. Because sometimes you feel that the men they are sitting there talking and you are alone, you can't just go there sitting alone. It's something that discourages women to work there. There are no other women around.'

Adds another: 'The mining company must employ more women. Women will not be that alone and will not feel so uncomfortable in the presence of males.'

SEXUAL HARASSMENT

Sexual harassment occurs in every kind of work setting, but some settings are more prone to sexual harassment than others. A strong predictor of sexual harassment is a work setting with a high male-to-female ratio, such as the mining industry as indicated by various studies. Therefore, women working in a male-dominated workplace such as mining are particularly vulnerable to sexual harassment.

The participants from all three mines included in the study confirmed that sexual harassment is seen as a serious offence and that training and education takes place regularly at the mines. Newly recruited employees undergo training sessions on sexual harassment during induction courses. The companies also engage in regular awareness campaigns on sexual harassment and outline the procedures to follow if sexual harassment occurs. Despite these attempts, sexual harassment remains an issue and incidents do occur. The following main concerns regarding sexual harassment were raised:

- Although the majority of the female participants indicated that they know exactly what procedure to follow if sexually harassed, there are still women who do not know their rights and who are still afraid of reporting sexual harassment attempts or incidents. The following reasons were put forward for why women often remain silent: they are afraid of losing their jobs at the mine, they do not want to put their male co-workers in a 'bad' position, and they do not

Ready for underground research: Doret Botha with colleague.

find it easy to lodge complaints of harassment with male supervisors.

- Due to the nature of the mining industry as a male-dominated workplace, men are used to communicating in certain ways and often use 'bad language' when carrying out heavy tasks. Female co-workers often feel offended by the way men communicate and by the type of language they use. Furthermore, it was indicated by the female participants that they are 'called names' and that they are exposed to 'unwelcome verbal comments', especially when they are being transported in packed cages.
- It is reported that working the night shift contributes towards the occurrence of sexual harassment incidents. Women do not feel at ease and safe when working with so many men during the night. Male co-workers often take advantage of these circumstances and scare women with their verbal offensive comments, as also noted in the following comment by a female miner: 'To be honest, we are sexually harassed. They take advantage of us, because we are women and we are working at night with them. It is very uncomfortable. Let me just stop right there, because it is very uncomfortable'.

NEW WORK LIFE CHALLENGES

Working conditions in the mine are often accompanied by new work life challenges. Working women are forced to balance their paid work with unpaid labour at home. This implies that they have to balance challenges at work, often physical hard work, with their daily responsibilities of running their households as well as taking care of the children. In general, female miners tend to work longer hours than men, because of their added informal responsibilities at home. Female miners are also often obliged to work in shifts. This implies, among others, that they are working for long hours as well as missing out on an important part of their families' lives, and in particular their children's lives. This places tremendous pressure on female workers and, in this case, the female miner.

ABLUTION FACILITIES AND CHANGE HOUSES

Although the mining companies have built and upgraded change houses and ablution facilities to accommodate women in core mining positions, a lack of adequate facilities still exists. This is worsened by increasing numbers of women employed by mining companies in order to meet the 10% target required by the Mining Charter. Some mining companies are not yet fully prepared to accommodate all these female employees. The following main concerns regarding change houses and ablution facilities were raised by the female participants employed in core mining positions:

- Change houses are too small and do not accommodate the number of women using them.
- Only open showers are provided. Women want to be private and require showers with curtains or doors.
- Change houses and ablution facilities should be feminine, comfortable and provided with equipment that address the special needs of women.
- Change houses and ablution facilities should be regularly cleaned.
- Ablution facilities underground should be treated in the same way as facilities on the surface. It should be women-friendly and regularly cleaned.
- Change houses and ablution facilities should be as close to the plant as possible, because women do not feel safe, especially at night.
- Ablution facilities should not be shared with men: separate facilities for men and women should be provided.

PERSONAL PROTECTIVE EQUIPMENT (PPE) ISSUES

Although great progress had been made regarding the provision of PPE that is designed with women in mind, deficiencies and limitations are still prevalent. Some mining companies still provide overalls (shirts and trousers), shoes and gloves that are not women-friendly and are designed with men in mind. The female body differs from the male body; so overalls, shoes and gloves designed for men do not secure a perfect and comfortable fit.

Because the mining industry was historically viewed as a 'man's world', PPE was designed with men in mind. As women differ from men in terms of size and shape, their PPE should be adjusted and developed to ensure a proper fit, comfort and protection. According to Badenhorst, the lack of correctly fitting PPE can affect the way women are protected as well as the way in which they are able to perform their jobs. Ill-fitting PPE restricts the ability of employees to move easily and exposes them to environmental hazards associated with mining. Therefore, PPE needs to be developed with women in mind. Badenhorst emphasised that manufacturers therefore play a crucial role in the provision of correctly fitting PPE.

PHYSICAL CAPABILITY

Work in the mining sector is associated with difficult working conditions and mining, especially underground, is considered one of the most physically demanding occupations, writes S. Schutte. Due to women's smaller physical work capacity and physical strength, they may experience undue physiological strain when performing prolonged and strenuous physically-demanding tasks. This view was also reinforced by our research which found that women experience difficulties in performing mine work that requires physical strength and stamina as

well as operating the following heavy machinery: load-haul-dump loaders, rubber dozers, rock drills and winches.

Furthermore, the male co-workers experience unique problems if women are appointed in positions that require physical strength. These problems include, among others, production targets not being reached and delays.

According to Badenhorst a female employee can do any job that she is qualified to do, provided that she meets the requirements inherent for a specific job. Furthermore, an employee should not be employed in a job or conduct tasks for which he/she is not medically fit or if he/she does not have the required physical and functional capabilities. The health and safety of the employee and co-workers should not be compromised.

TRAINING AND DEVELOPMENT

Globally, one of the main challenges that women face in the mining industry is insufficient professional and career development. This view is also supported by the research findings which revealed a need for more training opportunities, an effective mentoring system, proper career guidance, financial support and a development programme for internal employees.

CONCLUSION AND RECOMMENDATIONS

It is clear that various factors need to be considered for the successful and sustainable deployment of women in the mining sector. It requires a special devotedness from the relevant state departments, management, mining bargaining councils, male co-workers, as well as the women themselves. The following recommendations are made to address some of the issues:

- Regular diversity training and workshops should be conducted to create awareness of men and women's workplace issues and to stimulate an environment in which people's differences can be respected.
- Mining companies should implement measures such as career counselling to support women in dealing with issues at the workplace. Career counselling could include: identifying women's strengths, assisting in confronting myths and stereotypes in the workplace, learning negotiation skills, assisting in balancing home and work responsibilities, preparing women to handle sexual harassment in the workplace, setting up specific support groups for women, and so forth.
- Mining companies should investigate job arrangements, such as childcare facilities, day shift work for women with new born babies and a shift and transport allowance that could enable female employees to balance their economic (work) and parenthood (caretaking) responsibilities.
- The effective implementation of the employment equity and skills development policies is important not only to comply with legislation requirements, but also to ensure an equitable and skilled mining workforce. Mining companies should provide a detailed skills development plan, career development matrices of each discipline, individual development plans for employees, mentorship plans for employees as well as a bursary and internship plans in their SLPs. The implementation and operationalisation of the above-mentioned plans are vital.
- As suggested by Badenhorst, proper ablution facilities and change houses provided for women need to be created in order to ensure their privacy, protection and dignity. This includes the provision of decent toilets, underground and at the surface, that provide for the specific needs of women (which include sanitary bins for the disposal of sanitary towels).
- Sexual harassment should not be tolerated. A good sexual harassment policy should be developed, implemented and operationalised.
- Women often feel isolated in the male-dominated mining workplace, as revealed by the empirical findings. Mining companies should therefore implement specific measures, such as the appointment of more than one woman in a specific team, especially when working night shifts. And the provision of canteens for women.
- Gender differences in terms of size and body build, physical work capacity (aerobic capacity), physical strength and heat tolerance should be considered when appointing women in positions that require physical strength and stamina. An employee should not be appointed in a position or conduct tasks for which he or she is not medically fit or does not have the physical and functional capabilities as suggested by Badenhorst.
- PPE should be designed and developed with women in mind to ensure a proper fit and not compromise the health and safety of female employees. Continued research on PPE issues should be conducted to reveal limitations and deficiencies. Strategies should be employed to address PPE issues. LB

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Minibus taxi industry in SA

Decentralised labour conditions

With informalisation the minibus taxi industry is one of a kind. It defies labour laws to the disadvantage of workers and can be described as a decentralised labour process, writes **Siyabulela Fobosi**.

Marx stressed that, in order to understand capitalist society, the main focus must be on the process of production and specifically the relationship between capital and labour or between capitalists and wage-labourers. Further, he argued that, once labour power (or the capacity to labour) has been bought as a commodity by the capitalist, the labourer works under the control of the capitalist – or under managerial control – to whom his labour (or labour power transformed into concrete labour) belongs. Workers, thus, expend their labour power, which is the source of all wealth, in the process of fulfilling the greedy appetite of the capitalist. As such, 'accumulation of wealth at one pole is,' Marx argues, 'at the same time accumulation of misery, agony of toil and brutality at the opposite pole, i.e., on the side of the working class'.

Critical to the labour process is, thus, management control where the function of management and the function of execution are separated, with workers involved in the execution of tasks. Management has control of the labour process, but it is not involved in the actual execution of productive work.

This is, however, not the case with petty commodity production where a clearly-defined division of labour between capitalist, manager and wage-labourer does not exist. In petty commodity production (for example, the minibus taxi industry), the owner of the means of production regularly takes part in the actual production process. It is not simply a question of the owner also controlling (or managing) but, additionally, possibly engaging in productive labour as would a wage-labourer. Perhaps, here one can talk about a de-centralised labour process (where there is no clearly defined management control), as will be briefly explained.

Since democracy in 1994, there have been state efforts to formalise or regulate the taxi industry. This is premised on providing safe and affordable transport, well-trained drivers, reasonable (and not extraordinary) profits and acceptable employment relationships which protects employer and employee alike. The government has introduced labour laws that seek to regulate the industry, including general legislation such as the Basic Conditions of Employment Act (BCEA) and, more specifically, the 'Sectoral Determination 11: Taxi Sector' (SD).

For instance, drivers are expected to work 48 ordinary hours per week maximum, and are entitled to overtime pay, meal intervals and annual leave. But the prevailing literature on the taxi industry strongly suggests that taxi owners tend to bypass this and other legislation in an attempt to reduce labour costs. In this sense, the taxi industry continues to operate as 'business as usual' through everyday informal relations which run contrary to labour legislation.

The organisation of the labour process within the taxi industry, like any other industry, is about how work is organised, and who has control. As in any other 'workplace', central to the labour process in the minibus taxi industry (for both employer and employee) is working hours, overtime, meal intervals, daily and weekly rest periods, pay for work on Sundays, night work, work on public holidays, emergency work, annual leave, maternity leave, family responsibility leave, payment of remuneration and deductions and termination of employment. The labour process varies considerably, with significant variation between a taxi owner with a fleet of buses and an owner-operator with one taxi.

William Matlala

Minibus taxis are one of the means of public transport for most workers in SA.

Thus, as far as the labour process is concerned in the taxi industry, the owner/operator of the means of production (taxi) has a double function insofar as only one taxi is involved: the function of the capitalist/manager, that is, the organisation of the labour process, and the function of the labourer (collecting fares and driving taxis). But many taxi owners own a fleet of taxis, with workers such as drivers and marshals employed and involved in the execution of tasks.

The taxi owner has overall managerial control within the labour process, though employees are scattered and not located in one centralised socio-space. Still, the taxi owner directs the process, for instance by determining and organising the number of hours that the driver is expected to work daily and weekly, and procedures for handling tasks. Like elsewhere, the labour process is organised in such a way as to maximise profit for the taxi owner. As indicated, this may lead to conditions of work which do not comply with the provisions of the BCEA provisions.

Even though taxi drivers and other workers qualify as employees in terms of the Labour Relations Act (LRA), the impact of South African labour legislation has not yet been felt by all in the taxi industry. All the available evidence though is highly suggestive of on-going informalisation of the owner-worker relation within the taxi industry, including exploitation of the workforce by the payment of wages below the minimum set by the SD, and general disregard for health and safety standards. In other words, taxi employers continue to bypass labour laws and regulations that seek to regulate the taxi industry and which lead to conditions of exploitation for workers.

There is a clear and extreme power difference existing between taxi owner and specifically drivers, and this leads to exploitation of the workforce. Of course, at the same time, taxi owners and drivers both have one thing in common. Solomon Mahlangu argues that 'they need each other for their survival'. They both benefit in this antagonistic relationship, though unequally, in terms of profit and wages. This tension is constant as there is a tug of war between owner and driver, with owners seeking to maximise revenue and profit, and drivers seeking to look after their households and even at times seeking to maximise income in the hope one day of buying their own minibus and becoming their own bosses.

This power difference within the taxi industry is also a constant. And this means that taxi drivers are exposed daily to bad working conditions which are not in line with the BCEA or the SD on wages. It can be seen, for example, in the quota system (where it still exists). A quota system means that, in the morning, a taxi owner sets a target for a taxi driver to be met by the evening, and taxi drivers desperately seek to reach the quota or target on risk of dismissal for not reaching the target. This causes drivers to overwork themselves and thus put their own lives, and those of commuters and fellow road users at risk.

It also often leads to taxi drivers sacrificing the quality time they are supposed to spend with their families because they want to retain their employment, or receive more commission if paid on a commission basis. Colleen McCaul notes that 'methods of payment vary' for workers: 'Some owners do not pay wages and expect a certain percentage of the daily takings or a specific amount per week, the driver being entitled to keep the rest'. The specific amount though of course is determined at the discretion of the owner, and it may be altered on short notice.

Long working hours are tied to the payment systems common in this industry: the quota system pegs the driver's wages to the daily target – when drivers meet the target, they pocket the rest; the percentage system puts the driver's wage as a portion of their daily takings – the common practice is between 20% and 30%.

However, Mpho Mmadi argues that: 'Long working hours are tied to the payment systems common in this industry: the quota system pegs the driver's wages to the daily target – when drivers meet the target, they pocket the rest; the percentage system puts the driver's wage as a portion of their daily takings – the common practice is between 20% and 30%'.

The quota system has however become useless, and drivers are paid for days worked on an 'earn as you work basis'. This then forces drivers to work every day and (thus) have no time for family and social life. Currently, most taxi owners use the commission system to pay their employees/drivers. This means that taxi operators set (often weekly) targets for their employees and they pay them based on the percentage agreed on a commission basis.

As noted earlier, the BCEA and SD, stipulates clearly the basic conditions of employment for taxi industry workers. It mentions that drivers must work a maximum of 48 hours per week and drivers are also permitted 36 continuous hours of rest, and three week's annual leave on full pay. However, taxi drivers often work between 16 and 18 hours a day. Research undertaken by Solomon Mahlangu, on the conditions of employment of Erasmus-Akasia Taxi Association (EATA) taxi drivers, clearly demonstrates such problems. The protection provided for taxi drivers and other workers in the minibus taxi industry under labour legislation is in large part *de jure* with no real force in practice. And given that taxi owners choose to ignore labour laws in the taxi

industry, taxi drivers are then excluded from employment-linked benefits such the Unemployment Insurance Fund (UIF) and leave pay. They are also exposed to the constant anxiety of losing their jobs given that employment contracts are rarely drawn up and signed.

The case of the minibus taxi industry in East London demonstrates that the labour process within the minibus taxi industry is a much contested terrain. On the one hand, the Department of Labour (DoL) through formalisation tries to enforce the SD in the industry; on the other hand, owners avoid the SD to cut labour costs. In the similar way, taxi drivers in the industry often choose to avoid any attempts at labour formalisation for fear of losing their jobs under a process of rationalisation with an uncertain future. It is the case then that not just the owners but also the taxi drivers prefer informalisation though for different reasons. The drivers along with the owners therefore seem to be distancing themselves from attempts made by the DoL to make the SD a central part of the industry.

Interviews with taxi drivers during fieldwork in East London in 2013 revealed that drivers regularly work more than eight hours per day, and hours beyond what is legally permitted. There are many challenges to working in the taxi industry for drivers, including having to wake-up as early as four in the morning and working to nine in the evening. Because of this, taxi driving for many drivers is a job of last resort when all other opportunities, which are rarely many, fail. These long hours are linked to the percentage-system or commission basis of payment in the industry.

Taxi operators or employers in East London/Mdantsane indicate that most taxi drivers are paid on a commission basis. Taxi operators from the taxi associations of Mdantsane East London Taxi Association (Melta), Mdantsane Uncedo Taxi Association (Muta), and East London Taxi Association (Elta) indicate that commission payment varies between 15% and 25%. However, they did not clearly indicate what happens in the event that a driver does not reach the target set.

Therefore, the labour process within the taxi industry is what I would call 'a decentralised labour process', with no clearly-demarcated employer-employee relationship based on firm managerial controls and where the employee has a significant degree of autonomy in the work design. In contrast to this, a centralised labour process would be where there is clear managerial control and well-defined parameters to the employer-employee relationship. This is not the case in the minibus taxi industry as control is dispersed across taxi owners and drivers and is in large part informalised.

This also impacts on the conditions of employment for taxi drivers. In the end, the work of taxi drivers in the minibus industry is considerably less structured and tightly controlled than that of workers within formalised public transport such as trains and buses. Taxi owners join taxi associations and employ drivers to drive their taxis. Taxi associations though have no control over how taxi owners, as members of their associations, operate their business. They therefore have no input into the employment relations entered into by their members. LB

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Letter

Escaping death by a whisker as three shot dead in taxi violence

Taxi violence between Vosloorus and Reiger Park taxi associations – along the Dunswart to Vooslorus route – left three people dead including the driver – a man in his late 20s.

The shooting happened in April 2014 near the Sunward Park Hospital after the taxi in which I was a passenger was trailed by a cream Toyota Cressida sedan with tinted windows.

The taxi had changed from the normal route to avoid the route wars that were going on.

When the taxi driver noticed that we were being followed he said: 'We are dying today.' He then reduced speed to allow the Cressida to overtake him but instead the car blocked the taxi and a man emerged with a gun and started shooting. Five shots were fired killing the driver and two passengers on the spot.

I was sitting at the front next to the driver and my dress was soaked with blood that gushed from the driver's head wounds.

When the police came to the scene after about 30 minutes they couldn't get any information from the passengers as everyone was shocked and terrified about what had happened.

Thuli, East Rand

Jobs for youth in SA

Kicking away decent work ladder

Policies such as the youth incentive and programmes like the Democratic Alliance (DA)'s Work and Skills Programme (W&SP) are ignoring the decent work agenda and exposing the youth to control by the employers, writes **Tumi Malope**.

Numsa jobs march: Youth incentives are false solutions to employment creation says the union.

In 2002, the once flourishing clothing industry was under siege, cheap imports from China, the strengthening of the rand against the dollar put the industry on its knees. Before democracy the clothing and textile industry was exclusively focused on the domestic market. The industry which is largely concentrated in the Western Cape, KwaZulu-Natal, Free State and Gauteng was for many families a source of income. However, as South Africa's economy integrated into the global landscape, the industry witnessed massive job losses.

The labour-intensive industry, which largely focused on the domestic market, was protected for a long time and mostly focused on low value-added products. With democratisation in 1994, the country joined the World Trade Organisation (WTO) and as a result opened up its economy to the international market. During the 1990s and early 2000s the rand depreciated resulting in losing its strength against the dollar, and a weak rand to the dollar meant that the industry's products on the global market were cheaper, as a result competitive with imports.

In 2002, the rand appreciated thus becoming stronger than the dollar and imports of mostly low value-added products from China flooded the South African markets. Overwhelmed by imports and the rand to the dollar exchange rate not helping, the industry experienced massive job losses. To salvage the situation a landmark deal was signed by stakeholders: the minimum wage of new employees was to be cut by 30% over a period of five years.

The logic for cutting down wages was simple but does not tell the whole truth. The argument is that the 'labour market, like any other, reaches equilibrium based on the supply and demand of labour' to quote the Democratic Alliance (DA). In South Africa, amongst other things, skills, high wages, non-wage regulation of the labour market are seen as major contributors to job losses and even high unemployment. It is argued that a fall in the aggregate demand will lead to a decrease in unemployment. Put differently, when supply increases as is the case while demand is falling, one expects wages to fall to clear the market (to reach equilibrium). That's why the minimum wage in the clothing industry was cut, in order to stimulate demand. The experiment was a spectacular failure.

The labour market does not operate like any other commodities market. What the supply and demand supporters forgot in their equation was state regulation. The supply side is the reproduction: it is the quantity and quality of labour. This side is shaped by government policies on health, education, and household dynamics. The demand or production side is made up of the jobs available and the level of economic growth. Lastly, government regulation – the role government plays is through legislation, training and education, social welfare, labour relations policies etc.

If we then include a third dimension, that of government, to the supply and demand, we realise as Jamie Peck did, that the labour market does not function like any other commodities markets like gold and silver. Peck argues that 'because labour is not a true commodity, the self-regulating mechanisms associated with conventional commodity markets cannot be expected to regulate the labour market'. Peck further identifies four processes which are linked to supply and demand in addition to government incorporation, allocation, control and reproduction.

Incorporation is the way people become workers, and why people work. There are a number of reasons why people work, but historically incorporation in the country was characterised by government forcing black people to work in the mines. Systematic land dispossession was enforced and eventually tax on huts forced people to work. Government made it difficult for one to survive outside a wage system.

Allocation is the matching of workers with jobs, in an ideal world (not ours) workers are employed to do certain work because of qualifications and a display of skill. In the real world, allocation is linked to ideology and social prejudice. This explains why the labour market tends to distribute opportunities unequally. Market disadvantage is usually about 'ascribed status' based on characteristics such as gender, ethnicity, race, disability and not 'achieved status' such as qualifications and skill. It is not a coincidence why in the clothing industry machinists are predominantly women, and cutters are predominantly men. Or, why in transport a lot of men drive buses, trucks, and why when you go to your local butcher meat cutters are men and the women serve the meat.

Once the individual has been incorporated and allocated a job, the worker must do what they are hired to do, and in order for this to occur the individual must be controlled. It is well documented that when mine-workers didn't want to work, they were forced underground to work, sometimes they were beaten.

Control is influenced by the structure of employment relations with productivity, salaries and wages being a key feature. State policies and the nature of industries shape employment relations. Some countries ban trade unions, historically, pass-bearing natives were not considered to be employees and it was only until the late 1970s and early 1980s that trade unions were formally recognised.

Labour reproduction is the biological procreation of humans. People have children who need clothing, caring, and education. Reproduction is not all about the market. It is also influenced by household dynamics and state policies. The cost of reproduction is wages. However, in most cases salaries and wages do not carry these costs in full. Essentially, the way labour is incorporated, allocated and controlled feeds back to society, consequently reproduction.

Peck's understanding of labour markets will be used in this article to argue that solutions to boost employment should be thought around the concept of the decent work agenda. Similarly, a deviation of this agenda has the potential to reproduce unemployment, poverty and inequality along current racial lines.

CAUSES AND SOLUTIONS

Of the more than 5,2-million people not working, 70% are under the age of 34 – in other words the youth.

- 58% of the population is under the age of 34
- of the unemployed 78% are Africans
- 40% are new entrants on the labour market
- 62% of the unemployed have less than secondary schooling
- 33% have completed secondary schooling but not tertiary education.

The country has a crisis of youth employment and the solution to this crisis has generated fierce debate at times reaching the streets of Johannesburg. A youth wage subsidy was put forward by national Treasury as a solution, supporting this idea is the Democratic Alliance (DA) and in opposition has been Congress of South African Trade Unions (Cosatu). The DA is of the opinion that the labour market functions like a commodity markets based on the laws of supply and demand. The DA believes that the labour market is too rigid, inflexible, and the cost of hiring employees is too high so a wage subsidy would overcome these hurdles. Indeed most economists would use this line of argument, and many studies do show a link between aggregate demand and youth unemployment. However, according to O'Higgins, all of them fail to find 'an unequivocal link between the level of youth relative wages and youth unemployment'.

Cosatu views a wage subsidy as pouring fuel on fire and argues that the subsidy does not address the root causes of unemployment. Systematically peeling off the Treasury and DA's argument, the federation begins by questioning the context on the theoretical framework which informs the subsidy proposal. It argues that the subsidy will have a deadweight (jobs that are created without the subsidy being in place) and substitution effect (employers letting go of current workforce for subsidised ones).

The federation argues that the subsidy 'does not guarantee that training and skills development will take place in the workplace, this will lead to a recycling of young people without any meaningful training'. Cosatu certainly does not agree with the underlying assumption that there is a causal link between entry-level wages and productivity among young workers or that wages are an impediment to job creation.

The federation proposes we do the basics correctly and use the National Skills Strategy (III) to increase the capacity of Further Education Training (FET) sectors to absorb one million learners per annum by 2014, as opposed to the current 400,000 per annum. This, they argue, will keep young people in the training and education system for longer and will also reduce the pressure on the labour force. Moreover, this will equip young people with necessary skills.

Cosatu further argues that while this is happening, the public and private sector should prepare to take young people into the system and further contribute to skills transfer which can be used for government's infrastructure development and maintenance plans as laid out in the New Growth Path.

At the end of it all, the Employment Tax Incentive Bill (youth wage subsidy) after years of debate and a march to Cosatu House by the DA, was implemented. However, while the debate was raging, the DA-led government in the Western Cape implemented their own version of a wage subsidy called the Work and Skills Programme (W&SP) It is this programme that I use as a litmus test.

DECENT WORK AND SOCIAL REGULATION

According to the International Labour Organisation (ILO), decent work is employment that is productive, in conditions of freedom, equality, and security and meets human dignity standards. It's a concept which was launched in 1999 at the 87th International Labour Conference, and the country being a signatory of the ILO has endorsed decent work. Since the youth wage subsidy has not been running for a year, the W&SP will be used to answer a few questions.

So how does the W&SP measure on the decent work agenda scale and how will it socially regulate labour? For the decent work scale, four strategic pillars in their simplest form will be used. These are employment, social protection, workers' rights and social dialogue. Employment refers to work opportunities which involves some form of remuneration (in cash and kind), and incorporates safety at work and healthy working conditions. The second pillar is in place in case one losses a job and it is linked to the country level of development. Social protection refers to income security encompassing the social security net. In South Africa, the Unemployment Insurance Fund (UIF) is the basic form of social security for workers.

The third pillar, workers' rights, refers to the basic rights that any worker should have is arguably the most important pillar given the country's industrial relation history. Employment opportunities are of no use if workers cannot exercise their rights: basic rights are important and non-negotiable. The right of non-discrimination at work, freedom of association, no forced labour and/or child labour. Linked to workers' rights is the last pillar of social dialogue.

Rights are not formulated in a vacuum by employers, the state or organised labour. Workers' rights, employment conditions and skills training provisions are negotiated through social dialogue between the relevant stakeholders involved.

Therefore, both social dialogue and workers' rights deal with the employment relations which have to be agreed upon through dialogue and consensus. Social dialogue refers to the workers' right to present their views, defend their interests and engage in discussions to negotiate work-related matters with employers and authorities.

However, does the W&SP address the decent work agenda and what are its implications on labour reproduction given the above statistics? The short answer to the first part of the question is yes and no. The second part (labour reproduction) will be demonstrated. Yes, the programme addresses the decent work agenda only if trainees get offered permanent contracts when their temporary ones expire. Of the 2,370 youth who have been through the programme it is reported that 70% have permanent jobs. And no, it doesn't address the decent work agenda if a contract is not renewed, however, the trainee will walk away with job experience. A worker on temporary contract or probation period will not receive the same benefits as one on a permanent contract, hence yes and no to answer the question.

So, what is the programme and what does it do? The programme firstly aims to create job opportunities not employment. The African National Congress (ANC) promised the same and was criticised. The programme pays R1,500 stipends to learners to be topped up by host companies by at least R500 making a minimum of R2,000 for learners. The programme is open to unemployed youths who have matric or equivalent and live in the Western Cape. It is run by the Department of Economic Development and Tourism (DEDAT). The duration of the programme is nine months: DEDAT contributes to stipends in the first six months and in the last three months learners are employed by the host company.

Capitalism has made life extremely hard to live outside the wage system unless one is rich. One almost certainly needs to work to survive. Most unemployed youth participate in the programme because they need money to survive. So they are incorporated in the labour market because of survival and money. The allocation of learners is based on companies job specification – the company sends a form of what they need.

When I visited two companies – a metal pressing factory and an electronics manufacturing plant – it was clear of how the allocation works. In the metal pressing factory I predominantly saw men with three women operating the electronic wielding machine, and I interviewed two males. At the electronic manufacturing plant I interviewed two females who all worked in the TV plant. However, one of them was promoted to work in the human resources department largely due to her post-matric qualification.

E.P. Thompson once argued that the 'capitalist must not only provide the right materials, but seek to exert control over the conditions under which the speed, skill and dexterity of the worker operates'. Ultimately, control is about the structure of employment relations and the nine months control over the learners, because even if one works hard you are not guaranteed absorption. This is due to changes in demand or production dynamics. With the introduction of casualisation, fixed-term contracts and subcontracting this offered managers and employers a new tool to control workers. This new tool of control has been well documented in the retail industry by Bridget Kenny and it is not unique to the industry.

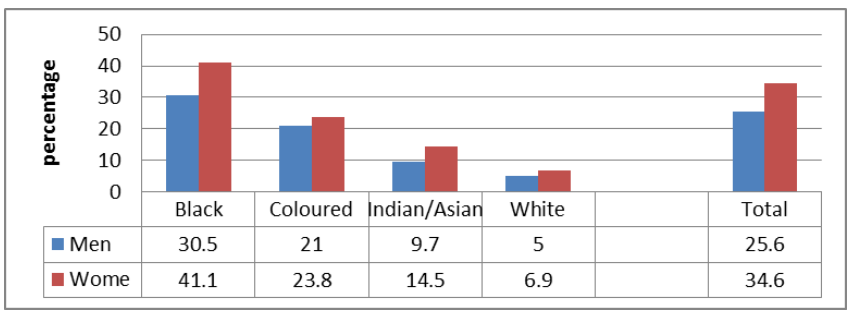
LABOUR REPRODUCTION

It is important to remember that the process of incorporation, allocation and control feeds back into society at large, and to illustrate this point Table 1 offers a snap-shot of unemployment levels by sex and race.

It is also important to note that employment relations are changing from permanent (typical) to casualised, fixed-term and informal (atypical). As these changes occur, one should ask what the prospects of youth are, and if they decide to have a family, what are their children's prospects? Importantly, what are the implications on poverty and inequality given that most youth now will most likely end up in low paying jobs? LB

Tumi Malope is a master's student in industrial sociology at the University of Pretoria. This article is based on a presentation made at the South African Sociological Association Annual Congress in Port Elizabeth.

Table 1:



Using mobile phones for business

Informal sector women transact at fingertips

Mobile phones are a useful tool for women carrying out informal business activities and can be used for communicating with customers. **Chenai Chair** writes about how women running shebeens, hair dressing salons and food catering businesses are using mobile phone technology.

One way to reduce poverty and potentially improve people's lives is through inclusion. Inclusion is understood as the move away from being excluded, 'left out', in social, cultural, economic and digital participation in society and to become involved and able to influence outcomes. Gender-based exclusion finds women left out of social and economic participation due to limited skills, and little investment in advancement of their education or little support in balancing important caretaker roles. The informal sector – a complex creature itself – defined in parallel to the formal sector, provides a form of economic inclusion. In this sector women who failed to find work or were frustrated by their formal work set up manage to set up unregulated businesses.

Said one woman: 'I can call the customers who owe me. I don't have to be going house to house to collect my money. I just buy airtime. And when I call them they know'.

Another pointed out: 'I never sleep on an empty stomach. That's what I love. I don't work (formally). But I never go to bed hungry. I never ask for bread from my neighbours'.

This article looks into how women in the informal sector make use of mobile phones to enhance their well-being and their businesses. In studies of information technology for development, it is argued that, through digital inclusion, information technologies have the potential to improve people's lives.

Mobile phone ownership and access is high in South Africa and increasingly people are accessing the Internet via their mobile phones. The mobile phone is the widely used ICT in the informal sector as well. The argument is that mobile phone access and use may enable participation in the informal sector to be effective in reducing poverty and developing women. Digital inclusion is taken to mean the incorporation of mobile phones in everyday lives of women, and their particular social contexts. Through the conceptual framework of social inclusion and inclusive growth, the social and economic outcomes through digital inclusion were the main indicators for the effectiveness of mobile phones in business.

IN CAPE TOWN TOWNSHIPS

Four broad resources were identified as crucial in using technology that would lead to social inclusion and growth for individuals: physical, digital, human and social. These are not fixed categories but rather provide a framework in which to assess effective use of ICTS, and in this case mobile phones. Physical resources are linked to access to the mobile phone and its functional capabilities. Digital resources refer to information available online, in this instance information derived from the mobile phone which is relevant and understandable.

Human resources refer to the abilities required to use the mobile phone that covers education, literacy and e-skills. E-skills include a wide range of communication skills that allow one to participate in online forums and use the Internet at various levels. Social resources refer to the social structures that support the use of mobile phones. The underpinning of social resources is rooted in the theory of social capital, based on social relations and trust that one holds within their social network.

Using a qualitative interview and observation approach, fieldwork was carried out in the township of Khayelitsha and Philippi. Women interviewed were in the service

Chenai Chair

Hot meals: Open air restaurants in Khayelitsha, Cape Town.

industries of the informal sector – a shebeen owner, two hairdressers and two cooked-meat sellers.

The women in this research were located in poor communities, with high criminal activity. They were the main breadwinners with only one respondent's income contributing to the household expenses as she stayed with her partner. Businesses were being operated within communities they resided in either out of their houses or at designated sites. The level of education was limited to secondary schooling and there were no records kept for the business.

Mobile phones were a highly valued asset by the women but the question remained on how they used them for business.

Looking at the physical resources, the distinction lay in the type of phone one owned and had access to. Respondents were divided between basic phone owners: SMS and voice calling functions and feature phone owners: Internet enabled phones. The growing affordability of feature and smart phones has meant an increasing number of people in the lower income segment accessing the Internet via their mobile phones. However, this excluded those with basic phones with a desire to make use of functions on feature phones. Physical resources show differing levels of inclusion based on the functions of the phone.

Access and use of digital resources by women were limited due to lack of relevant content from the Internet and limited initiative to look for the information. Women with access to the Internet became a source of relevant local content via Internet-based platforms such as Facebook and Whatsapp. Localised information exchange through digital platforms allowed for increased community connections. Women with basic phones were excluded from this digital platform, as information exchange was limited to word of mouth.

Human resources were found in the set of e-skills with social media being used for marketing and advertising. Social resources, based on local community networks allowed for effective use of mobile phones for economic and social participation. Phone numbers were distributed to other clients as a form of reference for services rendered by satisfied clients. Mobile phones provided an alternative and were complimentary to face-to-face communication with suppliers and clients because of already existent social relations.

Summary of findings and analysis

Findings		Analysis
Physical Resources	• Diverse phones owned and accessed • Voice, SMS and Internet main functions used	• Voice only communication with suppliers • Voice, SMS and social media communication with customers • Use determined by extent of function of mobile phones
Digital Resources	• No online business related searches • Women sharing business information online	• Virtual notice board through Facebook and Whatsapp • Localised information exchange
Human Resources	• Literacy skills to use basic features • E-skills limited to social media	• Social media for marketing and advertising • Limited use of voice and SMS for marketing
Social Resources	• Presence of community support, social relations and trust	• Mobile phones provided a platform to increase communication in existent social relations

Mobile phones were being used to better the way business was being done but there were non-existent innovative ways of doing business with the mobile phone. Challenges faced in a cash-based sector such as crime were not being remedied with mobile phone use. These women had not adopted for example mobile money payment methods, which have caused all the rage in East Africa.

At the time of this study cost of communication was an issue for the women as they were all on the MTN SA network one of the most expensive mobile networks at that time. Data on Internet-enabled phones provided a more affordable option over calling and SMS prices yet it was not used in a cost-effective way of buying data bundles.

Whilst mobile phones contribute to increased communication with existent customers and bring in new customers, external factors mitigate this benefit. All of the women were in businesses dependent on clients' ability to purchase the service. However, seasons and provision of extra services determined whether clients would show up.

CONCLUSION

The effective use of technology is embedded within a particular social context. The women in this study perceived mobile phones as important for their business. Digital inclusion fell along a continuum for the women with the level of access of information and communication dependent on how and for what they could use their phones. Women incorporated the use of mobile phones in the everyday running of their business resulting in increased communication with customers and suppliers and became a source of relevant information in their communities.

It was not possible to determine tangible change through effective and efficient communication with quantifiable measures, as there was no record-keeping. Challenges that were faced by the women were beyond the functions of their mobile phones as these were structurally based. Issues of crime, types of business and limited use of mobile solutions limited the potential for social and economic inclusion that would allow for women to shape their outcomes. Communication over Internet facilities was localised as a convenient option but it still remained costly given the cost of data in South Africa. Exclusion for women is now occurring on the basis of those who can or cannot make use of Internet-based services to enhance their business. Mobile phone use effect changes in their everyday use but the question remains of how it can be utilised sustainably to lead to inclusion and poverty reduction for marginalised women in the informal sector. LB

Chenai Chair is an Intern researcher with Research ICT Africa.

This article is based on a paper presented at the South African Sociological Association Annual Congress in Port Elizabeth.

Chenai Chair

Two-in-one: Hairdressers home and place of business.

We will force Cape Gate to listen

In December 2013, the ex-employees together with general members of society in Sebokeng in the Emfulweni Municipality (former Vaal) made peace with the fact that the Cape Gate management and directors were not willing to listen to them. In response the workers resolved that they were going to force the employer to listen and were ready to be shot let alone arrested. **Itani Rasalanavho** writes on how the workers have been organising and mobilising around their claims for benefits.

Workers embarked on a third legal protest march in three months with no response from Cape Gate with regard to the memorandum(s) of demands.

The protests were caused by the lack of information regarding the ex-employees' benefits. Upon converting the workers' pension into the provident fund there were promises by Cape Gate that workers would receive the funds on retirement. However, for the last 13 years they have been sent from pillar to post and no one seems to know where the funds are. Fairsure, an authorised financial aid provider, was appointed by Cape Gate in 2001 to facilitate the transfer of such funds to the rightful beneficiaries.

Not only were they, seemingly, robbed of their surplus funds but of the shares they were promised. There is proof at hand to that effect. The workers did not undergo medical check-ups upon retirement/retrenchment as per labour law requirements.

The ex-employees, together with community members, various political parties: African National Congress (ANC), African National Congress Youth League (ANCYL), Pan Africanist Congress (PAC), SOPA, Democratic Left Front as well as the National Union of Metalworkers of South Africa (Numsa) and the Congress of South African Trade Unions (Cosatu) and activist movements (VEJA, Right2know, BDS SA, FXI) also embarked on a solid demand for a carbon emission report that must reflect the amount of carbon Cape Gate produces. This request was spearheaded by VEJA.

BDS on the other hand demanded that Cape Gate, which has a subsidiary company that provides mesh and fencing for construction of a discrimination enforcing wall used to separate Palestinians from Israeli Zionists, should divest and move out of occupied Palestinian land.

The subsidiary also provides fencing for settlements for Zionist Israelis who are predominantly settled on stolen land. BDS says if Cape Gate does not move out of the occupied land, it shall mobilise businesses in South Africa not to buy Cape Gate material.

The ex-employees, were receiving inconclusive responses from those supposed to assist them. Cape Gate is silent on the shares, and Fairsure says it sent the funds back to Cape Gate.

Numsa has distanced itself from the destitute old people, and the local government is said to be on the side of the capitalist, oppressive Cape Gate.

During one of the marches to Cape Gate, the company security was instructed to close the gate in front of the demonstrating protesters. However, they moved to the main gate, frustrating the company management and

security. The tension was worsened when police officers were called into the plant premises and offered soft drinks. This raised a lot of eyebrows. Not saying soft drinks influenced the police but, they were very tense towards the demonstrators and said organisers must submit the petition and leave.

The memorandum was received by a security officer, and demonstrators demanded that a member of the management team should come and talk to them. When the police did not help with this request protesters then refused to leave the gate and said they would only do so when management received the memorandum. This led to arrests.

It has been a tough journey for these old people. For instance, Sello Nkoloko was employed from 1982 until 1991. He received his provident fund but has been sick ever since. He feels that had he undergone a medical a check-up upon retirement he would have received early treatment.

Most ex-employees have decided to head back to their native homelands. Some have generally given up and lost hope on receiving what is duly theirs. However, some still meet on a weekly basis to discuss amongst others the Cape Gate issue, community struggles and their personal health conditions.

As it is, the ex-employees embark on monthly pickets in front of Cape Gate headquarters in Braamfontein and at the Vanderbjil Park plant. LB

Unlocking labour laws

What is preservation of pension and provident funds?

Preservation funds are meant to benefit workers during retirement. They aim to protect and preserve pension and provident funds' benefits for members exiting approved retirement funds. According to proposals by Treasury the following will be done when government starts implementing the policies currently under discussion, which might happen in 2015.

The day at which the changes will come into effect is called P-day in Treasury documents. Taxation rules and annuitisation requirements will also be changed at a day called T-day.

The 2013 retirement reform proposals lists the following:

- Full vested rights with respect to withdrawals from retirement funds will be protected. Amounts in retirement accounts at the date of implementation of the legislation, called P-day, and growth on these, can be taken in cash, but from a preservation fund, and subject to taxation as currently.
- After P-day, all retirement funds will be required to identify a preservation fund and transfer members' balances into that fund, or another preservation fund, when members withdraw from the fund before retirement.

- Existing rules on preservation funds will be relaxed to allow one withdrawal per year, but the amount of each withdrawal will be limited. Unused withdrawals in any year may be carried forward to future years. Withdrawal limits will account for vested rights as described above.
- Payments resulting from divorces will also need to be paid into preservation funds rather than being paid in cash.

What lump sum benefits may be transferred to a preservation fund?

Benefits may be transferred from any approved pension or provident fund on the member's resignation, retrenchment or dismissal from employment or on the winding up of the employer's fund.

Benefits may not be transferred into a preservation fund when the member retires. It must be emphasised that pension fund benefits may only be transferred to a preservation pension fund and similarly provident fund benefits may only be transferred to a preservation provident fund. The transfer will be made in such a way that it is not split between more than one pension preservation fund.

If the member's employer is taken over by, or is merged with another company and the member is retrenched or dismissed or leaves service, then the benefits may normally be transferred to a preservation fund. However, if the member enters into a contract of employment with the new company and therefore becomes a member of the new employer's fund, then the benefit may not be transferred to a preservation fund.

What role does the member's previous employer play with regard to the preservation fund?

In addition to participating in an 'employer fund' established for its employees, the employer must participate in the preservation fund the member wishes to join. This does not place any administrative responsibilities, financial burdens or legal liabilities on the employer. It is merely a requirement that the employer 'participates' in the preservation fund prior to termination of the member's employment or winding up of the employer's fund.

When to join a preservation fund?

The member may join the preservation fund on:

- their actual date of resignation, or retrenchment; or
- the date of winding up of the fund to which they were contributing.

Can the member's benefit be transferred into more than one preservation fund?

No, the member may transfer the benefit to one preservation fund only, as splitting of the benefit is not permitted. However, if the member belonged to both a pension and provident fund, the pension benefit must be transferred into a preservation pension fund and the provident fund benefit into a preservation provident fund.

What portion of the benefit can be transferred to a preservation fund?

A transfer to a preservation fund will not be possible in circumstances where the benefit to be transferred has been reduced. Briefly what this means is, that the member cannot receive a portion of the withdrawal benefit, including the R1 800 tax-free portion, and transfer the balance to a preservation fund. The member must either take the full amount on withdrawal or transfer the full amount to the preservation fund.

Are there any exceptions to the rule stated above? Yes, and these are:

- A deduction in terms of section 37D of the Pension Funds Act. These deductions are a:
- Amounts owed by an employee in respect of housing loans or housing guarantees.
- Damages caused to the employer as a result of fraud, theft, dishonesty or misconduct of the employee. The employee must admit liability in writing or the employer must have obtained a court judgment against the member.
- With a member's consent, medical aid subscriptions and insurance premiums.
- Such other deductions as the Registrar of Pension Funds may agree to.
- A transfer of a portion of the benefit to a retirement annuity fund.
- The payment of a portion of the member's benefit to a spouse in terms of section 7(8) of the Divorce Act.

However, a deduction in terms of Section 37D of the Pension Funds Act, or a claim in terms of the Divorce Act will be treated as the first and final withdrawal from the preservation fund. No further withdrawals from the preservation fund will be allowed.

Can the member transfer part of the benefit to a preservation fund and part to a retirement annuity fund?

Yes, as long as the rules of the employer's fund allow it.

Can the member contribute to the preservation fund?

No, a preservation fund may not receive additional contributions and may only receive direct payments from other approved retirement funds. However, any future qualifying benefits may also be preserved in the fund.

Can a member withdraw money from the preservation fund?
The member may withdraw either a portion of or the entire benefit from the preservation fund at any time. However, only one withdrawal or partial withdrawal may be taken from the preservation fund prior to retirement. If the member chose to preserve a portion of the original withdrawal or winding up benefit in a retirement annuity fund and transferred the balance to a preservation fund s/he will still be entitled to the one withdrawal from the preservation fund.

Can the member transfer the benefits from one preservation fund to another?
If the member changes jobs and the new employer 'participates' in a preservation fund, the member may transfer his/her benefits to that fund. If the member has already taken the one withdrawal from the preservation fund, they will not be allowed any further withdrawal from the new preservation fund.

Can a member transfer benefits from a preservation to another fund?
If the member becomes a member of the new employer's pension or provident fund s/he may transfer his/her preservation fund benefits to that fund. The transfer is permissible regardless of whether the member had taken a withdrawal benefit from the preservation fund in the past. The full benefit (less tax if the transfer occurs from a preservation pension fund to a provident fund) must be paid into the new fund and will be subject to the rules of the new fund.

No transfer is allowed from a preservation fund to a retirement annuity fund.

What are the conditions on retirement from the preservation fund?
When the member retires from employment s/he must retire from the preservation fund at the same time. However, if the member is not employed, s/he may retire from the preservation fund at any time between the ages of 55 and 70.

If the member retires from the current employer as a result of disability before reaching the age of 55, s/he may also retire from the preservation fund.

If the member is not employed and becomes permanently disabled, s/he may retire from the preservation fund before the age of 55, if the preservation fund trustees are satisfied that the member is permanently disabled.

How are the benefits taxed on transfer to a preservation fund?
The transfer of benefits from a pension fund to a preservation pension fund and from a provident fund to a preservation provident fund will not attract tax.

How are benefits taxed on withdrawal from the preservation fund?
A benefit taken from the preservation fund will be taxed as a lump sum withdrawal benefit, in terms of the Income Tax Act.

How are the years of service in the previous fund treated if the member transfers the benefits to the preservation fund?
The years of service that the member accumulated in the previous fund before transferring to the preservation fund are used in the calculation of the tax-free lump sum benefit on death or retirement and will be retained in the preservation fund. The years of membership do not increase while in the preservation fund.

What are the main differences between preservation and retirement annuity funds?
The member cannot take a cash withdrawal benefit from a retirement annuity fund prior to retirement. However, there is no such restriction enforced with regard to a preservation fund. Other important issues to consider are:

- If the member belongs to a retirement annuity fund, s/he can elect to retire at any stage between the ages of 55 and 69. Whereas, in a preservation fund, if the member is in employment, s/he will have to retire from the preservation fund at the same time as he/she retires from the employer fund.
- The lump sum payment from the preservation fund and the employer fund is subject to limitations imposed by the Income Tax Act.

Can members transfer their benefits from a public sector retirement fund to a preservation fund?
A member of a public sector fund will be allowed to transfer his/her benefits to a preservation fund.

Does the previous fund have authority to restrict the member from withdrawing from the preservation fund?
Yes, but in terms of the Pensions Funds Adjudicator's determinations, restrictions are only enforceable if the previous fund has the authority to do so in terms of its rules, and the preservation fund rules also allow such a restriction. Therefore, if the rules of the previous fund are silent, the member may withdraw from the preservation fund. LB

This article is based on information from Treasury, South African Revenue Service and Momentum's FundsAtWork Preservation Portfolio.

Revolt of angry workers

Samwu marches for accountability

It is common that when workers go on strike, picket or march, their anger is directed towards the employer as they demand better wages and improved living and working conditions. However, recently there are instances in which instead of the employer workers, wrath has been directed towards the union leadership. In the case of the South African Municipal Workers Union (Samwu) the workers were furious and wanted to know how the union coffers were being managed amid allegations of missing millions, writes **Elijah Chiwota**.

The over 2,000 Samwu members who marched in downtown Johannesburg on a chilly morning on 19 June were visibly angry and irritated by some of the actions of the current leadership of their union. The workers wanted explanations on how the union's finances were being managed. At the centre of the demands is the whereabouts of about R140-million of union money.

The placards the workers carried said it all:

- Do not privatise the union
- Samwu belongs to members not NOBs (national office bearers)
- NOBs: Hands off our union
- NOBs: Stop with lies and corruption
- NOBs: We are not going anywhere; we are here to stay
- Arrogance, attitude won't help the union and members
- Union member money is not for sponsoring luxuries
- We as revolutionaries demand the NPA (National Prosecuting Authority) to investigate.

The placards were complemented by adaptations of struggle songs full of not so comradely lyrics that one normally doesn't hear at union marches. The march to the union headquarters in downtown Johannesburg, allegedly renovated for R32-million and managed at a cost of almost R400,000, only ended when the general secretary of the Congress of South African Trade Unions (Cosatu) Zwelinzima Vavi received a memorandum on behalf of the Samwu leadership. Since the march Cosatu has been involved in efforts to resolve the internal disputes.

EXPULSIONS AND DISMISSALS

In a memorandum received by Vavi on behalf of the union leadership the workers complained about how dissent is dealt with in the union. They described the actions of the leadership as an 'unconstitutional onslaught against the elected provincial leadership and the staff of the union.'

'Over the last two months, more than 20 dedicated comrades have been either suspended, dismissed or expelled from the union for no other reason than seeking clarifications on the state of the union's finances, and for demanding a forensic audit.'

The workers accused the leadership of not servicing the members who 'are suffering from the ravages of inflation and rising costs, while corruption in local government continues to deprive our communities of the services they need, our union, which we pay for from our hard earned subscriptions, is being run into the ground.'

According to the workers, the union leadership has lost 'credibility by its mishandling of the wage curve agreement. This is a leadership that is failing the membership. They are so hell bent on maintaining their positions and privileges that they have forgotten what a union is supposed to be doing. How else can the president [Sam Molope], general secretary [Walter Theledi] and their favoured provincial leaders be on a two-week South African Local Government Association (Salga) sponsored visit to Europe while the union is in this crisis. Shame on them,' read the memorandum.

Investigate the fraud: Workers listen as petition is submitted to South African Police Service at Johannesburg Central Police Station.

Surprisingly, the union leadership disputed the legality of the gathering despite the march not only having received police permission but escort as well. The station commander of the Johannesburg Central Police Station even received a petition and acknowledged that the police Commercial Crimes Unit was investigating the allegations of the missing money.

LEADERSHIP RESPONSE

After the march a Samwu press statement signed by Moses Miya, deputy general secretary and Sanny Ndlovu, national treasurer responded in a press statement that the union had been involved in court cases involving 'former members and officials some of whom having been suspended or expelled by the union. These former members have been trying to hold the union to ransom through disruptions of meetings, occupying our national office, intimidating our staff members and generally threatening the leadership of the union'.

The union leadership acknowledged the workers' anger over finances. 'It must be recalled that central to their dissatisfaction has been the alleged missing R140-million [from] the coffers of the union. The Central Executive Committee (CEC), which is the highest decision-making structure between National Congresses, has listened to such submissions and resolved to establish a task team to investigate these allegations and submit a detailed report with recommendations for a decision. It is therefore not correct to insinuate that the national office bearers are refusing to commission a forensic audit'.

There was due process to follow read the statement: 'We are therefore calling on our members countrywide to remain calm and wait for due processes of the union to unfold. We wish to remind our members that the union is bigger than everyone of us and will not hesitate to act against anybody when presented with evidence of wrong doing. The Task Team has already met twice since its establishment and we are confident that it is making progress and a report would be presented to the structures of the union within 31 days as directed by the CEC... The union would therefore not accept a banana republic kind of a situation where members and officials do as they wish without following correct processes as outlined in the constitution.'

The task team is still to report back to the Samwu CEC.

UNION PRINCIPLES

Samwu's progressive views on a number of issues are captured in the documents and resolutions

at its 10th National Congress in Mangaung, Bloemfontein in 2012. Some of the documents called for a 'culture of participation' that led 'to building working-class power and control'. Although this was written in reference to local government councils it is also relevant to the union's current strife.

Furthermore, one of the organisational resolutions added: 'The union's main focus it to represent the interests of the workers from whom all mandate is derived.'

Political power was not an end in itself: 'Exercising political power must not be an end in itself. It must be able to demonstrate fundamental shifts to advance the interests of the mass of workers, the unemployed, the poor and the excluded, and to exert international pressure to transform global economics'.

Samwu also spelt out its commitment to socialism. 'Socialist struggle needs to be pursued in every location and level in ways which seek to strengthen the influence which workers' interests can have on society as a whole.' How then can a union that believes in socialist principles, and with a militant history such as that of Samwu, fail to deal with its own internal problems?

ACCOUNTABILITY

According to Mick Moore and Graham Teskey accountability 'is an institutionalised (i.e. regular, established, accepted) relationship between different actors. One set of people/ organisations are held to account ('accountees'), and the another set do the holding ('accounters'). In the Samwu case the leaders are 'accountees' and the workers are the 'accounters'. Moree and Teskey list four stages that complete the accountability process: standard-setting, investigation, answerability, and sanction.

In the case of trade unions, including Samwu, standards under which leaders can be held to account are found in union constitutions which allow investigations to be carried out in cases where rules haven't been followed. Moore and Teskey add that upon completion of investigations leaders are answerable to: 'defend their actions, face sceptical questions, and generally explain themselves' and if they are found on the wrong side they are sanctioned or punished for 'for falling below the standards expected of them'. LB

Addressing gender inequality

Learning in women spaces

Gender inequality is an issue which affects all spheres of society. In South Africa patriarchy still has an influence on how different sexes relate to one another resulting in women experiencing inequality, writes **Zuziwe Khuzwayo**.

Patricia Nyman: In charge of gender education at Saccawu.

The recent Employment Equity Report of South Africa (2012-2013) shows that 80.1% of top management is occupied by males and women only occupy 19.8%. For those women who are in senior management, only 6.1% of them are African, while white women occupy 18.6% of senior management positions.

However, unions in South Africa have taken a direct initiative in addressing this issue. One of the unions which has adopted a unique way in addressing gender inequality within its organisation is the South African Commercial Catering Allied Workers Union (Saccawu). The union has chosen to organise women in separate spaces in order to address gender inequality.

SACCAWU GENDER POLICY

Saccawu, like the Congress of South African Trade Unions (Cosatu) gender policy, has defined gender as 'socially constructed and culturally defined relations between men and women'. In order to eradicate patriarchy and gender inequality in society, a consciousness needs to be created when discussing this issue and women need to be involved. This is

significant as the union has chosen to focus more on women than men by addressing the oppression which they experience. Saccawu has achieved this by having workshops, training and campaigns mainly targeted at women.

Says one female member who appreciated the different activities: 'Having this separate space allows us to truly discuss challenges facing us (i.e. women) and not be afraid to speak'.

One of the aims of the policy is to advance gender equality by having more women in leadership positions. It intends on achieving this by having more women represented in delegations, committees and union activities. Thus mainstreaming of gender is critical within the union. Gender consciousness must also be found in the daily thinking and activities of the union from financial meetings and policies to educational meetings. It must not be seen as an ad hoc issue that is only discussed in a gender space.

The union would like the gender committee chairperson and gender coordinators to be represented from local to national levels of the union. Additionally, the gender policy advocates for regional gender coordinators to be full-time instead of part-time. This responsibility would require gender coordinators to implement relevant activities agreed upon by the union. Currently regional coordinators are engaged in other work of the union and do not have the time or capacity to deal with gender issues effectively. The union also wants a fully functioning national gender coordinating department which has its own separate budget and funds. This is important in ensuring that gender issues are viewed as equal and as important as education.

Education and training of women members is critical in order to address inequality within the union. The policy advocates for more education on women's roles and participation in the union. This has been achieved through mentorships, workshops and empowerment programmes. Gender training of elected officials must be done so that they are able to deal with the responsibilities required of them.

SEPARATE SPACES

Saccawu's approach on implementing their policy is by organising women in separate spaces. The union felt that a separate structure was important as it allowed women to be amongst themselves, to discuss and articulate properly the issues that affected them without being intimidated by men. This particularly pertains to the issue of sexual harassment where some women workers may be nervous when speaking about it around men. Having a separate structure was argued to be important as women could gain confidence in their leadership abilities and raise their concerns. As a result, when it came to dealing with issues outside of the women-only forums they could be educated and confident to express their points of view.

One of the most influential programmes that influenced the gender policy was the Gender Empowerment Programme (GEP) of 1997-1999. Saccawu with help from Khanya College, recognised that previous empowerment programmes were once off and did not build a foundation for future women leaders to grow. It was with this thinking in mind that the GEP programme became a three-year programme where specific individuals would be targeted and equipped with the skills and theory to deal with gender inequality in the union and the workplace.

The aim of the programme was to raise consciousness on gender inequality amongst fellow workers and also within the union. The first year of the programme focused on basic gender training and provided skills on this topic. The second year had workshops and training on economic literacy and collective bargaining. The final year of the programme trained union members in policy formulation.

The union wanted women shop stewards to bring a gender dimension to the bargaining processes and for women to be able to participate on other issues such as on the economy and not feel marginalised.

The union targeted mainly women as more men were regional education coordinators and part of the programme as well. This highlighted and still continues to show that organising women in a separate space is a challenge within the union, because leadership positions are mainly held by men therefore trying only to target women is difficult. The union dealt with this challenge by having women only participate in the first year of the regional and national workshops. This then meant more women came to the national workshops as compared to men.

Saccawu's national gender coordinator, Patricia Nyman, said the programme was successful. 'This programme allowed us to put serious emphasis on women and allow them to be empowered and grow within the union. This was the foundation for the capacity building of the gender department. It is still a challenge, but the programme was helpful in creating the building blocks which we still use today. Many women members are starting to occupy positions of leadership and they are gaining skills which they can use not only in a gender workshop but also in a finance workshop and in their daily lives.'

Women who participated in the programme also agreed with Nyman. One woman organiser

When women have frustrations about education for their children or frustrations at work, they can discuss it with other women and support or give advice to one another.

from the West Rand branch of Saccawu said: 'The programme helped me in that I started to grow in my job. I was first a normal worker at OK Bazaar (which is now Shoprite Checkers) and when attending this programme I believed in myself as I had the knowledge and skills so I put myself up for leadership positions. I was not scared anymore as I knew I could do the job. I moved from being a shop steward to national gender chairperson with the help of this programme. I find that I can facilitate in a group of men and not feel scared as I believe in myself.'

CAMPAIGNS

The union has decided to have gender workshops and training aimed at women. The importance of having gender workshops and training is that they go even further than just focusing on what affects women, but they educate women in many other ways. An older woman organiser within the union said that the 'gender workshops gave me good writing skills on how to write a report. The workshops also discussed issues of shop steward education and finance education'.

According to the national gender coordinator, the gender workshops discuss all aspects of the union which affect a worker but from a female perspective. This is important as it emphasises how gender issues need to be mainstreamed in the union and not looked at as a separate issue which is the second aim of the gender policy.

Women members of the union agree that the separate space has been successful. A female shop steward at the National Congress said: 'In my own experience I speak better in gender workshops and forums than in other spaces as I am confident in myself.' Other respondents also felt that having the separate space allows women to talk about their day-to-day experience as workers and they relate better to each other.

CHALLENGES AND SUCCESSES

One of the most important successes of organising women in a separate space when dealing with gender inequality is that women are able to support each other.

'When women have frustrations about education for their children or frustrations at work, they can discuss it with other women and support or give advice to one another.'

Adds Nyman: 'This is important as it allows women to relate to one another and also fosters strong bonds between women which is important when trying to build leadership.'

The role of women in leadership has also grown as more women are occupying shopsteward roles on the shop floor which is the most important point of leadership in a union. Over 50% of shop stewards in the union are women, and 46% of local office bearers are women. This is significant as women are occupying important positions and from there they can move into higher positions of leadership within the union. This will increase their representation in the union and begin to bring forward issues affecting women even more.

There are still challenges that affect the decision to organise separately such as having gender coordinators from local to national levels of the union as they can only occupy this position on a part-time and not on a full-time basis. As mentioned before this signifies how gender is seen as an ad hoc issue and not as part of all spheres of the union that requires full-time attention. Self-belief amongst women to be leaders is not common in unions. From observations and interviews, one can still see that women do not believe in themselves to be in leadership positions.

A shop steward from Makro said: 'Women still do not have belief in themselves as leaders and do not think that other women should be leaders.'

This thinking will take a while to change as it is reinforced by the patriarchal society in which we live. Organisation of women in a separate space raises awareness and begins to change the current belief that women cannot be leaders.

CONCLUSION

Addressing gender inequality is an important issue for different sectors of society to address. Saccawu's approach in dealing with gender inequality shows that organising women separately allows for women to gain confidence in themselves and challenge societal norms. Mainstreaming gender issues ensures that men and women engage with these issues so as to begin to do away with inequality. LB

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SA National Development Plan

Is it for a democratic developmental state?

Will the National Development Plan (NDP) bring in a democratic developmental state for South Africa? **Tatenda G. Mukwedeya** assesses the prospects.

The South African government launched the NDP in August 2012. Since then, the plan has been paraded as the new silver bullet for the country's developmental stagnation characterised by increasing poverty, inequality and unemployment. As the government has sought to cultivate support for the plan, there have been mixed feelings amongst different stakeholders. The most dramatic being from the National Union of Metalworkers of South Africa (Numsa) which rejected the plan. Nonetheless, the plan has been well received by other stakeholders including the South African Communist Party (SACP) and partly by some sections the Congress of South African Trade Unions (Cosatu).

Nonetheless, the African National Congress (ANC) used the NDP as part of its 2014 general elections campaign and set it as the blueprint for South Africa's development path which was in sync with the party's election manifesto. Government portrayed the NDP as testament to its commitment to establishing a democratic developmental state. However, what prospects does the plan have in achieving such an endeavour?

This article points out that the main weakness of the NDP will likely be external to the plan itself – unforeseen in the plan and therefore not catered for. The political landscape in which the plan is attempting to find life is characterised by one party dominance which many scholars have warned is susceptible to collapsing the party and state divide.

Consequently, this divide undermines the autonomy of the state crucial for a development state. It is then recommended that more attention should be placed in the party-state relationship to ensure that enough institutional mechanisms are in place to avoid infringement and protect the autonomy of each as a modest effort towards the realisation of a democratic developmental state in South Africa. Such lessons are also useful for other African governments that aspire for a democratic developmental state.

AFRICAN DEBATES

Following the development achievements of the East Asian tiger economies of South Korea, Taiwan, Hong Kong and Singapore between the 1960s and 1990s, the concept of the 'developmental state' arose to highlight their success. During this period, these countries had maintained high growth rates in excess of 7% a year and rapid industrialisation and resultantly all four developed into advanced and high-income economies.

During the same period, since gaining their independence in the 1960s African countries adopted state-led development approaches which yielded economic growth and expanded social services in the short term. As Meyns and Musamba note, sustainable progress failed due to the changes on the world markets and to the predatory nature of the state.

In the 1980s and 1990s, many African countries were facing mounting debt accumulated in the earlier phase and had to embark on structural adjustment programmes (SAPs) in order to access credit from the International Monetary Fund (IMF) and the World Bank. The regrettable outcomes of SAPs are well documented and today the period is frequently referred to as the 'lost decades'.

The search for a more suitable development model in the 1990s then led to the rise of the development state debate as it began to be seen as a suitable alternative. At this time, the East Asian success story was a given yet some of them had in the 1960s been at comparable development levels with African countries. Several African countries have since then showed their desire to establish development states whilst some have actively sought to establish themselves such as Botswana, Mauritius and South Africa. However, before digging into the South African experience, it is important to explain what a developmental state means.

DEVELOPMENTAL STATE

The concept of a developmental state is very broad and this article is by no means exhaustive of all the debates. However, it focuses on its early ideas and highlights important

elements that are important for the South African case. A developmental state is one in which states play a strategic role in taming domestic and international market forces and harnessing them to national ends. Therefore, instead of proposing market-oriented and state-led development as alternatives, the developmental state perspective is concerned with finding the appropriate mixture of market orientation and government intervention consistent with rapid and efficient industrialisation, writes Onis.

This is in line with Chalmers Johnson who is credited for coining the developmental state concept based on his analysis of Japan where he highlights that it is neither based on Soviet-type command economies nor free-market economies, but on market conforming methods of state intervention. The problem, therefore, is to find the appropriate mixture of market orientation and government intervention consistent with rapid and efficient industrialisation.

Some of the characteristics of a developmental state are a state that performs a key role in the promotion of cooperative labour-management relations and undertakes a leading role in the creation of comparative advantage. Importantly, the state should be directly involved in the process of building up economic infrastructure through education, training, and research. However, it must be noted that whilst different scholars of the developmental state such as Chalmers Johnson, Peter Evans, Adrian Leftwich and others stress different aspects, a common thread that cuts across them is the importance of a key institutional feature pertaining to the state bureaucracy. A developmental state has a small but inexpensive, professional and efficient state bureaucracy.

In other words, it should be managed by a powerful, professional, highly competent, and insulated and career-based bureaucracy. However, it is Peter Evans with his notion of embedded autonomy that is important to highlight.

According to Evans, the state is autonomous insofar as its bureaucracy cannot be instrumentally manipulated by powerful rent-seeking groups outside the state, but also embedded insofar as it is able to maintain close contact with dominant interests in society for the purpose of negotiating and soliciting necessary resource inputs required in the transformation process. Failure to achieve this institutional feature will be the main challenge of South Africa's developmental state prospects.

SOUTH AFRICA'S DEVELOPMENT TRAJECTORY

In June 1996, the government adopted a trickle-down approach to economic development called the Growth, Employment and Redistribution (Gear) strategy. Ten years later, a heavy price was paid in the persistence of inequality, unemployment, poverty and the consequent problems like crime, HIV and AIDS and disease. Alternative development models began to be discussed. The developmental state model emerged during the run-up to the national elections of 2004. Later development programmes such as the 2006 Accelerated and Shared Growth Initiative for SA (Asgi-SA) and the 2010 New Growth Path (NGP) were seen as steps towards the developmental state framework. However, according to Ben Turok, at a national conference on the developmental state held in Pretoria in 2007 it was concluded that 'in the absence of a comprehensive development strategy, South Africa could not presently be characterised as a developmental state'. That was the case given the persistence of unemployment, poverty and inequality in the country. Therefore, a developmental state was needed to address these problems and that South Africa had taken several steps in that direction

The establishment of the National Planning Commission in 2010 and its production of the NDP in 2012 represent the strongest attempt to establish a South African developmental state. In Chapter 13 of the plan titled, *Building a capable and developmental state* the NDP notes that 'building state capacity is the most important step to achieve a developmental state'. This is in line with Peter Evans' idea of embedded autonomy mentioned earlier.

With the political dominance of the ANC and its evident influence on various organs of the state, what are the consequences for bureaucratic autonomy? The ANCs dominance has extended to all levels of the state especially more explicitly through the party's policy of cadre deployment and through other implicit mechanisms that have ensured excessive political influence on the state. Thus a state managed by a powerful, professional, highly competent, meritocratic and insulated and career-based bureaucracy has been questionable in South Africa. It would be futile to assume that countries with dominant parties cannot facilitate a developmental state. Rather, the important point to note is that certain political realities such as one-party dominance and party-state collapse can undermine development states if they are not appropriately institutionalised.

CONCLUSION

A developmental state in South Africa is possible but further debate is needed on the party-state interface to make sure that party politics or officials do not infringe on the state's mandate. A developmentally oriented and committed political elite with the will to attain development is also necessary. LB

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Inequality in SA

Of populism and revolts of the poor

The high levels of income inequality in South Africa threatens the democracy and social fabric that the country weaved after 1994. This is evident in the rise of populism and 'service delivery protests', write **Molifi Mohautse** and **Ntokozo Zulu**.

South Africa is regarded as one of the most unequal societies in the world. Apartheid engineered a population with vast inequalities across racial groups. The nature of this inequality was primarily racially based. The political and economic path of the last 20 years has somewhat changed the nature and composition of this kind of inequality but deep inequality still exists.

The post-apartheid distributional regime continues to divide South Africans into insiders and outsiders. Although the political pattern is still largely racially based, a new political landscape is beginning to emerge which is based on the complexity of class and race mix. The rising inequality within the black community is becoming a cause for concern. This has created a fertile ground for the rise of populist movements and demagogues (political leaders who seek support by appealing to popular desires and prejudices rather than sensible arguments) that will seek to take advantage of those neglected by the state machinery.

This article seeks to explore the links between inequality, economic growth and political conflict by tracing the origins of income inequality in South Africa, its evolution after the democratic transition in 1994, and its economic and political implications.

BACKGROUND

Inequality in South Africa is embedded in military conquest and political exclusion, which took a colonial and racial form, and was reinforced by continuing repression of political and social organisation. Conquest began in the 1650s at the southern tip of Africa, which developed into the city of Cape Town, and gradually expanded inland by the Dutch and then British settlers by defeating and displacing the indigenous populations. Consequently, conquest and political exclusion were the initial conditions shaping black peoples' unequal access to resources and their capacity for accumulating assets. This inequality was deepened by economic growth patterns and development after the discovery of minerals such as gold and diamonds in the late 19th century. The indigenous people were forced to work in the mines for low wages.

The forced labour regime in mining established the migrant system and provided the foundation for racial discrimination in the labour market and in the workplace as the secondary and tertiary sectors developed. In 1913 the government promulgated the Native Land Act which restricted land ownership for Africans to certain specified areas, mostly in the north and east. Initially, the areas covered about 8% of the country's land area but were later extended to about 13% by the Native Land Act of 1936. The 'reserves', as they were commonly known, laid the foundation for the 'Bantustan' system in which the rights of political representation for Africans were attached to these areas although many Africans continued to live in rural areas reserved for whites, as tenants and labourers on white farms. From the 1960s, the government stepped up forced removals, moving nearly half a million people. In urban areas, the Group Areas Act of 1950 restricted property ownership rights to specified areas for Africans, as well as for coloureds and Indians.

POST-APARTHEID CONTINUATION

Income inequality surveys conducted in South Africa since 1993, beginning with the Living Standards Measurement Survey of 1993, indicate that from the end of 1993 to 2000 the Gini Index of SA's per capita income increased by 8.1%. Based on its data, the South African Gini index was estimated to

William Matlala

It's laundry time: Resident of Ramaphosa informal settlement does laundry outside her home.

be 0.623 in 1993 and 0.673 in 2000. Despite the likelihood of problems, these statistics confirm, at least, that income inequality in South Africa is undeniably high. In addition to the high level of income inequality, there are also large disparities in the non-economic dimensions of human development.

According to the United Nations Development Programme, the Human Development Index (HDI) of South Africa was 0.658 in 2003, ranking it 120th among the 177 countries for which HDI was estimated. In addition to this generalised and multi-dimensional inequality, one should highlight the large component of intra-racial inequality among the African population. Many of the social indicators of the country have fared better than those related to income, particularly with regard to access to public services. This has been due mainly to reallocation of budgetary resources to promote education, health, social security and housing in poorer areas, where most African households dwell. The number of households with access to piped water, sanitation and electricity has increased substantially. However, such gains in well-being have not succeeded in mitigating the sharp differentials in income.

A brief literature review on income inequality in South Africa suggests that the changes in the labour market that occurred in the post-apartheid era were the major drivers of the dynamics of income distribution. This is not surprising since earnings are the major component of total income throughout the world and South Africa is no exception. Unsurprisingly, given the country's history, there is still a strong correlation between race and household income.

Statistics point out that nine out of ten households in the bottom six deciles (the poorest 60% of households) were non-white in 1993. By contrast, three-quarters of the top decile were white. This is an unambiguous evidence of interracial inequality. Rising income among better-off black households has widened intra-racial inequality as well. By 2004, the average household income in the richest tenth of the black households was over 250 times higher than the average income in the poorest tenth.

According to Statistics SA (2014) poverty levels have declined since 2006, reaching a low of 45.5% in 2011. This was driven by a number of factors such as a growing social safety net, income growth, above-inflation wage increases, decelerating inflationary pressure and an expansion of credit. However, while the poverty situation is improving, inequality remains a serious concern. The Gini index is calculated to be approximately 0.65 based on expenditure data (per capita excluding taxes) and 0.69 based on income data (per capita including salaries, wages and social grants) in 2011. The share of consumption between the richest and poorest remains constant. The richest 20% of the population accounted for over 61% of consumption in 2011, down from a high of 64% in 2006. Meanwhile, the bottom 20% sees their share remain fairly constant at below 4.5%.

ECONOMIC PERFORMANCE

South Africa has undergone a significant transformation since its democratic transition in 1994, but its economic growth and employment generation have been unsatisfactory. Most disturbingly, unemployment is currently among the highest in the world. The democratic transition created expectations of a dramatic turnaround in the economic performance. Trade and financial sanctions as well as internal opposition to the apartheid regime contributed to the poorest ten-year

growth performance (1984-1993) since the Second World War and the removal of these restrictions was widely expected to transform the country's economic performance. It could also be argued that rising prosperity was needed to sustain the political transition. However, the improvement was modest both by international and local standards.

South Africa has exceptionally high levels of inequality compared to other countries at similar levels of average per capita income. The high costs that inequality cause have been brought to public attention by the derailing of economic recovery in part as a consequence of social exclusion, and by the threats of social backlash as the distribution of benefits from growth is perceived to be disproportionately unfair.

Public sensitivity is worsened by the fact that serious losses in purchasing power during the years of economic crisis and adjustment have increased impatience in sharing the benefits of recovery, leaving little room for further postponement. Successful transitions to democracy or improvements in democratic representation have given the poor new channels of access to the political process, making their demands for participation in the gains from growth more difficult to ignore.

The strength of these demands has been profoundly enhanced by the proliferation of grassroots organisations and social movements which act as advocates for the poor. For example, there are organisations that represent squatters and landless people such as Abahlali Base Mjondolo and the Landless Peoples Movement.

CONSEQUENCES

Inequality is commonly understood to lead to social pressure for redistributive fiscal policies, socio-economic instability, unsustainable policy choices and, possibly, a low rate of economic growth. Economic inequality is also associated with tension between classes, educational and occupational levels, and linguistic, ethnic and communal groups. Therefore, it is reasonable to assume that any distribution of income within a society will tend to provoke opposition from groups that are unhappy with it.

SA is ripe for political strife. Every day there are reports of 'service delivery protests' and they usually take a violent form. The destruction of property such as public schools, clinics, road signs and municipal buildings usually accompanies such 'protests'. In some cases, the response from government is also violent. Areas that exhibit high income inequalities in the Western Cape, Eastern Cape and Gauteng are regularly afflicted by 'protests'.

According to Municipal IQ (2013), an independent local government data and intelligence service, the Western Cape was the most protest-afflicted province in 2012, followed by the Eastern Cape and Gauteng. Research from Municipal IQ's Hotspots Monitor shows clear evidence that most protests continue to occur in informal settlements in the largest metros.

Given the large number of protests that have occurred in recent years it is no surprise that there is a growing concern amongst the public as to why these protests are happening and where they will happen next. The social and economic conditions in South Africa are known to lead to the rise and formation of radical class-based political movements that seek fundamental changes in the structure of political authority and social system. The destruction and reconstruction of state power would be the reason why such 'revolutionary' movements exist. Such conditions are also known to have given rise to political demagogues and opportunists who utilise people's genuine grievances and needs to pursue their own narrow, selfish interests.

Will these protests in South Africa escalate into an overthrow of the ruling elite by the marginalised? Are the events that occurred in Marikana consequences of societal outcry against huge disparities in income within South Africa? Is the formation of 'radical' political parties such as the Economic Freedom Fighters (EFF) a consequence and solution to the social and economic conditions in the country? These are pertinent questions that need careful analysis. The fact is, a number of 'service delivery protests' annually in South Africa has been increasing since 2004 and, since 2009, more and more of them have turned violent.

CONCLUSION

More unequal societies tend to develop larger groups of people who are excluded from the opportunities others enjoy – be it they have better education, access to loans, or to insurance – and who therefore do not develop their full productive potentials. Income inequality affects economic growth through its impact on income redistribution and political power. A country could fall into a vicious circle because of the breakdown of social cohesion brought about by income inequality and this threatens democratic institutions. High inequality could lead to a lower level of democracy, high rent-seeking policies and a higher probability of political conflict. Inequality also reduces social capital – the degree of trust and mutual support among individuals. LB

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Education for liberation or domestication

Learning from Emerging Voices

Around the world, education is said to be the solution to the triple challenge of poverty, inequality and job creation. Yet, despite significant growth in educational attainment globally, unemployment remains high, and poverty and inequality persist, write **David Balwanz**, **Sandile Zwane** and **Itumeleng Moabi**.

We are told of 'skills gaps', but then the jobs people train for are shipped overseas to sweatshops. We are told of 'skills mismatches'. And, while there are some industries with worker shortages, no serious economist can argue that the South African labour market stands ready to absorb the over five million unemployed and underemployed workers. We also promote 'skills for employability' and entrepreneurship programmes. However, both types of programmes are 'supply side' answers to a demand side problem: a high rate of structural unemployment.

In its recent White Paper, the Department for Higher Education and Training (DHET) follows this same formula, arguing that the main purpose of Further Education and Training (FET) colleges is 'to train young school leavers, providing them with the skills, knowledge and attitudes necessary for employment in the labour market'. For workers, the 'skills for jobs' discourse suffers from a flawed, and even tragic, logic. In fact, increasing the supply of 'qualified' or 'productive' workers will not, in and of itself, increase demand for workers, or job creation. Instead increases in worker supply may instead place downward pressure on wages and worsen unemployment.

EDUCATION FOR LIBERATION OR DOMESTICATION?

We are on the horns of a dilemma: each horn sticking us with uncomfortable truths. The first horn is government policy which states that the purpose of education is to produce human capital (i.e. skilled workers). It is argued that higher levels of human capital will promote economic growth and job creation.

Education, Economy and Society, a recently published book edited by Salim Vally and Enver Motala, exposes the shaky empirical grounds of the human capital theory. In addition to resting on contested empirical evidence, human capital theory views education and labour as instruments serving the needs of capital, and according to Vally and Motala, is dehumanising and environmentally destructive. The horn of government policy will not address the triple challenge, rather it will reproduce existing class and social inequality into the next generation. The second horn of the dilemma is our task: creating an alternative. Paulo Freire, a Brazilian educator and philosopher, sums up our choice by asking whether we want education for *liberation or domestication*. What type of post-school education will better meet the needs and interests of poor and working-class communities?

WHAT IS EMERGING VOICES?

The goal of the Emerging Voices 2 (EV2) project is to re-imagine post-school education so that it better meets the needs and interests of poor and working-class communities. EV2 research is overseen by the Education Policy Consortium, funded by DHET and is taking place in three sites: Eastern Cape, Limpopo and Gauteng. Implementing EV2 research are teams from the University of Johannesburg (UJ (CERT)), Nelson Mandela Metropolitan University (NMMU (CIPSET)), the University of Fort Hare (NMI) and CEPD. The Centre for Education Rights and Transformation (UJ) is implementing research in collaboration with community institutions and researchers in Sedibeng.

We chose Sedibeng because the Vaal triangle is the site of recent, and ongoing, de-industrialisation, high unemployment and a large number of post-school institutions, including the Vaal University of Technology (VUT), Sedibeng FET College, several public adult learning centres and many informal places of learning. EV2 activities include community dialogues, interviews and seminars and advocacy activities where community members discuss the current reality of post-schooling, discuss issues of youth development, community development and skills development. This article shares some of our preliminary findings. These include information on the lived experiences of poor and working-class youth, critiques and new directions for post-schooling.

LIVED EXPERIENCES

In terms of lived experiences, at the top of the list was the influence of high levels of poverty, inequality and lack of decent jobs on youth lives and education. One participant noted the following situation which led him to put off education and focus on supporting his family.

'My dad was working for this big company, they call it ISCOR, you know. My dad was one of those people who had to be put off their duties you know... my mom was the bread winner currently for the past many years. My dad didn't have work, but he had plenty of small businesses, those who can provide maybe bread or millet, samp for the evening... but never did much.'

This individual has juggled small-scale work and education activities for over five years while trying to support his family.

A second research participant stressed that education institutions in Sebokeng are not responding to the needs of the township and its people. He noted that the situation of unemployable graduates is a sign that the institutional curriculum is irrelevant to the community. He is particularly pained by the fact that his uneducated father worked hard as a mechanic to send him to school only for him to be unemployed.

Both experiences show the pressure of poverty on youth as they make decisions about education, work and supporting their families. The linear path: from education, to employment and then to a bright future and family well-being does not explain the character of the complicated lives of many poor and working-class youth. Instead, these youth follow a disrupted and non-linear path where immediate needs impact their participation in education, informal work and family support. We find that many young males feel 'stuck' and find it challenging to maintain hope. They are often berated by family members and friends for having a qualification, but no job.

CRITIQUE OF POST-SCHOOL EDUCATION

Learners and educators agree on a general critique of post-school education: it focuses on a narrow set of formal qualifications, is rigidly conceived and focuses on 'working for somebody.' This type of education is not relevant to many local and informal economies, does not align with alternative visions of community and social development and does not promote exposure to alternative forms of knowledge, including self-knowledge. Our interviewees were critical of government and business: both promise 'partnership' and resources, but fail to provide either, and then blame institutions of education. Of course there were exceptions. Note that we are not making a blanket critique of professors, lecturers or post-school institutions (most of which struggle against great odds). Rather we are questioning the paradigm of education perpetuated through history and existing institutional policies, structures and practices.

One of our participants states that at school 'they give you the ideal picture: that success at school can get you to the good life. But that's the ideal, not the reality. You aren't anticipating the challenges, they come and you get anxiety.'

One instructor of adult basic education and training argues for more political education. 'You know for you to understand where you are heading to you must know where you come from. On 21 March it will be Sharpeville Day. You go outside and ask a learner what s/he knows about the 21st March, what transpired [and] s/he does not know. That day brought change to the South African political situation because it is after 21 March the African National Congress (ANC); the Pan Africanist Congress (PAC) felt negotiations are useless. They started embarking on the armed struggle which led to this democracy of today. It is not just the freedom which fell from heaven. It came about as a result of a struggle, a long struggle... political education helps to teach a person to debate issues because it is not that things can be achieved without negotiation, without debating. People should have the attitude of expressing their own view.'

NEW DIRECTIONS

Several participants identified new directions for post-school education. As a first step, we found out that debates and dialogues play an important role in questioning dominant models of post-school education and re-conceptualising the relationship between post-school institutions and poor and working-class communities. We also found examples of solidarity. Too often, education is valued in terms of promoting 'individual successes, as opposed to being a 'public good' and supporting community upliftment and change.

William Matlala

Reading time: Learners go through their lessons.

The founder of an informal youth development organisation said: 'After two years [of working elsewhere] we came to a conclusion: Guys we have to create our own non-governmental organisation (NGO); we have to create our own skills; we have to do our own things... we went to the health and social development [office]. They contacted us after 10 days. Guys we have a constitution for Rakeofela... We are all in this thing together. [Now] others would say, "wow, I like this place more than my home because of the respect that I gain here..." They see young people as leaders; they see what we have done from nothing to where we are today... If ever we hold hands to fight this poverty we can do a lot.' This experience shows how alternative forms of education can support community development. Many staff from formal post-school institutions are interested in learning from these examples as they consider how to improve community engagement and outreach.

WHAT DO WE DO NOW?

In Sedibeng, we learned four things. Firstly, our current 'model' for post-school education is part of the problem. In large part, our model for post-schooling does not reflect the interests of poor and working-class communities. Neither is it as responsive as it could be to the lived experiences of youth and displaced adult workers or in supporting holistic development of people and communities. Secondly, a different model of education is possible. The way forward is unclear, but a starting point is inclusion of communities in discussions about education. Post-school institutions should also engage on local issues affecting local economies and community development. It is also important to increasingly come from a pedagogy of liberation perspective, and resist top-down and prescriptive approaches. The VUT Science and Technology Park in Sebokeng is initiating a multi-year effort to more effectively engage the local community on skills development.

Thirdly, we have to be comfortable with tensions and contradictions. The dominant framework is that everyone must be an engineer and that South Africa must compete globally. These are not bad aspirations. However, what is missing in this framework is that we must at the same time work to provide decent jobs, respond to community needs and support holistic human development – for all people. In addition, we have to be mindful of the contradictions of development and growth. For example, we want more jobs and more electricity, but we also want clean jobs which don't harm workers or create sickness in our communities.

A revitalised post-school education can play an important role in supporting democratic debates about the inevitable trade-offs and challenges we face. Finally, we see education as a political struggle. If we let powerful interests, rather than people define the purpose of education, then education will serve their interests, not those of the community. Educators are willing allies in this struggle which has not one, but many answers, and which we hope to continue to discover in our work in Sedibeng schools and communities. LB

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Mozambique's mining boomtown

Labour and development in Tete

Recent mineral and energy resource discoveries – particularly coal and gas – have raised Mozambique's profile in global energy markets and could potentially transform its economy. Widely regarded as a post-conflict success story, Mozambique has emerged as a star in the 'Africa rising' narrative, registering economic growth rates of around 8% in recent years. But this impressive growth has yet to translate into significant gains in poverty or health indicators, writes **Joshua Kirshner**.

At the centre of the resources boom is the province of Tete, once a remote outpost but now a hub of power generation for Southern Africa, as the site of the Cahora Bassa hydroelectric dam. It is now also an emerging centre of global investment in coal extraction.

Tete is not a historically important mining site. In the past decade, the combination of rising international coal prices, increased global demand, and geological surveys confirming vast seams of high-value coking coal has attracted some of the world's largest mining companies to Tete province in western Mozambique. Coal became the country's second-largest export earner during the first six months of 2012 while coal exports could rise to around 100-million tons annually at peak, making Mozambique one of the top ten coal exporters in the world.

Mining giants Vale and Rio Tinto have invested nearly US$12-billion in mines in Tete since 2008, directly employing some 7,500 workers and sparking a sudden transformation of the region. Industry analysts describe Moatize basin as the world's largest untapped coal reserve. The growth of China and India in recent decades has repositioned demand for coking coal, used for steel production, towards South and East Asia.

These developments coincided with Mozambique's post-socialist transition to a market-led economy, facilitated by International Monetary Fund (IMF) and World Bank-led reform programmes and embraced by state elites. The resources boom has created particular sites and spaces of development in Tete, suggesting shifts in relations between the state, capital and communities. Tete city, the provincial capital, shows heightened social divisions, as some groups are integrated into global circuits of production while others suffer displacement and dispossession.

LABOUR MARKETS, LINKAGES AND ENCLAVES

Open-pit coal mining is normally capital-intensive, dominated by a handful of players, and creates few employment opportunities for directly affected communities. According to the Ministry of Mineral Resources, the coal industry directly employs just 7,500 Mozambicans. In the short run, mine construction could create up to 25,000 temporary jobs. When a mine opens in a particular area in Tete, residents have high hopes for jobs but the reality usually falls short, with jobs limited to a small number of technical positions, private security or chauffeurs.

Mining companies rely on expatriates, recruitment from Maputo and Beira and the use of short-term contractors, while blaming the low skills base among locals for their lack of employment. This situation has not dampened Tete's attraction for domestic and trans-border migrants, lured by the region's reputation as Mozambique's *El Dorado*. Many arrive from other districts of Tete province, and from neighbouring Zimbabwe and Malawi. Others come from further afield, including India, Pakistan and Somalia.

Labour importation, rising income disparities and the perception that better educated workers from southern provinces and abroad are gaining favourable terms of mining employment, beyond reach for most Tete residents, have created tensions, although an explicit backlash has not yet occurred. The pattern risks fuelling ethnic divisions, as majority Nhungwe-speaking residents increasingly view ethnic Shangaan and Ronga from the southern provinces as unwanted 'outsiders'. In response to the rising tensions, several mining companies have begun to offer training programmes geared to the local labour market. Rio Tinto, for example, has created a partnership with *Instituto Superior Politécnico de Tete* (ISPT), a technical training facility in Tete city founded in 2010, to offer courses geared to the coal industry's requirements. In 2011, Rio Tinto also opened a training centre and placed 700 local workers with contractors to build the facility, which is visible on the EN 103 road to Moatize.

On its website, Rio Tinto noted 'more than 28,300 people have registered for employment with Rio Tinto Coal Mozambique, of which 1,172 candidates were given on-site training and assessed in various building and civil trades'. According to an on-site training manager, 15% of the original recruits were women, a figure that had risen to 40% by 2012. In 2013, Vale reported it employs 400 workers from Tete among a workforce of 1,400. The company is also recruiting a further 300 local workers for training, a third of which are earmarked for jobs in the second phase of its Moatize project, set to begin in 2015. The weak job creation reflects a shift from direct employment to outsourcing and use of contractors, some of whom fly in for six-week shifts.

Mining and construction labour for Vale and Rio Tinto is often housed near the mines in self-contained camps, equipped with cafeterias, soccer fields and other recreational areas. The workforce is mostly male and under 40, while the camps are fenced in, guarded by security personnel and not signposted or visible from major roads. This arrangement serves to segregate mining company employees from ordinary residents in a separate enclave. Nevertheless, mining employees interact in various ways with the host economy, for instance in shopping in new commercial centres on the main road between Tete and Moatize.

Apart from mining employment, the coal mega-projects also have downstream effects, generating flows of goods and people into Tete province. The arrival of several thousand workers employed in mining has set a platform for jobs in agriculture, food supply and construction. These indirect jobs are likely to promote development in one of Mozambique's most remote and underequipped provinces. The potential for creating wider benefits from the coal rush rests in local procurement and linkages, yet such linkages do not 'happen automatically' in private investment projects. They will require guidance from local and provincial state institutions to foster small and medium enterprise involvement and to mediate between the interests of capital and labour.

Rio Tinto has led efforts to foment local participation in the coal value chain, particularly in transport and catering. It reportedly spent US$120-million on catering and other services in 2011, with 80% of contracts going to Mozambican firms. Rio Tinto boosted local spending to US$160-million in 2012 and opened a business centre in Tete to facilitate local supply chains. The centre registers suppliers in a central procurement system. Yet contracts for purchases above US$100,000 are issued as international public tenders. Vale, in turn, has surveyed businesses in Moatize district and in Tete province to identify local partners and offer capacity-building. Despite these efforts, civil society groups in Mozambique have voiced concern that procurement contracts largely go to South African and Brazilian firms while the lion's share of goods and services used by the mining companies – equipment, uniforms, cleaning and catering – are imported.

Joshua Kirshner

Rio Tinto Training Centre in Tete.

Rio Tinto and Ncondezi Coal, for instance, have food flown in from Johannesburg by Servco, a South African catering firm. While there are some efforts to locally source food, the majority of meat, for example, is sourced from South Africa and Botswana whilst some frozen chickens are imported from Brazil to ensure a steady supply with milk and fruit coming from various countries. In 2012, Servco employed 70 workers at the Benga canteen, including cooks, kitchen assistants, housekeepers and servers. The majority are from Tete, including four from the Rio Tinto resettlement community Mwaladzi, and a handful from Zimbabwe and Malawi. A further example of potential linkages is the outsourcing of transport services, with several local companies being engaged for this purpose, including Fleet Services and *Linhas Transportes de Moçambique* (LTM), both based in Maputo with subsidiaries recently opened in Tete. These companies carry workers to and from mine sites, but are closed to ordinary residents.

Neither Vale nor Rio Tinto has been meaningfully involved in knowledge exchange, encouraging business start-ups, or providing venture capital, which are important aspects of embedding development and making it 'sticky.'

URBAN GROWTH AND DISPLACEMENT IN TETE

With 158,000 inhabitants by 2007, Tete city is bisected by the Zambezi River and sits in a low-lying basin with temperatures soaring above 45°C in the dry season. Tete's compact centre features a grid layout with low-lying colonial buildings and villas. At the city's heart, the Samora Machel suspension bridge, completed in 1973, serves as a critical link between southern and northern regions of the country. Tete city was long known as a 'sleepy backwater' on the banks of the Zambezi, and a place for long-distance truckers to stop overnight on their way to and from Malawi and Zimbabwe. Yet, this is changing as the coal investments have sparked demand for mining support services, with dramatic changes in the city centre and its outskirts. Tete city is awash with entrepreneurial activity to meet surging demand for accommodation, catering, transport and telecommunications for expatriate workers and business visitors. But efforts to create a viable economic base outside the mining sector are partial at best.

The focal point of growth is across the bridge from Tete's city centre along the EN 103 road to Moatize (population 40,050), an area that was largely non-existent three years ago. It now hosts numerous mining services and logistics firms along with Rio Tinto's Training Centre. It has been the focus of significant investment, including new hotels (including the upmarket Radisson Park Inn), retail spaces and warehouses. Bank branches, supermarkets and fuel stations equipped with long-distance trucking facilities have sprouted up, often supported by capital from Portugal, Brazil and China. Adding to the mix, many 'white' commercial tobacco and dairy farmers who were dispossessed of their land in Zimbabwe have re-established operations in Tete, including flour mills, tyre shops, and other start-up enterprises. Many of these new commercial facilities adjoin self-built adobe huts and unplanned settlements. There have been conflicts around land ownership, while existing titles are often unclear. Moreover, the majority of economically active residents rely on variable opportunities in the informal sector.

Mining services and construction firms are flocking to Tete city, and the streets bustle with 4x4 trucks stamped with company logos. Odebrecht and Camargo Corrêa, two privately-owned Brazilian engineering and infrastructure firms, are involved in a number of public works projects in the region. Several Portuguese firms are supplying prefabricated structures, while new warehousing construction has boomed, reflecting demand for space and rising trade. But residential construction has lagged, prompting mining companies to lease hotel rooms for their staff.

The resources boom and rising cost of living is producing a 'dual economy,' in which non-mining households struggle to afford the steep prices for food and housing. Household spending power has decreased due to local inflation, a reality compounded by the limited job opportunities from mining activity. In a sense, the coal boom has never fully materialised for many Mozambicans. As one restaurant owner explained, 'we had heard there were thousands of Brazilians arriving, and to me, this meant business. But in reality, only hundreds arrived'.

Expatriate workers and those recruited from Maputo and Beira, particularly those on short-term contracts, are likely to direct their spending to their places of origin with limited benefits to the local economy. Further, just a quick look beyond Tete's city centre suggests that any impression of rapid development through the resources boom must account for the growing shantytowns lacking electricity, water, sanitation, and waste services. Tete remains one of Mozambique's poorest provinces, registering among the country's highest rates of HIV and AIDS infection. With its influx of miners, truck drivers and sex workers, many view Tete as a conduit for HIV to enter the country.

Flows of labour and investment have occurred largely without

Joshua Kirshner

Building a skills base: Rio Tinto Training Centre, Tete.

long-term urban planning and intervention. Municipal officials are ill-prepared for managing the multiple pressures arising from the coal operations. Institutional capacity for planning and administering development is limited, resulting from years of public sector neglect since the start of Mozambique's post-socialist transition. There are also difficulties in collecting local property taxes, with municipal funds relying heavily on market traders' fees. Inter-agency coordination has also proven challenging. Local authorities hold little sway over foreign investors, and most deals and concessions are negotiated at the ministerial level in Maputo.

The displacement of local communities due to coal operations by Vale and Rio Tinto has been particularly controversial. The Moatize district government suddenly has had to deal with multinational corporations (MNCs) on the resettlement process, overseeing the building of entire new villages. Human Rights Watch found that Vale's resettlement of 1,365 smallholder rural households to Cateme, a newly-constructed village 40km from Moatize, in 2009 caused sustained disruptions in accessing food, water and work. Rio Tinto has resettled 679 households living near its Benga mine to newly-built Mwaladzi village in 2011, with further relocation envisioned. Evidence suggests that mechanisms for local community participation in decision-making have been minimal, with little effort by the government and mining companies to communicate with resettled communities.

Vale and Rio Tinto's development of open-pit mines, access roads and related infrastructure has displaced thousands of people from local communities. An estimated 500 residents from Cateme protested in January 2012, blocking the Sena railway and flows of coal exports for three days, which met with police repression. The protestors highlighted the blocking of their everyday activities and livelihoods by the coal mega-projects.

CONCLUSION

Despite expectations that an extractive boom could 'lift all boats' in one of Mozambique's poorest provinces, civil society organisations have begun to raise concerns about the social and environmental impacts of the coal rush, including displacement and resettlement of local communities, pollution and carbon emissions. The critique focuses on the failure of the Mozambican government to uphold its resource sovereignty, redistribute the wealth generated by mining revenues, and negotiate favourable terms with investors. It also focuses on the limited job creation and training, and the lack of transparency around the licence agreements between mining companies and the state, which many regard as too advantageous to foreign companies and investors. While Tete is no longer a 'sleepy backwater,' the distance between its citizens and centers of political and economic power will likely remain for some time. LB

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Reflections on Chibok girls

Four months later

It's over 90 days since young schoolgirls were abducted from their school: Government Girls Secondary School, Chibok, Borno State, North East Nigeria on 14 Apri 2014. A distinct lack of success has been glaring on efforts to rescue the girls despite global outrage and promises by foreign governments, including global powers such as the United States, to get the girls out of captivity, writes **Denja Yaqub**.

A former Nigerian president, Olusegun Obasanjo was quoted in recent media reports to have said the failure of the Nigerian security forces to rescue the girls almost instantly after their abduction was because they never got directives to take such action. The presidency didn't believe the girls were truly seized until the massive global condemnation, two weeks after.

Some organisations, including trade unions, the news media, political parties and outspoken individuals within and outside Nigeria have been loud in demanding the safe rescue of these girls. Indeed, some organisations formed the *BringBackOurGirls* Coalition to sustain daily pickets at the Millennium Park in Abuja. Mass protests have been held in Lagos by civil society organisations. The Nigeria Union of Teachers organised protest rallies across the country.

But instructively, these protests, especially the ones held in Abuja faced attacks from security agencies. For example, the police whose commissioner in charge of its Federal Capital Territory Command, Joseph Mbu, addressed a press conference to announce a ban on public protests within the territory. Although his order was immediately disowned by the police headquarters, while the organisers of the protests are in court to seek judicial coverage, it still meant a lot more that such an order could have been contemplated in the first instance.

In June 2005, the Federal High Court in Abuja, gave a plausible judgment declaring that the right of association and to peaceful protests in Nigeria cannot be circumscribed by anyone, including the police. This judgment was reaffirmed by the Federal Court of Appeal in September 2013.

The abduction of these girls is not just a major security breach but a scandalous exposure of our structural incompetence to global ridicule. This is reinforced by the over politicisation of initial reactions to the incident, which were loathed with all sorts of trivialities.

Sadly, our politicians have not seen the socio-economic implications of our collective security challenges, especially the on-going violent campaigns by the notorious cannibal called Boko Haram. This is a group that obviously celebrates mass murder of innocent people under the false and unjustifiable claim that they operate under the auspices of Islam to promote its aims for the purpose of achieving an Islamic state authority. Of course, better informed, well respected and prominent Islamic leaders, including the Sultan of Sokoto who is the spiritual head of the country's Supreme Council for Islamic Affairs, have authoritatively debunked the claims of these adventurers.

The initial attitude of our government to this group perhaps expose official inclination to security as an item obviously considered less important despite huge budgetary allocations. This suggests that such allocations are mere conduits for purposes other than providing security.

Statements such as 'Boko Haram is a faceless group' or 'maybe it's our turn to have suicide bombings' underestimated the

threats, capabilities and realities of the dangers posed by the terror gang. These statements have been credited to our country's Commander-in-Chief and President Goodluck Jonathan obviously.

With the strength and efficiency of Nigeria's security agencies, perhaps terrorism would have been nipped before it took the country hostage. This is shown by the evident competencies displayed in peace-keeping activities in other countries. Therefore, it is clear that given the right directions and with non-partisan commitments the country's security can do better. The fact is that with these attacks, the economy of the entire country is in spider speed.

The attitude of some countries to our agony obviously underscores and also exposes our collective lacklustre preparedness to confront terror. Terror, as against other violent hostilities, is indeed a crime against humanity and cannot be fought without communal participation. And sadly, key policy-makers in Nigeria seem to believe foreign countries, especially those that have been under such attacks are the ones to rout terrorism out of our country. Perhaps, not so. Some of these countries have interests other than fighting terrorism. There are underlying political and economic interests.

Terrorism is the worst form of guerrilla warfare because it lacks popular ideological colouration. Only popular politics or popular political leadership or put simply, pro-people governments can attract effective communal involvement in the battle against terrorism. Terrorism is a result of bad governance or wrong attitudes by governments to public management.

Terror attacks seem more like a response to governance and that is perhaps why people will positively respond in collective resistance in some countries and won't in others. It is worst when a government and its security forces become confused with partisan views and reactions to such attacks. Obviously, this is Nigeria's dilemma. The attacks and the reactions have been politicised or even ethnicised. This is a major threat to our collective aspirations for a strong, united and well-governed country.

The Chibok girls disappearance, just like the safety of all residents, should have taken prime attention before any other consideration by any government, no matter its political affiliation. But, the truth is until our political leaders reason beyond the visionless claps of hollow political supporters, even the security agencies may be seen as aiding opposition when they do their jobs in accordance with their professional competence.

What is required to govern a country is not likely to include discriminative understanding of grave national challenges by state officials. A national challenge does not bear tribal marks or emblems of political parties. What is required is to confront the challenges as a government while the citizens react as patriots who must see their individual and collective stake in the struggle against those challenges.

What the public and particularly the parents and friends of the kidnapped girls want to hear are not statements such as 'we have located the Chibok girls' as the Nigerian military was quoted to have initially announced. Or that 'we are closing in on the location of the Chibok girls'. No. Perhaps those empowered to rescue the girls should tell us less of the location. Go quietly and bring back the girls unharmed. LB

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Terror attacks in Nigeria

De-industrialisation to blame

Africa's biggest economy with a gross domestic product of over US$500-billion and its most populous country with a population of 167-million is plagued by many problems caused by de-industrilisation. The unemployed have been taken over by religious fanaticism, writes **Denja Yaqub**.

The issue of violent crimes in Nigeria did not start with the advent of Boko Haram, the murderous gang that falsely claims the propagation of Islam as its underlying mission.

The country has been contending with several violent crimes before now. Crimes such as armed robbery, kidnappings, ritual killings, political assassinations, domestic violence

etc have been prevalent in our country since independence and indeed during years of colonialism.

That these crimes are on the increase is basically a product of lack of good governance as evident in mass unemployment, dearth of industries, corruption, disdainful display of stolen wealth and lack of cultural and moral values even in remote communities.

Until the early years of this millennium, Lagos, Kano, Port Harcourt and Ibadan were the strongest industrial bases of the Nigerian economy, apart from oil.

There were industrial layouts in these cities where active factories producing textile materials, chemicals, pharmaceutical products, cement, shoes, bags, tides and skin, plastics, food, and other necessities were bubbling with productive activities involving several millions of Nigerian youths engaged in active employment.

Apart from the layouts in Kano, Lagos, Ibadan and Port Harcourt, there were strong industrial presence in other cities such as Ilorin where Tate & Lye, Philip Morris, Coca Cola etc engaged several young Nigerians as employees. In Okpella, Edo State, there were almost 3,000 workers engaged at the Bendel Cement Company. Some more at the Bendel Flour Mill at Ewu.

Kaduna was home to several textile firms, just like Ilupeju, Oba Akran, Oshodi, Ikeja were in Lagos as well as Sherada industrial layout, Bompai in Kano.

There were rubber plantations in most parts of the south as well as the south east. Enugu was booming with coal production. Plateau State blossomed with mining. Indeed, Nasarawa State, which has the highest deposit of mineral resources in Nigeria had better life when the old Plateau State existed. Nasarawa still has the largest deposit of mineral resources of global quality and commercial value at the international market.

When workers knocked off from work in these cities, a visitor would mistake the crowd on the roads for football fans coming from the stadium after a major international match.

What has happened now is the reality of the complete shut-down of these industrial layouts because the factories have either relocated to other countries or folded up completely, throwing out several millions back to the streets to join the unemployed.

What has now taken over industrialisation is religious fanaticism, which is more 'decent' than armed robbery. While churches have become an industry that is growing faster than any other 'industry', having acquired dead factory houses and converted them to churches with those thrown out of employment as members. Today, the crowd coming out of church services have outnumbered those coming from work.

Religion as the opium of the poor has completely replaced industries and other productive employment. The faithful, who are largely unemployed, watch as a very tiny few come to church services in convoys of stolen riches.

In the north, where the impact of unemployment is much harsher and religion is consequentially deeper, as well as other disadvantages such as access to education as a result of growing poverty being a consequence of absence of markets for farm products and the collapse of industry, people like everywhere else have taken to deeper reliance on divine interventions. Of course, this has now subjected the holy books of the Bible and Al-Quran to all sorts of interpretations.

The thoughtless adoption of neo-liberal social economic policies originating from imperial countries of the west without local content that is people-driven caused the disappearance of industries and employment as well as the growth of private accumulation of wealth at the detriment of society in general.

Resulting from these is the resort to self-help clothed in kidnappings, robberies, Internet scams, terrorism and other deadly crimes that have cost lives and properties unabated.

What has happened in the Nigerian situation is that apart from infrastructural absence, policies driven by neo-liberal interests stunted growth: any growth that should have provided food, shelter, and anything capable of making a citizen live in average comfort.

The social economic and political burden of the crisis created by this is what has manifested in violent crimes like terror attacks and robberies. In the absence of a conscious radical political mass revolution that can displace the subsisting anti-people system. For now, the only palliative we can have even within the existing system is good governance, which can only be achieved through clean and transparent choices of leadership.

The cost of these attacks is clearly evident in economic inactivity and a serious government need to give a holistic solution in terms of developing home-grown policies that will return industries, create more jobs through infrastructural renewal, access to quality public education, moral regeneration and a disciplined political class that abhors corruption and corrupt processes. LB

Collective bargaining in Zambian mining

Rifts between union leaders and members

Although mining unions in Zambia often look up to South African unions, whom they see as powerful and owning various buildings, and even able to feed miners during a strike, both countries face the social distance growing between union leaders and members, writes **Esther Uzar**.

It seems like many representatives have become alienated from the rank and file. Workers feel neglected, and their mistrust makes the work and communication for the unions difficult. A couple of incidents made this distance obvious in the Zambian case. Recent newspaper debates on the crisis of leadership in the labour movement, repeated wildcat strikes, the formation of new splinter unions, insults and threats against union representatives as well as high turnover rates at branch elections indicate that many miners question the authority of the unions.

At a meeting after collective bargaining in November 2013, shop stewards held branch officials hostage, demanding that all chairpersons of the four rival unions resign. These shop stewards from the Mineworkers Union of Zambia (MUZ), the National Union of Miners and Allied Workers (Numaw), the United Mineworkers Union of Zambia (Umuz), and Zambia Union of Nurses Organisation (Zuno) got furious when they heard about the company's 7% offer. They accused the bargaining team of being bribed and wanted to beat their chairpersons.

Collective bargaining in the Zambian mining industry is company based, with all unions participating in the negotiations and informing their shop stewards afterwards in a joint meeting, even if they have only a few members in that particular mine. Expression of anger towards union branch executives in that joint ratification meeting was not unusual. Many national, branch, and shop-floor leaders have been insulted by their members after the annual collective bargaining exercise.

The incident had further consequences. After getting that pay rise below 10% for 2014, members of a newly formed union organised an emergency supreme council meeting in December 2013, in which they asked for a financial report. When it came out that the union had taken an interest-free loan from a mining company and could hardly account for their expenses, they passed a vote of no confidence in the president whom they expelled together with the general treasurer.

One of the shop stewards who attended the meeting criticised the leadership for taking the loan. Argued the shop steward: 'When you take a loan from management you become a slave to the management.' In the past years criticism of unions has not only come from rank and file but also from shop stewards, branch executives, and national head office officials who contested the legitimacy and decision-making authority of the union.

It is important to realise that workers and union officials have a different understanding of collective bargaining procedures. Union officials present salary negotiations as informed and rational debate based on knowledge about production and investment figures: pay rises depended on the performance of the companies and the overall economic situation. From this perspective, a major problem is the unions' lack of valid figures on business returns and expenses to ground their claims that the companies could actually pay more. Facing fully qualified management staff, unions have neither the research capacity nor the funds to contest the production figures of most mining companies. In this regard, it might help if unions could formally and legally request information on the companies' cost profiles before the negotiations – as it is the case in the United States – to base their arguments and suggest ways to finance additional labour costs.

Esther Uzar

Zambian miners discuss logistics at Mopani Copper Mines in Kitwe.

UNION LEADERS SEEN AS SELFISH

However, from the perspective of many miners, salary negotiations are not about production figures, they are a moral issue. Among other things union leaders are seen as selfish, not concerned about miners, afraid of losing jobs, and not God-fearing; and that is why they accept low bargaining – below 20% increases – in exchange for bribery.

As Anthony Giddens puts it, these suspicions are related to the abstract nature of decision-making – with decision-makers, timeframes, and expert knowledge beyond localised trust relations. Many workers see it as a clear indication of corruption that unions do not update them during the proceedings and then present bargaining offers as non-negotiable. Unions have also been warning miners that they would lose their jobs if they went on strike, and persuaded them to accept low bargaining figures. Many employees do not understand how mining companies have invested hundreds of millions of US dollars in mining development projects, in corporate social responsibility, in high wages for senior staff, and then still refuse to award their employees more than 10 or 20%.

Numerous employees therefore perceive productionist arguments as lies and democratic union meetings as a show, in which branch officials only pretended to ask for miners' views while the decision has already been made. This indicates that the position of the unions is related to their ownership, interpretation, and presentation of knowledge on the companies, but that many miners rejected the definition of reality as the unions project them.

Miners feel that their representatives enrich themselves not only from the salary negotiations, but also from the monthly membership subscriptions and business ventures. Therefore, they feel exploited and betrayed. Zambian union officials are not paid by the companies, but directly from union funds – which makes this even worse, while all branch officials and shop stewards remain full-time workers. As representatives are supposedly appropriating union funds, miners expect them to have money and to redistribute it. It is almost an everyday life experience for branch officials to be approached by a miner who is short of money for food, drinks, and transport or school fees. In such situations, unionists feel compelled to assist and even give the workers their own money.

Since miners' main interpretation of low bargaining results is related to their leaders' moral and character traits, they kept looking for such leaders who appeared to be principled, courageous, tough, vocal, committed, and honest. They have been voting branch executive committees out of office regularly. The recent turnover rate of branch officials was about 60.4%; and the national leadership has experienced many changes as well.

The mining unions have achieved annual pay rises between 7.5 and 22% in the past five years, with an inflation rate around 7.4, and many workers felt that this was far too little. As union officials came out of the negotiations harshly criticised, they developed a number of tactics to correct the bad impression and repair their image. When campaigning for branch elections, candidates have tried to make a democratic impression by talking and listening to miners, but also offered them money, food, and drinks.

In one case branch executive members and shop stewards discussed new membership recruitment strategies but could not decide whether they should give miners money for joining their union or not.

In one case branch executive members and shop stewards discussed new membership recruitment strategies but could not decide whether they should give miners money for joining their union or not. Additionally, a shop steward complained to the newly-elected branch chairperson that the former chair used to give them money when they asked for it. The new chairperson, however, countered that the previous chair used to buy miners a lot of beer but failed to achieve material welfare gains.

In addition to formal and informal demonstrations of material benefits, some unions are trying to increase transparency by presenting financial reports. This is a worthy initiative to regain miners' trust, but there are more steps that could be discussed. Members are in the dark about many union activities and communication going on between them and the companies or the government.

That members were not updated meant that the unions were not telling the truth. Matters were complicated further by the recent competition between rival unions, which makes it even more difficult for branch executives to be honest with members. Workers keep demanding for 30 to 100% pay raises every year and even though many unionists believe that such high expectation are not realistic and cannot be attained, they are afraid to explain this to their members.

Paternalistic expectations are widespread among miners and cause further frustration. Many workers think that the companies should provide not only for security in sickness and retirement, but also for funeral assistance, company loans, education allowance for their children, and free housing. If the companies fail to fulfill their obligations, the unions are expected to take on these responsibilities.

The unions might do well in clarifying their areas of responsibility: communicating what members should expect from the union and also what the union is unable to provide. This is important especially considering that the new private investors are not catering for miners' needs as was the case under the former welfare capitalist regime.

NO STRIKING POWER

One of the weaknesses of mining unions in Zambia is that they have no striking powers. In the historic literature, there is no indication that they ever called for an authorised strike since independence in 1964. Up to now, many branch officials fear being accused of inciting a strike. Workers are given no other alternative but to protest illegally. Even though there were instances in which branch leaders were involved in organising spontaneous strikes anonymously, this did not protect miners from being dismissed over strike action. If companies take such action, a possible response could be to renew the protests until these workers are reinstated.

Employers have a big stake in keeping production going. A long-term goal might be to establish a strike fund or raise funds for striking workers – of course after carrying out a poll among members. This is highly unlikely given the financial constraints, but to imagine that another world is possible was one of the reasons why unions were formed in the first place. To increase their bargaining power, workers themselves might think about establishing relationships with powerful groups in the communities, like church leaders, local politicians, the media, businesspersons or even international organisations and plead for their support. The more groups advocate workers' demands the stronger their position at the bargaining table will be.

Unlike South Africa, in the Zambian mining industry, collective bargaining is company based and there is no majority rule to exclude smaller unions. More liberal also is the political stance. While the support for the African National Congress (ANC) is dominant in South Africa, mining unions in Zambia believe that they should not be affiliated to any political party as their members also support different parties. At the general elections in September 2011, many union officials and workers condemned the former ruling party, the Movement for Multiparty Democracy, and supported the opposition party Patriotic Front. With all mining towns on the Copperbelt province voting for the opposition party, the miners have now helped to bring an opposition party to power for the second time. Even though this peaceful change of government was celebrated as a huge success, the mining unions announced immediately that they were ready to fight and remove the new government if it also fails to address workers' concerns. LR

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Salary scandal in Zimbabwe

Shady activities continue

After the 31 July 2013 general elections in Zimbabwe and the end of the Government of National Unity (GNU) between the Zimbabwe African National Union Patriotic Front (Zanu PF) and the Movement for Democratic Change formations (MDC), the country was rocked by a salary scandal in the state parastatals. This was hardly surprising, as most people's ethics had been compromised by devastating hyper-inflation which reached its peak in 2008, writes **Tapiwa Chagonda**.

INTRODUCTION

This article argues that the salary-gate scandal that was exposed in early 2014 involving most of Zimbabwe's 78 state-owned parastatals and local council authorities can be traced back to the illicit activities that were common during the hyperinflation era. The scandal came as a shock to many Zimbabweans as exposes revealed that senior executives were pocketing obscenely high salaries, when the country was broke and going through a spell of deflation – a reverse situation to the hyperinflation of 2008 awash with worthless trillions of Zimbabwean dollars and empty supermarket shelves.

This article argues that senior executives in state-owned enterprises were prepared to award themselves fat salaries without batting eyelids. This happened on the backdrop of largely struggling entities failing to pay non-senior employees or partly paying them in some instances, or even laying them off without any benefits. This reveals a culture of corruption and fraud that is rooted in the dog-eat-dog hyperinflation days.

SPECULATION

Zimbabwe went through a serious economic meltdown in the 2000s which led to the second highest hyper-inflation rate for any country in recorded history. Steve Hanke, one of the world's leading experts on inflation, argues that Zimbabwe's hyper-inflation peaked at a stupendous 89.7-sextillion % in October 2008. A sextillion has 21 zeroes. In order to survive such a testing economic environment, most people became involved in crooked speculative activities in order to cushion themselves from the ravages of hyper-inflation. These included trading and dealing in foreign currency, scarce commodities and even illegal selling of diamonds. Most of these activities took place in the growing informal economy.

The informal economy whose sections are also known as the 'black market', was very lucrative because of the shortages of foreign currency and most basic commodities. As a result, there was a thriving 'black market' in foreign currency, fuel and basics like mealie-meal, sugar, cooking-oil, and soap, brought by cross-border traders into the country from neighbouring South Africa and Botswana.

A speculative informal economy will in most cases thrive in hyper-inflationary situations, because it provides an opportunity for people to hoard goods and re-sell them later at inflated prices rather than keeping money which loses value. In this case, speculative activities assist people to hedge against the devastating effects of hyper-inflation. The 'black market' also thrived in countries that faced hyper-inflation in the past such as Germany during the Weimar Republic (1920-1923), Argentina (1988-1989) and Yugoslavia (1992-1994), as most goods became available on the informal economy.

One of the most popular ways of cushioning oneself from hyper-inflation was what was known as 'burning money' through a banking transaction system known as the Real Time Gross Settlement (RTGS). Under RTGS transactions, if a person sold US dollars to the bank and requested that the money be transferred into their accounts in Zimbabwean dollars, that

individual would get local currency many times higher than the prevailing exchange rates. The trillions and quadrillions of Zimbabwean dollars which some of the forex dealers obtained through the 'burning of money' facilitated the possibility of other economic activities.

For instance, the 'burning of money' assisted some individuals to fly with Air Zimbabwe for almost nothing to countries such as China and the United Arab Emirates (Dubai) to buy electronic goods and clothing items which they would re-sell in Zimbabwe. The dealers would 'burn' a few US dollars and then pay for their airfares with the quadrillions or quintillions of Zimbabwean dollars obtained in the RTGS transactions. In reality, the national airline was making huge losses as became evident when the Zimbabwean economy started using United States dollars.

Activities such as 'burning money' only served to stoke the fires of hyper-inflation and in a way sustained people in Zimbabwe, albeit in a morally questionable fashion.

According to *The Worker* 2008 edition published by the Zimbabwean Congress of Trade Unions, in efforts to ease the shortage of basic commodities the government of Zimbabwe through the leadership of then reserve bank governor Gideon Gono decided to establish what were known as people's shops that sold basics at cheaper prices. Commodities such as cooking oil, sugar, soap and mealie-meal were made available under the Basic Commodities Supply Side Intervention (Bacossi).

However, there were reports that most of these Bacossi products were looted by well-connected traders and top Zanu (PF) officials, who would re-sell them at higher prices on the 'black market'. Shady speculative activities as the ones explained above are quite common in hyper-inflationary environments and Henry Hazlitt sums up the effects of hyper-inflation in compromising people's values and integrity when he argues: 'Hyper-inflation results in many social ills such as mal-investment, waste, a wanton re-distribution of wealth and income, the growth of speculation and gambling, immorality and corruption.'

In the Zimbabwean scenario, at least with respect to state-owned enterprises, it appears as if the senior executives of these entities are still in a hyper-inflation mode of engaging in corrupt activities to make quick money.

SALARYGATE

At the beginning of 2014, both the state and private media in Zimbabwe reported that there was a salary scandal involving most of the state's 78 parastatals and local government authorities. It was revealed that some senior executives in these state enterprises were earning monthly salaries and allowances that ranged between US$20,000 and US$500,000 per month (R200,000 to R500,000). They got these salaries despite the fact that most of the state-owned enterprises were struggling financially in an environment facing liquidity challenges.

It was further revealed by the media that about 3,000 senior executives and board members of the 78 state-linked firms in the salarygate, cost government US$600-million, slightly over R6 billion in salaries and allowances since 2009 and $133-million, about R1.5-billion in 2013 alone. What irked and shocked most Zimbabweans was the fact that these same state-owned enterprises were making losses despite getting state subsidies. At the same time, there are wide-spread reports in most parts of the country that service delivery has deteriorated in most urban and rural local authorities because the bulk of the revenue being collected from residents is spent on salaries.

To make matters worse, while the senior executives were raking in these obscene salaries, there were widespread reports that state enterprises such as the Zimbabwe Broadcasting Corporation (ZBC) and the Harare City Council, were failing to pay ordinary workers for months on end.

Therefore, it can be argued that the immoral nature of the salarygate scandal is rooted in the hyper-inflation past – a phase in Zimbabwe's history that severely compromised people's ethics as most ended up engaging in all kinds of dishonest activities in order to make a living. Thus, the culture of engaging in illegality that was acquired by Zimbabweans during hyper-inflation has been maintained, hence the continued immoral activities that have been exposed by senior executives in state enterprises. The salarygate scandal shows that for as long as the Zimbabwean political and economic environment is volatile, and it will be difficult to restore virtues of honesty and good corporate governance in all sectors of the economy.

The salarygate scandal is still raging on and the Zimbabwean government has tried to rationalise the remuneration of senior executives in state enterprises by setting up a presidential committee in April 2014 that was supposed to ensure good corporate governance and the elimination of white-collar crime in state enterprises. The committee recommended capping the salaries of all senior executives of state parastatals at US$6,000 (R60,000), and also the setting-up of a specialised commercial crimes court to specifically deal with white-collar crime. However, up to now, these recommendations have not been implemented as media reports still maintain that most senior executives in state enterprises are still earning more than the US$6,000 that was recommended. LB

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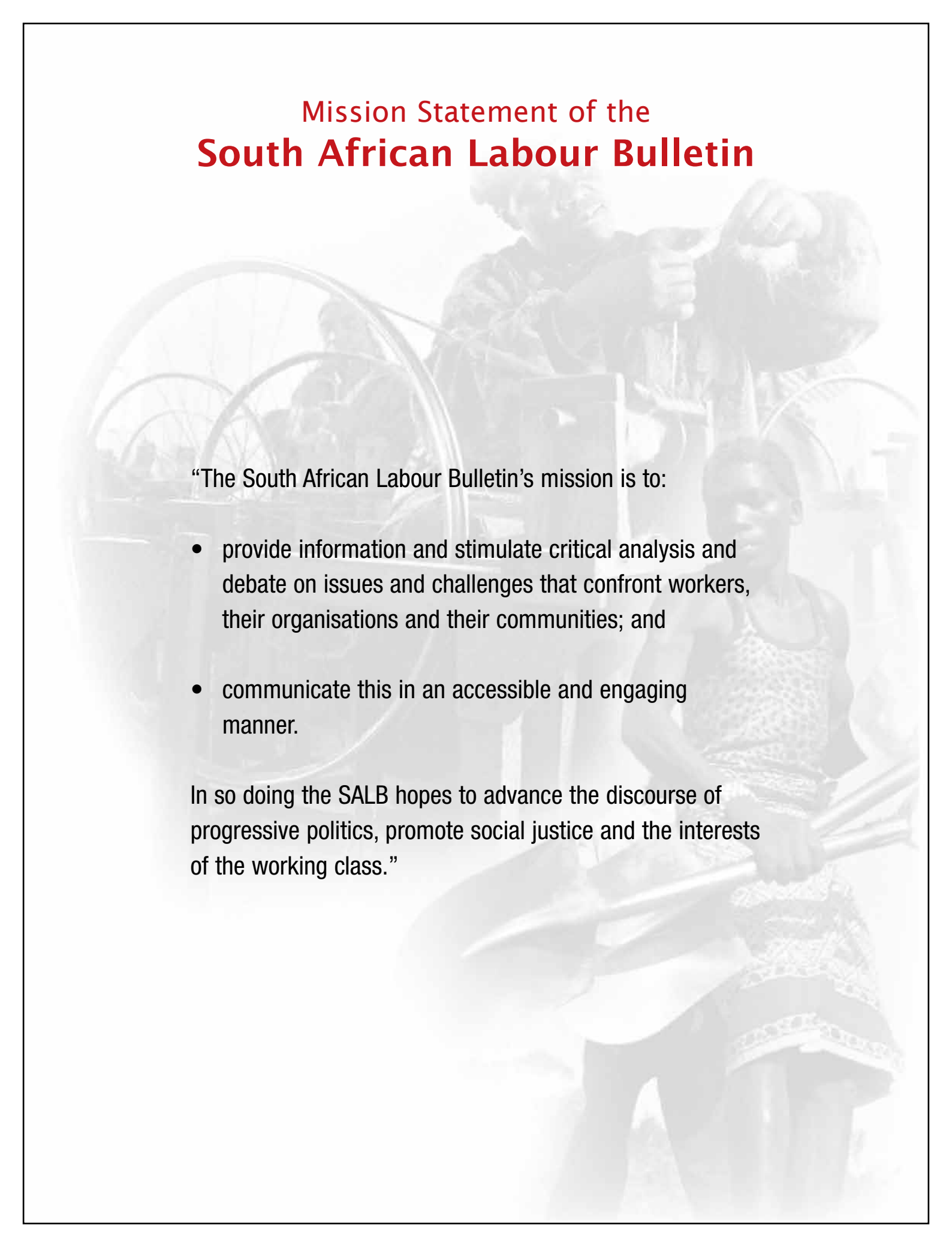
Mission Statement of the
South African Labour Bulletin



"The South African Labour Bulletin's mission is to:

- provide information and stimulate critical analysis and debate on issues and challenges that confront workers, their organisations and their communities; and

- communicate this in an accessible and engaging manner.

In so doing the SALB hopes to advance the discourse of progressive politics, promote social justice and the interests of the working class."