

Strategic unionism, radical reform

Chemical unions misguided creed

In the early 1990s Cosatu's socialist unions confronted an imminent regime change. Their response was to adopt a co-determinist strategy involving tripartite negotiations with government and capital. **Mbuyiseni Ndlozi** looks at the unfolding of this strategy in the Chemical Workers Industrial Union and concludes it was misguided.

A debate about post-apartheid South Africa and the role of the socialist labour movement took place in the early 1990s at a time when South African black communities were living under severe state violence not seen since the founding of apartheid in 1948. Most anti-apartheid formations were weakened or crushed with the exception of the Congress of South African Trade Unions (Cosatu) which emerged as the most powerful liberation movement of the 1980s. It was the tool through which the black working class expressed itself. The debate raised the question of negotiations and organisational alignment.

Arising out of this debate the strategy adopted by the socialist labour movement was one of 'radical reform' through 'strategic unionism'. The idea was that gains made by the labour movement were due to its strategic use of power, characterised by the institutionalisation of conflict in the industrial relations system manifested in such institutions as Nedlac (National Economic Development and Labour Council) the CCMA (Commission for Conciliation Mediation and Arbitration), and other subordinate

tripartite and dual power structures.

Radical reform meant the gradual transformation of society into socialism through incremental reforms including labour securing agreements through the strategic use of power, whilst asserting independence in protests and strikes. The strategic use of power had enabled the unions to put forward the Reconstruction and Development Programme (RDP) and allowed for the democratisation of the industrial relations system.

But it promised more. And this was the radical restructuring of the economy through the restructuring of South Africa's key industrial sectors.

A study of one of Cosatu's affiliates, the Chemical Workers Industrial Union (CWIU) which merged with the Paper, Printing, Wood and Allied Workers Union (Ppwawu) in 1999 to form the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (Ceppwawu), revealed that ultimately the socialist labour movement did not benefit from radical reform in relation to its core demands. Instead it was badly weakened by retrenchments, outsourcing, privatisation and low salaries.

In addition, Ceppwawu and other unions developed a technocratic style of politics, based on expert negotiations and high level research. The practice of radical reform resulted in it co-managing capitalism and facilitating its own decline as an agent for working people to defend employment, and to achieve decent working conditions and ultimately a socialist transition.

CWIU RESTRUCTURING – 1990s

The formation of Nedlac in 1995 grew out of the unions' struggle for the NEF (National Economic Forum) and brought major changes to the industrial relations environment in South Africa. The idea was for the unions to engage government and industry as equal partners in reforming the underperforming apartheid economy and in the process increase workers' wages and their ownership of the economy.

The CWIU established research units such as Industrial Restructuring Pillar (IR Pillar), Health, Safety and Environment, Adult Basic Education and Women to help develop union policies and programmes. Information from these units was used to advise and formulate union strategy as well as

in the training of shop stewards, the National Executive Committee (NEC) and staff.

In the chemical sector, the union embarked on industry level restructuring which included industry appropriate legislation and policies. Such activities involved the union, state and business in a process of restructuring the liquid fuels industry through the Liquid Fuels Task Force (LFTF) established by government.

It also meant engaging in plant restructuring involving individual companies and factories in different sub-sectors of the chemical industry where the union focused on defending the interests of workers with the long-term vision of implementing socialism.

The union argued for less protection of oil companies and for regulation and price setting to be depoliticised and controlled instead by the Independent Petroleum Authority. It was concerned that a rise in international petrol prices and the weak rand could lead to deregulation, closure of companies and retrenchment of workers. The union hoped that this chaos could be prevented through negotiations.

But there was little progress. A new pricing mechanism which adjusted pump prices every month was agreed to and implemented, but only temporarily. The oil companies suggested that a Scenario Workshop be convened in Cape Town to try and break the deadlock and develop a long-term plan to restructure the industry.

Although this workshop was valuable in areas such as the development of a social plan for service station workers and in finding ways of opening up the retail market to new participants, it was far from a victory for labour. The oil companies' views in crucial areas such as petrol pricing clashed with that of the union's and resulted in a deregulation of the industry within two years.

The CWIU NEC reaffirmed its opposition to deregulation and



The union raised challenges but met with resistance from the state and business. It shifted from an expectation of a worker oriented state to merely being critical of the bourgeois post-1994 state.

William Matlala

IN THE UNION

called for a permanent price regulating authority independent of government. It used a preparatory workshop to reflect on its strategy and to find ways of either improving or abandoning it. The union emerged with an overarching framework of engagement to restructure and reform the industry which incorporated plant level activities.

Some problems it identified in companies falling under the Liquid Fuels Task Force were job losses and retrenchments, contradictions between the interests of members and wider society, losing the battle against deregulation and the absence of a link between the LFTF and what was happening at plant level.

The workshop came up with guiding principles for its involvement in industry restructuring. The primary objective of industry or plant restructuring, it believed, should be to promote and defend the interests of workers. Restructuring should maximise job creation and job security and should not lead to job losses or outsourcing and subcontracting.

Further the union asserted that industry restructuring should favour mechanisms such as nationalisation and a change of ownership in favour of workers. There should be

worker involvement at all levels of negotiations with time off for attendance, mandating and report backs.

CLASH WITH GOVERNMENT

In 1995 the government attempted to privatise Mossgas. The union's initial position was to call for the setting up of a national oil company incorporating Sasol and all other state oil assets, including Mossgas and Soekor which would be called the South African National Oil Company (Sanoco).

In 1996, with the privatisation of Mossgas underway, the union agreed not to oppose voluntary retrenchments in exchange for management's commitment to full negotiation over future retrenchments. But the union soon reported that management totally abused the agreement by retrenching nearly 150 more workers than was agreed to and senior managers used the packages to award themselves golden handshakes.

Poor communication between branches and the head office hampered the ability for the union to respond coherently to developments at Mossgas and the idea of Sanoco was stymied.

The union's vision for the future of Mossgas and for restructuring in

the industry was still vague until it put thought into the idea of nationalisation and outlined and promoted the idea of Sanoco more explicitly. Moss gas, however, continued to privatise and the union was unable to prevent it.

Parallel to this was the Sasol restructuring process which entailed the retrenchment of over a hundred workers. The union agreed to put the idea of Sanoco on hold until the end of 1996.

These developments coincided with government consolidating changes in its economic policies which affirmed deregulation, privatisation, regulated labour flexibility and adopted market-led growth as the frameworks for running, restructuring and expanding South Africa's economy. The battles against policies that the unions, specifically CWIU, had waged were now being adopted by a government that they had helped put into power.

The union developed its opposition position to the state's policy document 'Restructuring of State Assets' which outlined the ANC government's commitment to privatisation, deregulation and market-led growth. It raised problems with the Cosatu (Congress of South Africa Trade Unions)/South African Communist Party/ANC alliance and resolved to reaffirm its original position on restructuring with a focus on anti-privatisation.

The union's July NEC meeting report in July 1996 noted that government had decided to call for an investment of about R910-million in Moss gas and it claimed a victory when no one came forward with sufficient funds which resulted in a failure to privatise Moss gas. But the Sasol restructuring continued apace with the loss of 1 600 jobs. The union's industrial restructuring pillar called for more resources to go into the development of Sonoco.

The IR Pillar issued a report after the union's November NEC meeting

in November 1996 on government's commitment to deregulate the liquid fuels industry. The NEC stated that despite repeated requests and enquiries, the Department of Mineral and Energy Affairs made no attempt to discuss restructuring with the union or reconvene the LFTF. There was concern about the department buckling under pressure and deregulating the oil industry.

Thereafter restructuring debates died back and were no longer discussed at union NEC meetings.

In 1997 the union interacted with the parliamentary portfolio committee on Minerals and Energy Affairs in terms of the Liquid Fuels Policy. The union highlighted to the ANC parliamentary caucus the need for the revival of the LFTF and to jointly commission research into the implications of various policy options. It also called for the negotiation of a social plan for the Liquid Fuels industry, policy advancement through united action between the union and progressive organisations, and the restructuring of the Central Energy Fund in terms of the National Framework Agreement.

It was however unsuccessful in reviving the LFTF and upon its dissolution a new team was developed to deal with liquid fuels issues at an industry level and to engage with parliament.

Although the activities of the LFTF showed the union as a strong advocate for radical reform, its only victory was saving the jobs of petrol attendants and stopping retrenchments in the short term. The union never managed to get the Sanoco policy adopted and the failure to privatise Moss gas was not due to its own efforts.

CONCLUSION

The union's practice of radical reform had sought to influence policy but had resulted in the co-management of capitalism and only averted its worst consequences

such as in the agreements to stop retrenchments at Engen and Sasol or the privatisation in the short term of Moss gas. But without sufficient emphasis on the implementing of resolutions around nationalisation (Sanoco), it was confronted with the failure to prevent the state from deregulating.

The union raised challenges but met resistance from the state and business on core issues. Its point of departure was the insistence that the restructuring of its industries was inevitable so that it had to engage and co-manage with capital. There was a shift from an expectation of a worker oriented state that puts the interests of the working class above all other interests to merely being critical of the bourgeois post-1994 state.

The early 1990s was a difficult time for the union to realise its socialist aspirations. The weakening of internal democracy and worker control, the failure to secure and defend workers' gains and the emergence of neo-liberal policies meant it had failed to reform South African capitalism.

This failure implies that the union's policy of radical reform lacked logic and was impossible to implement. It does not follow that if the realisation of socialism in a given revolutionary moment is not possible, that the inevitable strategy is one of co-managing capital. The weakening of the socialist labour movement was the inevitable price of this strategy even if workers laboured under less harsh conditions than under apartheid. LB

Mbuyiseni Ndlozi is a PhD fellow at the Institute for Work Society and Development. This article is based on his MA completed at the University of the Witwatersrand and an article presented at the Sociology Association of South Africa conference in May this year.