

Towards transforming SA industry a 'reconstruction accord' between unions and the ANC?

At a workshop in 1992, Numsa delegates discussed the idea of a reconstruction accord between the trade unions and the ANC. The reconstruction accord would be an agreement on an economic strategy for national development. Civic organisations and rural organisations could also be party to such an accord. **Karl von Holdt** examined what this accord would mean

Numsa unionists argued at a workshop forcefully that unions need to develop their own perspective on how to achieve economic growth, development and redistribution in a democratic SA. This would be the basis of an economic policy, which the unions could

take to the ANC – and other political organisations – as their proposal for the content of the reconstruction accord. These ideas reflect a growing concern in the union movement about the serious economic problem facing SA. The economy is in a long-term decline, and at the same time the world economy is changing in ways that could further weaken both the SA economy and the trade union movement. The ideas discussed in Numsa indicate the beginning of a shift from the politics of resistance to the politics of reconstruction in the trade union movement. As South Africa struggles towards democracy, unionists are discussing the role and responsibilities of their organisations in a new SA.

Numsa leadership is arguing that the unions need to initiate and lead the formulation of economic policy, rather than simply responding to the initiatives of the state and management. This has implications for all levels of collective bargaining. For example, Numsa is now investigating the possibility of bargaining over production levels in a way that does not compromise their members' interests.

RESTRUCTURING OF THE WORLD ECONOMY

The workshop was organised by Numsa's research department. The proposals that were discussed in the workshop are not, at this stage, Numsa policy. They are still being discussed in the policy-making structures of the union. Delegates from around the country heard a university researcher present an analyses of the restructuring of the work process in the world economy, and described some of the restructuring already happening in SA industry. Three leading businessmen, who put forward their views on the future of the metal industry, also addressed them.

In the past decades there have been

great changes in the world economy. The changes have been so great that many researchers believe that they amount to a new system of production. This new system of production, has been described as 'post-Fordism' to distinguish it from the Fordist system of mass production, which has dominated capitalist production since the 1920s.

RESEARCHERS DESCRIBED SOME OF THESE CHANGES

More and more computers are used in production. This has linked design, production and marketing across the world.

Computers have made production quick and flexible. The companies and countries which have become most successful on the world market are those which can produce a wide range of high quality and varied products, and which can quickly change their productions to meet new demands.

The new system is highly competitive. Manufacturers have to continuously develop and improve their products, increase the variety of what they offer, and respond rapidly to market changes and changing demands, otherwise they fall behind. This does not only apply to companies – countries that fail to develop competitive industrial strategies fall behind and are doomed to stagnation and decline.

Introduction of computer technology has often gone hand in hand with new ways of organising work, which were pioneered in Japan: Quality Circles, Just-in-Time, Green Areas and other forms of 'participative management'. These systems all aim to increase efficiency, productivity and quality by trying to encourage workers to use whatever ideas and skills they might have to increase production. In order to achieve productivity, quality and flexibility, management needs the cooperation of workers.



Numsa official Geoff Schreiner challenged Savage on this issue: 'All the business speakers are asking us to make concessions on cooperation, wage restraint, sanctions, productivity and bargaining levels. But what are you offering us? What are you offering in terms of genuine sharing, and in terms of a strategic vision of growth?'

RESTRUCTURING IN SOUTH AFRICA?

Researchers also addressed the question of whether the international trends described above are emerging in South Africa. The main points made were:

- While there is an increasing use of computers in manufacture, it is still at a very low level: its piecemeal use means it cannot reach its full potential.
- A number of employers are experimenting with Quality Circles, or beginning the use Just-in-Time. However, this is also still a low level and used in a piece-meal fashion.
- There is an increasing skill differential within the black working class, with the majority of black workers employed as semi-skilled operators.
- Skilled (often white) workers are organised in different unions to the semi-skilled and unskilled black workers; this makes it difficult to develop a coherent union strategy on training and career paths.
- The low level of skills in SA, and the crisis-ridden education system, is an enormous barrier to a development of post-Fordist production system in SA. In general, the research suggests that there is a slow and uncoordinated drift of new technology and new methods of organising work in SA, rather than a rapid and coordinated transformation.

VIEWS FROM BUSINESS

Leslie Boyd, chairman of Anglo-American owned Highveld Steel, Theo van der Bergh, MD of Toyota, and Altron director Richard Savage, addressed the delegates on the future of their sectors of the metal industry. All three businessmen pointed out that the end of apartheid would not solve SA's economic problems. Each pointed to specific obstacles in their specific sectors. All three businessmen argued that future growth

would require a cooperative relationship between unions and business, and industrial and political stability. In Savage's words: 'We need to develop a partnership, such as for example in Germany. Unions need to be involved in the problems facing business.' Savage and Boyd said unions would have to accept wage restraint if manufacturing is to become internationally competitive, and all three appealed for an end to sanctions.

Numsa delegates felt that the businessmen did not have a coherent strategy for industrial growth. The businessmen did not seem to foresee a comprehensive programme to introduce new technology or new methods of production into their businesses. Numsa official Geoff Schreiner challenged Savage on this issue: 'All the business speakers are asking us to make concessions on cooperation, wage restraint, sanctions, productivity and bargaining levels. But what are you offering us? What are you offering in terms of genuine sharing, and in terms of a strategic vision of growth?'

UNION STRATEGY FOR DEVELOPMENT

After the talks by the researchers and the businessmen, the Numsa delegates turned to the task of developing their views. The unionists made several points:

- The SA economy cannot avoid the effects of global restructuring. Several socialist and developing countries have tried to protect themselves against international competition, but this only led to deeper economic crisis and the collapse of industry. If SA adopts a defensive approach it will only become less and less competitive internationally. It is essential to adopt an offensive strategy and take the initiative.
- The talks given by the businessmen showed that essentially business does not have a programme for substantial

restructuring - they are backing the economic status quo. In some countries, for example Australia, the labour movement has taken the initiative and developed an economic strategy for the country. The unions cannot leave the responsibility for economic development in the hands of business - it tends to focus only on the interests of its own industry.

- Because business is backing the status quo, any proposal the unions might have for restructuring will probably come up against massive resistance from the conglomerates. The trade unions will have a huge battle on their hands, and this means they will have to strengthen organisation as well as devise a strategy to break the power of conglomerates.
- A union-led economic development strategy will only be successful if the unions have sufficient organisational and political power. The union movement must have its own policy, irrespective of the policies of organisations such as the SACP and the ANC. There is no prospect for successful restructuring unless the working class has strong influence over the state.
- It might be a good strategy to enter into a 'reconstruction accord' or agreement with a political party, which is sympathetic to the working class and likely to become the government. The key player would probably be the ANC, but other political organisations would not be excluded. This would not be a 'social contract' with capital, but an agreement between unions, civics, rural organisations and progressive political organisations on a national development strategy.
- The unions would have to be very careful with such a strategy. Business is pushing for a social contract or partnership with

- labour, but that must be avoided.
- Some analysts argue that as a system of production post-Fordism requires the cooperation of the workers. This may mean that it could be used to increase the power of the workers, as managers are forced to seek their cooperation.
 - Although management has a piecemeal approach to post-Fordism, it is introducing new technology and methods of production. The multi-nationals are important sources of this. Shop stewards and organisers will need training and a union position on 'participatory management', productivity and flexibility so that they can negotiate confidently. The union will need research information and education programmes. In short, the unions will need 'retooling'.
 - There is a desperate lack of concrete information and analysis of SA industry. This makes it difficult to plan an effective strategy. More research is needed.

MANUFACTURING INDUSTRY AND THE METAL SECTOR

Specific economic strategies would have to be adopted. The unions would have to draw up a policy for the restructuring of the manufacturing industry so that it becomes the main engine for growth. This policy would have to be linked to specific policies in each sector, eg metal, textiles, chemicals, etc. industries and products with potential would have to be identified and developed. For example, currently stainless steel is not manufactured in SA – the steel is exported and turned into stainless steel overseas. If SA established its own stainless steel plants, it would open up the possibility of developing a large stainless steel products sector.

TRAINING AND SKILLS DEVELOPMENT

Post-apartheid SA will inherit an enormous burden of people with poor education or no education at all, and a low level of skills. This will be one of the greatest obstacles to economic development and competition on the world market. The union movement would have to develop a comprehensive proposal for training and skills development

PARTICIPATION AND PRODUCTIVITY

The union would have to research 'participatory management' structures such as Quality Circles, and develop policies on them. Where they can advance workers' skills, their control over production or power the union should use them. The point was made that while the unions may have a policy against such structures, in many factories workers and shop stewards participate anyway. This could be a problem, because it happens on management's terms and without guidance from the union. The union should also look at issues like multi-skilling and multi-tasking, as well as bargaining over levels of production, and should access whether they advance worker interests or not.

COLLECTIVE BARGAINING

All of these initiatives would require a strengthening of union power in the collective bargaining system. Bargaining would have to take place at different levels. For example: National collective bargaining (such as, for example, the Cosatu-Nactu-Saccola negotiations) could cover issues arising out of a 'reconstruction accord', such as investment priorities for public sector and private sector investment; investment codes for foreign investment; the role of pension funds in investment; labour market issues such as a framework for training, minimum wages, etc; international trade controls and incentives; and worker rights. Industry level bargaining could cover issues such as restructuring the industry: job security and job creation; skills needs and training; job grading and career paths; benefits; wages and developing a wage policy for the industry.

RESTRUCTURING – DANGERS AND OPPORTUNITIES

Researchers and trade unionists pointed out clearly that industrial restructuring holds many dangers if it is carried out according to the agenda of big business. Some of the effects that have been felt in other countries, and are beginning to be felt in SA, are:

- job loss as new technology replaces workers;

- deskilling, as skilled jobs are broken down into many unskilled or semi-skilled operations;
- cooptation, as more skilled privileged workers are drawn into cooperative relations with management – 'participative management' explicitly seeks to do this;
- deepening divisions in the working class between an elite of skilled and privileged workers, and a layer of less skilled, lowly paid workers who have no job security;
- divisions also deepen between employed workers and a growing mass of unemployed;
- new technology and new management techniques are intended to increase profitability and make workers work harder. These are the dangers when management introduces restructuring. The question is whether the working class can devise a restructuring programme, which avoids these problems. Schreiner summed up the question in these words: 'Can we devise our own restructuring programme which advances the interests of the working class and takes us towards the goal of socialism?'

The goals of the working class in such a restructuring were summarised by the workshop as:

- increase employment;
- a living wage, unemployment and income security;
- meeting society's basic needs increasing the power of the working class;
- orientating the economy to take account of international economic conditions and the world market.

In order to achieve these goals, the workshop concluded, it would be necessary to:

- integrate industrial restructuring and a broader economic development strategy strengthen organisation;
- 'retool the union' by strengthening research and information and education programmes;
- explore the possibility of establishing a reconstruction accord with the major progressive political actors;
- develop the institutions of collective bargaining.

MOVING TOWARDS SOCIALISM – OR REVITALISING CAPITALISM?

The idea of a union-led strategy for economic growth marks a break from 'militant abstentionism' and exclusive focus on the politics of resistance. Numsa leadership believes that such a strategy could make the SA economy competitive in the international capitalist economy. It also believes such a strategy could bring the benefits of more jobs and a greater spread of wealth, increased worker power, and higher wages and increased skills.

Is it possible to achieve this? The countries, which have been most successful at industrial and economic restructuring, have often been authoritarian and undemocratic. In countries like South Korea and Taiwan, efforts to organise unions have been harshly repressed. It is questionable whether economic growth has benefited workers.

One of the dangers of a union-led programme for economic growth, which takes place in a capitalist society, is that the unions may land up revitalising and strengthening capitalism. The domination of capital, both in the economy and in the state could increase and lead over time to a more cooperative relation between the labour movement and business. The sort of industrial restructuring outlined above relies heavily on the existence of a layer of skilled workers able to use the new technology and help increase productivity. These are also the most articulate, confident workers who can easily rise to leadership positions in the unions. Indeed the leadership of most Cosatu affiliates already consists of such workers. There is a danger, then, that if the unions lead a programme of introducing new technology and management techniques, they could increasingly reflect the interests and aspirations of the most skilled and

articulate workers, and neglect the interests of semi-skilled workers.

Such a development could lay the basis of an organised labour aristocracy. This could lead to a more collaborative relationship between unions and management, assisting to revitalise capitalism rather than transform it. A skills development programme must therefore reach all workers, including the least skilled.

The ideas explored in the workshop are exciting, and offer the hope of economic growth that may lead, not to a revitalised capitalism, but to transcending it. However, if these ideas are to become a real force in society, the union movement will have to strengthen its capacity for research, education and struggle.

LB

This is an edited version of an article which appeared in the March 1991 edition of the Labour Bulletin.



Hospitality and General Provident Fund

The HGPF as a new kind of worker organisation salutes the achievement of the South African Labour Bulletin which has recorded and reflected on the South African working class struggle in an exemplary way.

We look forward to an even more comprehending and critical Labour Bulletin to guide and stimulate new approaches to the challenges of this transition period.

Head Office 5th Floor, 13 Fraser Street, Johannesburg
 PO Box 62244, Marshalltown 2107
 Tel (011) 838 3751/2/3
 Fax (011) 838 4194
 Email hippf@global.co.za
 Registration Number PF12/8/28359/1

