

Walking through post-Polokwane doors

Cosatu gears up for change

The ANC 2007 Polokwane Conference triggered political change. **Neil Coleman** looks at an innovative Cosatu response which aims to deepen progressive economic reform and ensure its implementation.

A prominent academic, close to the labour movement, stated that Cosatu (Congress of South African trade Unions) is often good at *opening the doors through engagement, but not as good at walking through them* in the sense of taking forward gains made.

Cosatu has reached a similar conclusion, and resolved to address this weakness. As a result of these discussions, and in the context of the changed political landscape post-Polokwane, the Cosatu Central Executive Committee (CEC) resolved in May 2008, on the Walking through the Open Doors Project.

What, in practical terms, does this imply? It means developing a strategy to take forward gains, in clearly identified areas, whether at political, socio-economic or workplace levels. One challenge is

therefore to identify gains made, to advance a concrete strategy of implementation, and use these gains as bridgeheads for further, deeper advances, or to open new doors.

Cosatu recognises that there are progressive individuals and institutions who can assist in taking forward this strategy. An important element of the Project is setting up reference teams, involving progressive experts and intellectuals, to work with leadership in devising strategies in identified areas.

Cosatu set itself the medium-term target of making a significant, measurable impact in these areas over a three to five year timeframe. It appointed a convenor to coordinate the Project in July 2008, so the Project is still in early stages.

Cosatu is setting up Project Reference Teams which will supplement, not replace, internal work in affiliates and Cosatu units, and democratic structures will consider proposals for new strategies. Cosatu wants a balance between tapping external resources, and mobilising social support for its work, without undermining organisational creativity and integrity.

Discussions in February and May CECs, which led to adoption of the Project identified key challenges, which are reflected in the focus and structure of Walking through Doors.

POST-POLOKWANE

At a profoundly *political level*, the African National Congress (ANC) Polokwane Conference represented an opening of doors for Cosatu and the working class in terms of the

overall shift in the balance of forces, as well as in concrete policy terms. Politically, the revolt at Polokwane is still rippling through our country, and its meaning has yet to be fully revealed. Many commentators, including on the left, are not in agreement about its significance.

But most agree that the position of the working class and Cosatu in the political life of the country, in the Alliance, and its relationship to the ANC, has shifted significantly. The rolling back of the power of a rightwing grouping in the government and ANC, and the assertion of a more progressive agenda, has opened political doors for Cosatu, and other left forces to advance a democratic left project.

While nothing is guaranteed in politics, and the ANC remains a contested movement, events at Polokwane have unlocked doors, which were closed by authoritarian leadership, conservative economic policies, an alliance with capital and isolation of mass forces from the political centre. The ball is now in the court of progressive forces, including Cosatu to push open doors, walk through and engage this space. The breakaway of an ANC splinter, which in some respects complicates the political terrain, arguably lays the basis for the consolidation of this left movement.

In policy terms, Polokwane reflects important progressive shifts, which contain a bias towards the working class. Cosatu has undertaken an analysis of Polokwane and its Resolutions (see www.cosatu.org.za/press/2008/feb/press31.htm).

In brief, there was a change from

focusing on growth as the solution, to an acceptance that the growth path has to be shifted to be redistributive and employment creating. There was also an important new emphasis on the need to tackle inequality, in addition to poverty and unemployment, and that the creation of decent work must lie at the centre of economic policies. Further, Polokwane allowed a partial move away from the emphasis on market competitiveness, and placed greater emphasis on the role of the state in driving the economy, a state-led industrial strategy, an expanded role for state ownership, and a more interventionist approach to use of mineral resources, and proposals for a comprehensive programme of rural development and land reform.

Cosatu emphasises that despite progressive shifts in ANC resolutions, contradictions, ambivalence and problematic positions exist. Events post-Polokwane show that contestation over its meaning will continue, including attempts from within government to reverse and undermine its decisions. On the other hand, progressive resolutions of this October's Alliance Economics Summit demonstrate that progressive forces within the Alliance will push for Polokwane doors to remain open.

Opening and walking through doors post-Polokwane, therefore means:

- Negotiating a coherent, progressive election platform, with timetables for implementation, which commits government and society to a fundamental programme of change.
- Addressing institutional and legislative reform to effect this programme.
- Elaborating alternative policies to replace problematic policy areas.

- Negotiating a new relationship within and between the Alliance and government, to ensure that progressive decisions are not again blocked by government. This is a massive challenge given many factors, including internal stresses facing the ANC, culminating in the recent breakaway, which make it difficult for the ANC to focus on policy reform. Also we face the continued pursuit of a conservative

debate, Cosatu's Walking through Doors developed proposals aimed at democratising governance and society. It proposes protocols for governance and its relationship to mass formations, mechanisms to ensure implementation of election platforms, democratising state institutions and ensuring greater accountability in the electoral system. This will inform discussions on a 2009 electoral platform.



Delegates at ANC conference in Polokwane in 2007

William Matlala

agenda by key institutions and leaders in government, including the Treasury and Reserve Bank. This is made worse by the international financial and economic crisis, which is being used to put pressure on the ANC to avoid radical shifts in policy.

Nevertheless, there is also the possibility that these pressures may have the opposite effect. It may radicalise ANC leadership and the broader movement. This depends, in part, on the ability of progressive forces in the Alliance and society to mobilise around a coherent alternative. It is critical to have policy alternatives combined with a programme of social mobilisation.

As part of its contribution to this

OPENING DOORS OF ECONOMY

A second major area requiring Cosatu's intervention is the development of policies and programmes to drive *economic transformation*. A question posed in Cosatu forums, from the September Commission to CECs, has been how can Cosatu use its economic leverage as well as its organisational muscle and alliances, to advance an alternative economic agenda.

As part of Walking through Doors, Cosatu set up a Panel of Progressive Economists, involving intellectuals from South Africa and internationally, as well as leaders of the Federation, to assist in advising



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ANC women at Polokwane conference

on economic questions. Cosatu hopes to draw on the views of progressive international experts, on policy alternatives, such as financial regulation and the use of capital controls, alternatives to inflation targeting and industrial policy interventions. The Panel contains a diversity of views, specialists in a range of economic areas, and draws on economists from universities and state institutions.

Important debates are taking place in the Panel, including on inflation targeting and industrial policy. The Panel is divided into commissions on fiscal, industrial, monetary and financial sector policy, and on food security.

Panel members made inputs into the ANC Economic Transformation Committee task teams, in preparation for the Alliance Economics Summit. A vigorous debate laid the basis for Cosatu's input on monetary policy and inflation targeting.

Other contributions by economists formed the basis of a paper to the Summit on an approach to the financial crisis. For the first time in recent Alliance history, a progressive economist made an input to the Alliance macroeconomic policy commission on recent developments.

An input by two economists to a Panel workshop described key elements of the current growth path, and its unsustainability, and identified the deep structural transformation required to change this. This analysis served as the basis for an intervention by the Cosatu general secretary published in the *Mail and Guardian*, which has been widely quoted and debated (see www.mg.co.za/article/2008-09-19-ten-steps-to-a-new-economy).

Panellists have made media interventions on issues ranging from the need for a more progressive tax system, an accountable treasury and inputs on the financial crisis and need for regulation of the financial sector as well as a critique of government's fiscal policy.

A critique of the Harvard Panel was also published by a Panel member. Slowly, but increasingly, the media is asking panellists for comment on economic issues, and they are beginning to form an alternative voice to mainstream economists who clog up our screens and media. It is early days to claim a major impact, but we are seeing the beginnings of an alternative voice.

In the run up to the election, the Panel, with Cosatu leadership is

starting an economic scenario planning exercise, to look at development and economic scenarios, and plot their likely impact on society.

This project is led by a progressive international economist, who over four months will work with the Panel to elaborate scenarios into economic models. These models will tease out, for example, the relationship between a high employment and rapid redistribution scenario, with other economic variables. This is intended to support the viability, and sustainability of an alternative growth path.

INVESTING WORKERS' MONEY

The third important strategic area which Cosatu identified is using workers' leverage to change investment patterns in the economy, particularly through democratic control of *retirement funds*, which invest workers' money.

Before the recent financial crash, public and private sector retirement funds had assets of about R3 000-billion, representing the largest pool of investible assets in our economy. Despite these funds belonging to workers, unions and workers have little control over how they are invested, nor do they have a coherent strategy to assert control, despite a longstanding commitment to do so. This persists despite Cosatu winning a requirement that the Act lay down a minimum of 50% representation of worker trustees on boards. Yet huge obstacles still obstruct real control. It requires a careful and focused strategy.

We are setting up a Reference Team on Retirement Funds involving worker leaders in public and private sector funds, as well as experts committed to greater

democratisation of the industry. We have held meetings to look at challenges in relation to the huge public sector fund, the GEPP (Government Employees Pension Fund), and its investment wing, the PIC (Public Investment Corporation). Initial discussions indicate it will be a massive task to transform this industry, and that far-reaching interventions are required by the labour movement and government. This team needs to elaborate a programme to ensure real change for union members and the broader society.

TRANSFORMING LABOUR MARKET

A fourth key area of the Project is *labour market transformation*. We will set up teams in the coming months to look at two major clusters of issues.

Firstly, Cosatu structures, including the Congress, have identified the need for an *agenda for legislative reform* relating to key labour market questions. This entails the introduction of new legislation to deal with key challenges and the need for an implementation strategy to take forward legislative gains.

Given the failure to transform key elements of the apartheid labour market, there needs to be a review of legislation from a pro-worker perspective. This review should identify gaps or defects in the laws, and where problems relate to the need for a more coherent implementation strategy.

Areas where there is a need for new legislation and/or to tighten up regulation include casualisation and atypical work, and measures to combat super-exploitation of immigrants.

On the other hand, we need detailed analysis to assess laws covering health and safety, basic conditions, employment equity,

skills, and labour relations to determine where there are defects which need to be corrected, and where unions need to implement a more effective strategy to take laws forward.

The second labour market Reference Team will develop an *organisational agenda* to address apartheid production relations in the workplace, and workers' declining share in national income.

Key areas are the apartheid wage gap and widespread poverty amongst workers, as well as workers' lack of participation in shaping decisions at workplace and industry levels. We need a discussion on creative approaches to driving more assertive, and transformative bargaining and wage strategies. These must be aimed at a national living wage, engage with debates around minimum living levels, and the adoption of a national programme and campaign to reduce the wage gap, as in the post-apartheid public sector, or in post-war Scandinavia with its 'Solidarity Alternative'.

We will draw lessons from successful strategies advanced by Cosatu affiliates and other unions. We need to reflect on how unions can develop a more effective strategy towards bargaining councils and sectoral determinations. On workplace democratisation, we will assess existing experience as well as consider what strategic options are available to unions to more aggressively assert this agenda, including the possibility of new forms of engagement.

CHALLENGES

These Reference Teams indicate the key areas of engagement in the first phase of the Project. Limited capacity in the Federation means we cannot do everything

simultaneously, and Cosatu has chosen to focus on areas where it has strategic leverage, and where it believes projects have the potential to make deep impacts on society, and advance worker empowerment.

In the second phase, in 2009, we will set up Reference Teams on the Public Sector, Social Protection issues, and Industrial Policy. Although the economists' Panel already contains a focus on industrial policy, we want more detailed engagement on this issue.

The intention with these engagements, is to harness internal knowledge and capacity within Cosatu and its affiliates, and combine it with progressive external expertise, in a way which empowers our structures, builds further capacity, and enhances mobilisation. This means a different way of doing things from the traditional 'advisory relationship' with experts, and will entail a steep learning curve.

The Projects' objectives are ambitious, and the challenges daunting. Nevertheless it reflects Cosatu's determination. In the words of a CEC document, to "draw the broader labour-supporting intellectual community into the work of the Federation", and develop a proactive organisational strategy "which moves us beyond the cycle of crisis management, and defensiveness, particularly in relation to the workplace, the economy, as well as the arena of governance". To that extent it represents an important new chapter in the life of the labour movement. LB

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