

KARL VON HOLDT argues that a new form of trade unionism – strategic unionism – is emerging in South Africa. What is it and what are its prospects.?

what is the future of labour?



The signing of the 1990 Laboria Minute was a turning point. Suddenly the trade unions found themselves on a new terrain. Resistance was the terrain they knew best. And now

the biggest and most protracted campaign of resistance – consisting of demonstrations, overtime bans, massive stayaways, a thousand creative disruptions on the shopfloor, international support – had suddenly produced a highly significant series of legal reforms. Even more significantly, it had opened up new institutional space within the state apparatus: participation in the National Manpower Commission (NMC).

We are still at this turning point. The shift in terrain has been far more dramatic and sudden than envisaged when COSATU and NACTU launched the anti-LRA campaign and Workers Charter campaigns. The De Klerk reforms have opened up a tremendously fluid and contested situation as a range of forces struggle to entrench their interests in preparation for a

democratic South Africa.

This has compressed immediate demands and the longer term vision into one process. Thus the Laboria Minute led not only to immediate changes to labour law, but also to ambitious proposals from COSATU for transforming the NMC from a toothless advisory body of government appointees, into a tripartite negotiating forum with powers to place legislation before parliament. Such a body would lay the basis for negotiated active labour market policy in a democratic South Africa.

“Solving economic problems”

The fluid and contested situation has led to further breakthroughs. COSATU responded to the government’s unilateral implementation of VAT by spearheading a broad anti-VAT coalition. This campaign gathered so much momentum that COSATU shifted the emphasis of the campaign to the demand for a national economic negotiating forum.

By the middle of this year, business and government had agreed to the formation of the National Economic Forum (NEF). Once again, the success of resistance had culminated in a

new institutional breakthrough. The NEF – despite current government obstruction – will give COSATU and NACTU (joined by FedSal, the moderate and mostly white Federation of Salaried Employees) unprecedented access to decision-making on macro-economic policy and restructuring.

Speaking about the NEF demand during the campaign, COSATU general secretary Jay Naidoo said the NEF would “identify the framework within which we are going to try to resolve economic problems in this country we will be able to bring about a fundamental transformation of our country at an economic level” [SA Labour Bulletin Vol 16 No 2].

Naidoo’s words point to two new ideas in union thinking. Firstly, he sees the NEF as a forum for “resolving economic problems”. COSATU, by its participation, assumes that it has an interest, a role and a responsibility for solving economic problems. This introduces a completely new development into a trade union movement forged in opposition and resistance.

Secondly, Naidoo argues that through such forums the labour movement will be able to drive a *fundamental economic transformation*. This is a new concept of how radical social change can take place: in the period of apartheid and resistance there was a deep rooted belief among many labour activists that fundamental transformation could only take place through a revolutionary seizure of power. Participation in the NMC and the campaign for the NEF reflected – and called forth – a new strategic perspective. COSATU now combines mass struggle and organisation with wide-ranging negotiations and participation in tripartite forums.

Does this changing strategy reflect a new and more sophisticated perspective on how to transform society? Or is it a sign that COSATU has changed its objectives, that it is now ready for an accommodation with capital and the state?

There is no clarity within COSATU on these issues. Events have moved so fast that the federation has been unable to develop a coherent view on the implications of the NEF

and other forums. There are debates and deeply conflicting views within the federation. Many fear that it may become the first step towards a ‘social contract’ and accommodation with the regime of capital. Others see it as the only way to build working class power and influence, and establish ‘building blocks for socialism’.

Industry restructuring

The emergence of a new kind of unionism in response to new challenges is not confined to developments at the level of the NMC and NEF.

In many sectors trade unions are facing an increasing number of retrenchments and factory closures as the stagnation of manufacturing gets worse. They are also finding it difficult to win wage increases equal to or above the rate of inflation. As unions put the demand for moratoria on retrenchments on the negotiating table, employers respond with demands for productivity increases. Trade unions argue that productivity is linked to the broader issue of industrial restructuring and growth, and propose that these issues should be negotiated in joint forums.

Thus the mining summit was established in 1991 to negotiate the down scaling of the crisis-ridden gold mining industry. Industry growth forums were also established in the auto and metal sectors. None of these has been very fruitful as yet.

The most successful industry restructuring negotiations have taken place in the clothing and textile industry. Here the COSATU-affiliated SA Clothing and Textile Workers Union (SACTWU) reached agreement with employers on a structure of tariffs and subsidies for the cotton-textiles-clothing pipeline which was intended to boost the industry and increase competitiveness. This plan foundered when the government said there was no cash available for the subsidies. Tripartite discussions are continuing.

Pioneering agreements on production schedules and production bonuses were reached last year in the auto and gold mining industries. However, both these agreements



COSATU occupies Manpower offices during the LRA campaign in 1990: beginning of a new era?

Photo: Peter auf der Heyde

have been dogged by conflicting interpretations over how they were to be implemented, and this year NUM refused to renew the agreement in gold mining.

“Becoming centrally involved”

Despite the lack of progress and break down of most of these negotiations, they mark a shift in union attitudes as profound as those accompanying participation in the NMC or the NEF. They are also highly controversial, even within the unions involved in such negotiations. Again, many militant activists fear that the unions are being co-opted into “managing capitalism better”.

Yet the pro-engagement attitude is part of a much more far-ranging vision of transformation. NUM assistant general secretary, Marcel Golding, has put this view forcefully. “Any industry has to undergo transformation and change,” he said last year. “There are two ways we can respond. We can either stand by while the process takes place or we can become centrally involved. Our union will fight to be a central player in the management of transition ...

“For us the struggle for greater control over

the production process is starting with participation ... We are now talking about one of the most critical areas itself, the workplace, and participation in decisions made at the workplace. We are firing the first shots in beginning to challenge managerial prerogative in the production process. We’ve already challenged managerial prerogative on dismissals and other abuses. But I think through this we are beginning to challenge management’s prerogative in decision-making over what they believed was their exclusive right - setting targets, setting the production plan” [*SA Labour Bulletin* Vol 16 No 2].

A new kind of unionism

The developments outlined above are signs of a new kind of trade unionism in South Africa.

Faced with political reform and the reconstitution of South African society on the one hand, and economic crisis on the other, trade unions are beginning to develop far reaching policies for new labour legislation, constitutional rights, economic growth, job creation, industrial restructuring, industrial training, and reorganising the workplace.

These are nothing less than proposals for a

completely new industrial relations system. It is an industrial relations system not divorced from economic decision-making, but intimately linked to it. The leadership of the trade unions realises that the economy – and manufacturing industry especially – has to be restructured if it is to become internationally competitive. This will involve new technology, increased productivity, higher quality and increased levels of skill.

As Marcel Golding says, the labour movement can either oppose this change, or be at its centre: this amounts to a new union manifesto to drive the process of change, to shape it and to empower the labour movement through it.

This emerging vision of a new kind of trade unionism has broad similarities to trade unionism elsewhere. In Sweden and Australia it has been called *strategic unionism*. It involves a strategic vision of a labour driven process of social change.

Strategic unionism in SA

Strategic unionism is only beginning to emerge, in practice and in vision, in South Africa. It emerges in negotiations in one place, in proposals in another, and in strategic comments somewhere else. It is not yet a fully developed strategic vision.

Furthermore, the emergence of strategic unionism in SA, and the conscious parallels with union strategies in Australia and Scandinavia, raise crucial questions. What possibilities and prospects are there for strategic unionism in SA? Are there dangers in such a strategy? How would it differ from strategic unionism elsewhere? Is it possible to link strategic unionism to a socialist rather than a social democratic perspective?

It is important to consider these questions so as to chart a clear strategy for the road ahead. As a contribution to the debate, I try in this article to put forward a clear definition of a form of strategic unionism which I believe is possible and necessary in our country.

Strategic unionism is a strategy for far reaching reform of the state, of the workplace,

of economic decision-making and of civil society. It is a strategy driven by a broad-based coalition of interest groups, at the centre of which is the labour movement. Strategic unionism develops a step-by-step programme of radical reforms – each of which extends the arena of democratic decision-making, and deepens the power of the working class.

Such a programme of radical reforms will inevitably run into the resistance and counter strategies of the dominant interests in our society. At the core of these opposing interests will be the power of capital. But there will be others: the state apparatus inherited from apartheid, the bulk of the privileged white population, the emerging elite among the oppressed.

Thus strategic unionism must be based on independent labour and popular organisation, with the capacity to mobilise and struggle. NUMSA's agreement on production targets in the auto industry demonstrates this clearly. Several employers tried to use the agreement to impose new production schedules on workers. Only the militant capacity of workers to fight back prevented this from happening.

Building alliances

Strategic unionism cannot succeed if it exists as a perspective in the trade union movement alone. This is especially true in South Africa where so many are excluded from formal employment.

Firstly, the labour movement itself needs to build a broader unity – between COSATU and NACTU, between blue collar workers and white collar workers organised in Fedsal and other organisations; and between white and black workers. The labour movement also needs to define itself more broadly to include not only trade unions but labour supporting organisations and intellectuals.

Secondly, the labour movement needs to build a broad coalition of popular organisation and interests around a programme of economic, social and political reform, democracy and development [see Bird and Schreiner in *SA Labour Bulletin* Vol 16 No 6; also Alec Erwin in *African Communist* No 129].

A programme for the trade unions cannot achieve radical reform of the workplace without a national strategy of radical reform in all arenas of civil society as well as the state. It is also crucial that the movement for radical reform is a majority movement – that is, it is capable of winning elections.

This introduces the third key condition for the success of strategic unionism. The labour movement needs to build a durable alliance with a progressive political party capable of winning elections. In South Africa this means the ANC. Strategic unionism requires the radical reform of the industrial relations arena and of state institutions. Only a government which supports the perspective of strategic unionism and which has the political will to act decisively can ensure this.

Reforming the state, reforming civil society

The industrial relations arena, like any arena of civil society, is structured both by autonomous organisations of civil society which are independent of the state (eg trade unions, employer organisations) and by the state itself [see box on p 35].

The current industrial relations arena will have to be changed to strengthen labour and curb the powers of capital. A government supporting strategic unionism will have to:

- extend the legal rights of workers
- extend workers rights to information and consultation on all decision making in the workplace
- ensure the establishment of national industrial councils in all sectors of the economy
- ensure that the industrial relations system facilitates democratic economic decision-making in the workplace, in industrial councils and in the NEF
- strengthen tripartite institutions such as the NMC, the NEF, the National Training Board, etc.

As regards the state, there will have to be a general democratisation of state institutions, on the principles of transparency of decision-making and accountability. New

values will also have to be developed in the state bureaucracy. More specifically the department of manpower and the various economic ministries will have to be made more accessible and open to the trade union movement. They will have to provide research, information and other resources to strengthen labours' economic and workplace role.

For example, currently whatever industrial policy exists is formulated and implemented by among others the department of trade and industry, the board of trade and tariffs, and the industrial development corporation. At present these are virtually inaccessible to the trade union movement. Unless they become accessible, trade union attempts to develop industrial policy will have little impact.

It is clear that such sweeping reforms of the state and civil society can only be implemented by a strong government closely aligned to the trade unions and other popular movements.

What prospects?

What are the prospects of making these reforms? COSATU managed to build an impressively broad popular coalition around the anti-VAT campaign. However, key sectors are extremely weak - the youth, the civics and the rural areas. NUMSA officials Adrienne Bird and Jeff Schreiner, have suggested that a democratic state should make resources available for the strengthening of these organisation of civil society [*SA Labour Bulletin* Vol 16 No 6].

On the other hand, the ANC itself has not yet developed a coherent policy towards labour. Many unionists fear that big business, the IMF, and the World Bank are increasingly influential in the top ranks of the ANC's leadership.

At the moment, the ANC relates to COSATU through the structures of the tripartite alliance, that is, at a political level. It does not have a labour department or portfolio through which to liaise with the labour movement on labour issues. It is not at all clear that a future ANC government will implement the far reaching reforms required by strategic unionism.

Civil society and power

Civil society is not an autonomous zone of self organisation and self activity, as many argue. It is regulated and structured by the state, as well as by the activities and struggles of autonomous organisations. The industrial relations arena, for example, is quite clearly structured by labour legislation, and state institutions or state-established institutions, such as the Department of Manpower and the industrial court, the NMC or the industrial councils. These regulations and institutions will be designed to have a specific effect on trade unions, employers and industrial relations generally. Thus, the Wiehahn reforms were intended to contain and incorporate the emerging unions. The 1988 amendments were designed to weaken and undermine the unions.

Struggles of trade unions and employers will in turn shape the practice of these institutions – or under certain circumstances force the government to reform them. This happened with the NMC.

Strategic unionism seeks an industrial relations system that extends the power and rights of labour, and curbs those of capital. To seek 'self regulation of the relation between capital and labour' is to ensure the continued subordination of the working class to capital.

The trade union movement, financed by the contributions of its members and by solidarity funds from trade unions overseas, can never be as well-resourced as the organisations of capital and other wealthy and powerful interests in society. This is one of the key obstacles to the success of strategic unionism. Overcoming this problem requires a radical reform, not only of state institutions, but also of other institutions in civil society.

Reform of the universities and technikons is essential to provide the trade union movement with access to information, research and education. Likewise, access to the press and other media is essential to win public support for the policies of labour. In order to facilitate these reforms, the labour movement needs to build broad alliances with the intelligentsia, professionals and their organisations. ❖

An active and mobilised base

There is a general trend towards centralised bargaining in South Africa. This is essential for strategic unionism. Centralised bargaining gives unions:

- the capacity to unite workers across industry and the economy
- access to industry-wide decision making
- access to macro-economic policy.

But strategic unionism will have to find a balance between national centralised negotiations and local negotiations. National centralised agreements hold a great danger of distancing the base from negotiations and decision making. This can lead to demobilisation and passivity of the membership.

The success of strategic unionism depends on an active, mobilised and empowered base. Thus national agreements should open up the

scope for workplace and regional bargaining and activity. If wages and conditions are settled in a centralised forum, then the key to involving members is workplace negotiating on productivity, work organisation, investment, technology and product ranges. However, if the base is to engage in negotiations on such complex issues without being outmanoeuvred by management, it will have to be equipped to do so [see Bernie Fanaroff, p16]. This means a much more effective union education programme.

Transforming the workplace

Strategic unionism is not only a strategy for negotiating on macro-economic issues and industrial policies. It is a strategy for reforming economic relations, and at its heart is a strategy to transform the workplace. As Marcel Golding says, the trade unions are "beginning

to challenge managerial prerogatives in the production process.”

Unions will demand increasing autonomy and control on the shopfloor, in exchange for commitment to productivity, efficiency and quality. A strategic aim may be the removal of line managers on the shopfloor, and their replacement by elected work leaders. Unions will seek to extend the negotiating agenda to encompass technology, product lines and marketing. Linked to these reforms will be demands for new training, grading and promotion plans [see Fanaroff, p16, and Adrienne Bird, *SA Labour Bulletin* Vol 16 No 6].

Strategic unionism will not restrict itself to issues on the shopfloor, but demand the right to negotiate management productivity and efficiency, corporate business plans and investment.

Workers will naturally want to share in the benefits of improved performance. This would mean negotiating bonus schemes on top of nationally negotiated minima. The 1991 agreement in the gold industry probably stands as a state of the art performance bonus scheme, despite its collapse.

Other possibilities are profit sharing and collective ESOPs and wage earner funds. The latter entail transfer of assets to worker-ownership [see Torres and Maree, *SA Labour Bulletin* Vol 16 No 4].

There is no one ‘correct’ formula for approaching these issues. Probably unions will want to experiment with different options to see which most empower and benefit workers and strengthen their organisation.

Accompanying movement in this direction will be demands for access to information and training to equip shopstewards for a far more complex role than they played in the past.

The response of capital

Finally, what about the response of capital to strategic unionism? Capital has the power to wreck strategic unionism. Generally, capital wants labour to accept a policy of wage restraint, ‘industrial peace’ and a commitment to productivity increases. While in some

forums and on some issues employers may be happy to reach agreement with trade unions (for example, on a short term plan for the textile and clothing industry, or on industry wide training programmes in various sectors), in general they are likely to resist strenuously the more radical reforms proposed by strategic unionism.

This raises the question of the limit of co-operation between capital and labour. It may be necessary to coerce employers, through a combination of mass struggle and state intervention, to accept certain aspects of reform. For example, it may be necessary to compel employers to accept industry wide bargaining in national industrial councils. Legislation may be needed to compel employers to give unions access to company and industry information, and to negotiate on investment, technology and product decisions. It may also be necessary to ‘unbundle’ the massively powerful conglomerates such as Anglo American.

Such measures would limit or change currently existing ‘property’ rights. Only a strong government with the necessary political will would be prepared to force this issue.

Strategic unionism entails a complex combination of coercion and mass struggle on the one hand, and on the other co-operation and negotiation with employers. This implies that labour may at times enter into a ‘social contract’ with capital, as happened with the COSATU-NACTU-SACCOLA accord. If the costs of resisting strategic unionism are too high, and there are clear benefits to capital in co-operation, employers may go along with a union project of radical reform.

Is strategic unionism viable in SA?

COSATU has played a central role in the struggle against apartheid. It is the biggest and most powerful organisation in the democratic movement. It has played an important role in the tripartite alliance, both in developing political strategy and tactics, and in organising mass action.

Transition has opened up a series of spaces and opportunities for COSATU to intervene in

shaping institutions and politics. This was impossible under apartheid. COSATU is determined to continue playing a central role, not only in transition, but in the period of democratic reform and economic reconstruction that will follow.

Strategic unionism is a response to this new situation. COSATU is attempting to define a new role for itself, at the centre of a process of establishing democracy and restructuring the economy. Can it succeed? Or will it, as so many commentators expect, be slowly forced onto sidelines, to become a classical oppositional trade union movement?

On the positive side, COSATU is one of the most militant, powerful, ambitious and influential labour movements in the world. Its role in the struggle against apartheid has given it great influence within the democratic movement and society at large.

On the negative side, neither the federation nor its affiliates have developed a common and coherent vision or strategy. The practice and perspective of strategic unionism is beginning to emerge, but it is uneven and contested.

Contributing to this are organisational weaknesses [see Vavi, p38, and Bobbie Marie, Dot Keet in *SA Labour Bulletin* Vol 16 No 5] and a lack of resources. Strategic unionism requires a highly resourced and well organised labour movement. Another factor which weakens the prospects of strategic unionism is the weakness of the broader popular movement. Lack of unity within the labour movement is also a problem, although there is increasingly cordial co-operation between COSATU, NACTU and Fedsal.

Finally, there is the question of what policies will be pursued by a new democratically elected government in South Africa. The ANC is unlikely to pursue a decisive, coherent policy in support of strategic unionism. We are more likely to see a series of ad hoc measures designed to avoid displeasing any major constituency. This will be even more true if the first government is some form of 'government of national unity'. We will therefore probably see a fairly protracted period of struggles, partial reforms and



ANC & COSATU: warm relations now, but will ANC support labour-led reform in the future?

Photo: Sharif

ongoing contestation over policies. The results will be unpredictable.

For these reasons, it is unlikely that a fully-fledged strategic unionism will emerge in the near future. The transitional period is too fluid and fragmented for that. But it is essential for progressive activists and intellectuals to devote time and energy to developing such a strategy and vision.

Strategic unionism provides the best hope for economic growth, job creation and the development of a dynamic manufacturing sector. The labour movement is powerful enough to block any strategy of economic development that seeks to sideline or exclude organised workers. Strategic unionism is also the only strategy that can strengthen and empower the working class in South Africa today. A labour-led programme for economic and social renewal, democracy and development holds out the hope, if successful, of winning broad support for ongoing and more radical transformation and democratisation of our society.

A broad coalition of organisations based in the countryside, in the communities, in the work place and in the state, united around a programme for transformation and democratisation, could lay the basis for socialism. ☆

Next issue: The dangers of strategic unionism.