INDUSTRIAL RELATIONS - GENERAL

1993
Plans to beat recession

By Ike Motsapi

THE country's two trade union federations are considering shorter working hours instead of retrenchments as options for employers while the economic recession bites deeper in 1993.

Among the options considered is that workers should work fewer hours. That is, instead of working 46 hours a week, unions propose that these should be cut to 40.

Mr Sam Shilowa, assistant general secretary of the Congress of South African Trade Unions, said "Obviously all trade unions are discussing ways of dealing with retrenchments."

"A number of options are being discussed at present but the other factor that is worrying is that many companies are experiencing industrial restructuring.

"I want to emphasise that there are no deals involved because no finality has been reached on the matter as far as Cosatu is concerned."

Groups of people should be kept together in companies, and people should be retrained in other skills to make them productive.

Skosana said Nactu considered salary cuts as the last alternative to retrenchment. He said, however, that salaries should not be cut below the inflation rate.

He said "There is a lot of debate regarding this factor because we believe there are other alternatives to wage cuts.

"What worries us is that management give themselves bigger increases while at the same time cutting the salaries of employees.

"For instance, last year management received average salary increases of up to 28 percent."

Skosana said it was for these reasons that trade unions, as one of the important components of social and economic development, have approached both business and the Government to establish a tripartite forum which will address the pressing issue."
Wage demands will take backseat to having a job

Few South Africans will look back on 1992 with any sense of fulfillment or satisfaction. For most it has been both a tough and hard year. Tough in the sense that we have had to endure a prospect of economic recession, now sufficiently severe to qualify as a depression. Herein lies the reason that everyone of us has felt constantly and uncomfortably aware of our decreased levels of economic well-being.

The depression has been manifest in extremely high unemployment, which is now estimated at 25 percent of the potential economically active group. Continuing reorganizations threaten to add to this. This, coupled with the constant political insecurity, provides more than sufficient stimuli for continued unemployment.

Working South Africans, while objectively better off than the unemployed, have experienced a real decline in living standards for the past two years. Many companies have frozen salaries and wages for extended periods in the interest of job preservation.

Where increases have been awarded, the past year has seen average increases of no more than 10 percent, a far lower percentage than inflation, as measured by the consumer price index. Better off, it is small consolation to recall that many employees in Europe—some of whom have already endured wage cuts of up to 30 percent—salary increases traditio nally lag behind times of relative economic prosperity and lag the consumer price index when the economy is in recession.

In practice this is no more than a reflection of labor supply and demand economics. Prospects for salary and wage increases in 1993 would suggest that these in conjunction with economic policies in conjunction with economic policy.

Business confidence remains low and overall unemployment is high. It is likely to prove only a political constitution that has been agreed to, an interim government of national unity installed and new investment strategies adopted. Given the forecast of performance targets agreed to in turn, to profit and turnover figures. It must be remembered that high unemployment is not necessarily a barrier to economic performance.

The package of increases that will be announced in the February 1993 budget will be the culmination of the National Economic Conference. It is hoped that this will be the beginning of a new era of economic growth and development.

Survival

During the past three years of trade union militancy, there has been a significant increase in the number of union members. This has not, however, been accompanied by a corresponding increase in productivity. The result is that many companies are facing serious financial difficulties. The solution to this problem lies in the implementation of a comprehensive program of industrial relations reforms.

The key to survival is the establishment of a new labor market in which employers and employees can negotiate over a wide range of issues, including wages, working conditions, and benefits. This will require a shift in the attitudes of both sides, but it is essential if South Africa is to emerge from the current economic crisis.

Outlook '93

Martin Westcott, managing director of P-E Corporate Services, reviews prospects for salaries and wages and forecasts a watershed year for many companies.

Salary increases have been

higher than average in the past, but this year they are expected to be lower. This is due to the economic downturn and the need to conserve cash. Companies are therefore expected to freeze wages and salaries for the year, and only increase them if they can afford to do so.

The outlook for 1993 is uncertain, but there are some positive signs. The government has announced a series of measures to boost the economy, including increased spending on infrastructure and a focus on export-led growth. These measures are expected to boost demand and help to create new jobs.

However, there are also some challenges. The Rand has been volatile and this has affected exchange rates. There is also the risk that inflation could rise if the government is not careful with its spending.

Overall, the outlook for 1993 is mixed. While there are some positive signs, it is not clear how the economy will perform in the short term. Companies will need to be flexible and prepared to adapt to changing circumstances.
Falling into line

With continued recession and little expectation of economic recovery, average negotiated wage settlements in 1992 fell dramatically to 12.6% from 16.1% last year. A significant trend, according to surveys carried out by Andrew Levy & Associates, was the increasing acceptance by unions of the link between productivity and job security.

This was seen especially in profit-sharing wage schemes negotiated in principle between the NUM and the Chamber of Mines earlier in the year and of which the NUM-Gengold agreement this month is the latest example.

Yet the pattern of lay-offs continued throughout the year, affecting the highest levels of organisations and professions as well as the less skilled. An estimated 100,000 jobs were lost in four major sectors:

- The National Manpower Commission, about 5,400 people, or 40% of the economically active — lacked formal employment. But, while Levy describes unemployment as having reached unmanageable proportions, others, like the HSRC's Lawrence Schlemmer, point in part to growth in the informal sector, conclude that the problem is more manageable than loose estimates of joblessness suggest (Current Affairs December 18).

- Strikes during the year accounted for 4,2m man-days lost compared with 3.8m in 1991. The biggest strikes, in the third quarter, were in the metal industry led by Numsa (1.4m man-days) and the Transvaal health sector, led by Nehawu (247 500 man-days).

- The manufacturing sector, with 39% of man-days lost, was the hardest hit, due mainly to the Numsa/Sefsa strike in August. Next was the automobile sector (19% man-days lost) as a result of strikes at Toyota, the National Bargaining Forum for the Motor Industry and Numsa, followed by retail (13%) and the State sector (12%).

- Though strikes in the public sector dropped from a high of 24% in 1990, a surge is expected next year as a result of the proposed rationalisation and implementation of the Public Sector Labour Relations Bill, which will give public servants certain rights enjoyed by private sector employees in terms of the Labour Relations Act.

- There was a slight decrease in the number of strikes involving 500 workers or more, but, at 45%, the figures is still high. At the same time, the number of strikes lasting 10 days or more increased from 23% to 28% (Med) Looked at closer, a third of these lasted more than 30 days. Notable among them were the 63-day Kentucky/Saccawu strike over central bargaining, the 55-day wage strike by Saccawu against Lubners, and the acrimonious 45-day wage strike involving Mwasa and the SABC.

- Other key features of the year:
  - Agreement was reached to extend basic labour rights to farm and domestic workers during 1993.
  - The National Economic Forum, including government, business and labour, was formed to address critical economic problems and to set up a working group on the focus of short- and long-term issues.
  - The restructured National Manpower Commission came back on track and is expected to be operating by February.
  - Union growth continued in spite of the recession and stands at 3.2m-plus.
  - The Commission estimated that registered trade union membership increased by 20% of the total economically active population or 53% of the labour force covered by the Labour Relations Act.
  - The number of industrial councils continued to fall. There were 89, covering 873 000 workers at the end of 1991. This was attributed to the withdrawal of employers because of union pressure to negotiate at plant level.
  - For the first time since its inception the Industrial Court's workload was reduced slightly (there were 6 319 applications in 1991 compared with 6 366 in 1990), while Labour Appeal Court cases increased from 84 in 1990 to 149 in 1991.
  - An International Labour Organisation fact-finding mission visited SA and made a number of critical findings and recommendations, and
  - Cosatu continued to play a dominant role in labour affairs. As part of the ANC-alliance's mass action campaign, it called a general strike on August 3-4, described as the largest so far in SA's history.

Towards the end of the year Cosatu general-secretary Jay Naidoo signalled the union's intention to safeguard its independence by refusing to support the ANC — as a quid pro quo — for backing it on an electronic Cosatu obviously also wants to safeguard the kind of joint macro-economic policymaking role it carved for itself through the Economic Forum. Looking at the year ahead, Andrew Levy observes that political events will continue to exert a major influence on labour relations as well as economic factors that govern the terrain. Continued political uncertainty will cast a long shadow over the future of employment and keeping foreign investment at bay. There was a need for a set of statements from management, labour and government on their objectives and timetable for economic restructuring.

Given grim economic prospects, the pattern of job losses can be expected to increase in the first quarter. Union calls for moratoriums on lay-offs will continue. Levy expects public policy shifts on the side of employers to make decisions that result in job cuts or favour capital-intensive processes.

The push towards centralised bargaining and the extension of industrial councils will continue. This is as inevitable and not necessarily fraught with all the risks and problems that many employers seem to identify.

Sharper attention is expected on removing workplace discrimination and on programmes of affirmative action or "employment equity" — at every level and through consultation. Traditional union opponents ideas of multi-skilling and productivity bargaining will probably be reshaped, especially if employers seriously address the question of job security.

As to wages, there is the possibility of single-figure increases becoming more common. Wage strikes in the public sector and a surge in organise farm and domestic workers may be expected in the new year.
Unions poised at

Labor Reporter

'139

labor showdown

Ahold 11/14

Jabour Crossroads
The involvement of shop stewards in issues beyond the factory floor makes the South African union representative different from his European counterpart.

It also distinguishes South Africa from the rest of Africa where the struggle against colonial rule did not involve the mobilisation of an industrial working class.

This view is shared by Sipho Mla Pityana and Mark Otkun who are editors of a book entitled Beyond The Factory Floor.

This followed a survey of Congress of South African Trade Unions (Cosatu) shop stewards which was commissioned by the labour organisation’s leadership.

On developments in other African states, Pityana and Otkun say: “Instead independence was won either by nationalist movements led largely by the professional middle class or peasant-based guerilla movements which did not address the concerns of an industrial working class”.

In South Africa shop stewards emerged as crucial leaders in the struggle that began in the townships in the 1980s over rents, shack removals, education and township upgrading.

The emergence of a powerful shop steward movement opened up the possibility of a distinct role for the working class in the process of transition to a new democratic order.

Jay Naidoo, general secretary of Cosatu, is quoted in the book as saying: “The backbone of our organisation has always been and always will be the democratic shop steward movement which has been painstakingly built up by the ordinary members themselves.

“...A powerful shop steward movement is a triumph for the ordinary people of this country. It is a triumph for the people who create the wealth of this country and yet they and their families continue to be deliberately excluded from enjoying that wealth.”

“The overriding principle of Cosatu is worker control and democracy. This principle has sustained Cosatu through the most repressive phase of our struggle for political, economic and social rights.

“The structural violence of apartheid made the white minority regime’s policies a crime against humanity as it violated practically every human right.

“Yet we have grown as an organisation, increasing our membership from less than a million when Cosatu was formed in December 1985 to over 1.4 million today.

“With over 25 000 elected shop stewards, Cosatu’s 14 national industrial unions have a powerful grassroots organisation which is firmly anchored on the factories, mines, offices and shops across South Africa.”

Questions like why do some workers define their interests in collective terms and become shop stewards and others in individualistic terms and become supervisors were often asked.

The hypothesis underlying this study is that explanations that focus on different personality types are psychological as they ignore ideology. Dominant personalities can dominate for good or ill. The use to which they put their abilities is not determined by these abilities.

Activity is directed by consciousness.

The shop-floor unions emerged in 1973 with the formation of the Textile Workers Industrial Union and Metal and Allied Workers Union and others coming together to form the Federation of South African Trade Unions (Fosatu).

The shop-floor unions developed a cautious policy towards involvement in the broader political struggle. This led to the formation of Cosatu.

By virtue of their location in the workplace, shop stewards are in the front-line of the struggle between the working class and the capitalist class.

They are the key command structures of the unions which has contact with their membership and the bosses through shop stewards. Their role, however, is ambiguous. On the one hand, they are representatives of the workers who elected them and whose expectations often surpass their capacity to deliver.

On the other hand, they find that they are sometimes in conflict with their own constituents and have to persuade them to accept industry-level agreements, prevent strikes and sometimes discipline them.

In politics workers believe that their leaders and their unions should take part in political activities.

Confident in their organised strength and union leaders, they are convinced that they can influence the political system, even though many feel they do not fully understand it. On matters to do with the politics of transition they fully support the position of the tripartite alliance.

8/11/93

Jen Naidoo. . . Cosatu’s general secretary.
Union men arrive in SA

Sunday Times Reporter

A DELEGATION from the largest trade union federation in the world arrives in South Africa today on a fact-finding mission.

The visit has been organised by the Brussels-based International Confederation of Free Trade Unions in conjunction with the Congress of SA Trade Unions and the National Congress of Trade Unions.

The 80-member delegation will pay attention to the violence in the country and will also discuss assistance to South African democratic trade union movements.
LABOUR Economic circumstances determine laying off of workers on diamond mines

By Ike Motsepe

THE National Union of Mineworkers and De Beers Consolidated Mines Ltd have entered into an agreement of first reassignment of newly appointed employees when the need arises at mines.

Both parties accept that changing economic and operational circumstances can lead to possible reassignments but that the mine will make every effort to avoid or limit laying off staff.

It is recognised that the way of handling terminations will be influenced by the individual circumstances.

Retrenchments

Mr Jerry Majatladi, media and Press officer of NUM, said "Subject to any agreement reached at the divisions, the selection of employees for reassignment will be based on the principle of last in first out (LiF)"

According to the agreement, divisions however, after having disclosed the reasons to NUM, reserve the right to retain the services of employees who have particular skills and experience.

A notice period of one month or 30 calendar days applies which may, at the discretion of the divisions, be commuted to one month's salary in lieu of notice.

The termination date remains unchanged as the end of the notice period and no pension fund payments will be made before this date.

Should a member have secured alternative employment the divisions shall:

where reasonably possible, release him to take up such employment.

- Payment for the notice period shall attract all regular payments and deductions in respect of the pension fund and medical benefit society, any bond subsidy payments and water and electricity allowance payments.

This clause may be varied by agreement between NUM and the divisions.

Where an employee is under the age of 55 he shall be paid a lump sum calculated as two week's pensionable salary a year of service to a maximum of 10 years plus a further one week's basic salary for each subsequent year of service thereafter, pro rata as necessary and reduced as follow:

- Age 55...no reduction.
- Age 56...Reduced by 20 percent.
- Age 57...Reduced by 40 percent.
- Age 58...Reduced by 60 percent.
- Age 59...Reduced by 80 percent or three months' basic salary whichever is the greater.

The mine and NUM have agreed to establish a scheme to assist members rerenched from the divisions. Both parties agreed that the scheme will help rerenched workers acquire basic vocational skills through short training courses.

It is expected that these newly acquired skills will help them find alternative sources of income.

The mine pledged to allocate R1,500 million to an account to establish the fund for the purpose of the scheme. This fund will be jointly managed by NUM and the mine.

Majatladi added: "In addition to the notice period, employees being rerenched shall be entitled to a further one month's housing benefit."

"Where an employee lives in his own house, an additional month's subsidy, where applicable, shall be paid, and where an employee occupies a unit of a mine accommodation, he shall be entitled to occupy the property for an additional month."

This agreement, which was signed this month, will remain in force and effect for a maximum period of 24 months from date of signing, whereafter any party wishing to amend any clause may submit its proposals to the other party in writing.

The period given for this is two weeks prior to any meeting being convened.

Jerry Majatladi ... last in first out.
Conservative forces ‘may try to crush union movement’

SOME conservative forces in the liberation movement might be tempted to try to crush the trade union movement in the future but they will not get away with it, says ANC economic planning spokesman Tito Mbeweni.

Mbeweni, who was addressing about 300 businesspeople at a conference on the joint challenge for unions and management yesterday, said the temptation to crush trade unions was a real one which could best be avoided by developing an understanding of trade unions and encouraging them to play a constructive role.

Trade unions had been disempowered in many countries in post-colonial Africa in the name of the "national interest". But this would not happen in SA as the trade union movement was strong and independent, Mbeweni said.

He said it would be foolhardy to expect trade unions to vacate the terrain they occupied. Instead, the role of unions in economic policy formulation would increase in the future and membership would continue to grow.

Already the union movement was engaged in jointly working out policy packages on macro-economic issues with government and business and it was essential that trade unions remained part of this process.

Mbeweni said he thought the ANC's alliance with Cosatu would be a long-term one as the union movement sought to ensure that the accord reached with the ANC were implemented by an ANC government.

Meanwhile, Mercedes-Benz SA's human resources spokesman Ian Russell told the conference it was important for regional development forums to be represented at the national economic forum.

He said the Border/KwaZulu economic forum had submitted a document to Finance Minister Derek Keys outlining its proposals for regional reconstruction.

These included asking for a moratorium on ending decentralisation benefits to the region, a big injection of investment for housing, a rural development initiative and the establishment of a strategic institute to facilitate human resources development in the area.

Russell said employers were not satisfied that their interests were being represented properly nationally.
Govt 'involved in violence'

A delegation of the International Confederation of Free Trade Unions, on a one-week fact-finding mission to SA, said yesterday it had discovered that the Government was directly and indirectly involved in violence. ICFTU secretary-general Enzo Friso claimed the security forces were exploiting political differences to destabilise democratic forces.
ICFTU says support for workers limited

Rulers may be hostile to workers

Sowetan 5/2/93

MORE SUPPORT

New government will restrain workers to entice investment:

SOUTH AFRICA’S TRADE UNIONS will need stronger support from international bodies when a new government is in place, a top-level delegation of visiting unionists has been told.

Members of the International Confederation of Free Trade Unions were told by the National Council of Trade Unions that a new government would restrain workers in an attempt to attract new investment.

The ICFTU delegation is in South Africa this week to demonstrate solidarity with the union movement and investigate the causes of the violence and its implication on workers.

The delegation, led by general secretary Mr Enzo Frizzo, was invited by trade union federations Cosatu and Nactu.

“We believe that solidarity with the union movement should be stepped up when a new government takes over because we anticipate wage freezes and other cost-cutting exercises to be enforced in order to attract investment,” said Nactu Western Cape spokesman Mr Brian Williams.

“Workers will be restricted. They will create conditions favourable to investment, which will not favour workers,” Williams explained to the ICFTU members that a new government could introduce new legislation to further restrain and hamper workers which would make it even more difficult for them to take industrial action.

The ICFTU members felt the confederation should continue to provide financial and other support, but “it will become necessary for the union movement here to develop strategies to become self-reliant”.

During the two-day visit to Cape Town, the group went to squatter areas and Peninsula townships.
New head for labour group.

Dr Frans Balzer will chair the restructured National Manpower Commission, a new tripartite advisory group on labour affairs that meets for the first time on February 12. Manpower Minister Mr Leon Wessels said yesterday.

Only the South African Agricultural Union and the National Council of Trades Union have not named their nominees to the 35-member NMC, he told a parliamentary media briefing.

Trade unionist Mrs Emma Mashimbi is the new deputy chairman.

Comprehensive labour legislation for farmworkers would be passed during this parliamentary session, Mr Wessels said yesterday.
State polishes labour marble

SHARON SOROUR
Labour Reporter

The government has launched a bid to improve South Africa's image in the international labour world.

Minister of Manpower Leon Wessels has sent a detailed memorandum to the International Labour Organisation (ILO) setting out developments on labour issues.

The memorandum is a response to findings and recommendations by an ILO commission which visited South Africa last year.

"This country has not been a member of the ILO — whose conventions set down international labour standards — since 1966."

"However, there is a strong element of goodwill between employers, organised labour and the government and it is submitted that in the final event consensus, which is both fair and equitable, will be reached," Mr. Wessels told the ILO.

He told the ILO that evidence heard by the commission confirms "beyond doubt that the labour situation in South Africa is neither simple and straightforward, nor susceptible to simple solutions."

"The government's approach was that the solution to the labour problem could only be addressed and solved through the involvement of the major parties in South Africa."

"He said it was evident that changes in the labour relations system can be effected only when the need arises and if the delicate balance in the labour relations situation is not disturbed."

"The government is aware of the labour standards developed by the ILO and due cognisance will be taken of them in the further development of labour legislation and manpower practices. It would be premature, however, at this stage to comment on how a future government would act with regard to possible re-admission to the ILO or ratification of ILO conventions."

Another matter considered of great concern was the absence of suitable labour legislation for farm workers and domestic workers. The government had agreed to implement a Basic Conditions of Employment Amendment Act for farm workers not later than March pending the outcome of negotiations between interested parties.

Proposed legislation to extend basic conditions of employment to domestic workers was published for comment in December and draft legislation should be submitted by the end of March, he said.

Mr. Wessels said the government agreed with and accepted the commission's recommendation that a consolidated Labour Relations Act be pursued and that a new Act be structured. The new NMC was undertaking this task.
Move to check
Bop labour act

JOHANNESBURG — The National Manpower Commission yesterday signalled its intention to press the Bophuthatswana government into not implementing its controversial Labour Relations Act.

Manpower Minister Mr Leon Wessels said the commission had noted "with concern" the possible implementation of the act.

The commission felt its implementation would harm employees and employers and could lead to intensified labour conflict.

The newly restructured commission had unanimously requested the government to "prevail on the Bophuthatswana government to stay the implementation of the legislation."

The commission motivated its request by saying that further discussions were necessary in the light of the proposed redrafting of the South African Labour Relations Act and the discussions regarding a new political dispensation for this country.

The commission said labour legislation should have all role players' support, especially as the labour market and the economies of the two countries were interwoven.

A provision of the legislation holds that only unions registered in the territory will be recognised, which Cosatu believes to be aimed at effectively banning it from operating in Bophuthatswana.
Union debunks ‘myth’ of forum’s ‘golden triangle’

SHARON SOROUR
Labour Reporter

NACUTU, the country’s second largest union federation, has questioned the efficacy of the National Economic Forum, dismissing the “golden triangle” between labour, business and government as a “glorified myth”.

National Council of Trade Unions (Nactu) spokesman Mr Brian Williams said “In reality there is no ‘golden triangle’ It is nothing like that at all”.

The forum, launched last October, was designed to give the three parties a place to discuss inputs from their constituencies. Consensus could then be identified and joint action taken to address economic growth and social development.

But Mr Williams said “If one looks at the forum in terms of the power relations, no decisive decisions will be made by labour.

“The whole construction is that there is engagement and debate on key areas of the economy but the government is not bound by anything that is discussed.”

There were no mechanisms that could compel the government, or big business, to act in a particular way.

Cosatu key negotiator on the forum Mr Ibrahim Patel said in an interview in the latest Labour Bulletin that the federation was not interested in a forum where “we merely exchange opinions on the economic challenges facing society”.

Cosatu saw the forum as a negotiating body that had to bring the three parties together so they reached agreement on the challenges facing society.

Mr Patel said “When you have different interests the only way in which you can construct agreements is through bargaining. So we do seek formal binding agreements. One of the issues government has raised is that it and parliament could never commit themselves to merely implement what some forum has decided.”

“But government obviously would have to give its consent to whatever is finally agreed, or it is not an agreement of the three parties To that extent the sovereignty of any parliament will be exercised in the negotiating process.”

Cosatu was prepared to struggle within the forum to reach agreements that advanced the interest of its members “and then have massive struggles to ensure that those agreements are in practice binding”.

Mr Williams said the forum was at a preparatory stage of thrashing out a national social contract.

“A social contract means that business does something if labour agrees to do another thing, for example, business undertakes to save jobs if labour undertakes to suspend strike action for a certain period.”

Mr Williams said there were “major political dangers” because it would mean Cosatu having to agree to outlaw strikes for a particular period and therefore agree to a cut in the living standards of workers and abandon many of the trade union struggles. Many gains previously made would have to be sacrificed.

“This basically means that all the talk taking place now will not lead to a social contract, but a new government will need this contract because they will have to tie the arms and legs of workers to an even greater extent,” Mr Williams said.
Unions discuss violence in SA • Companies pressed

Few pay rises this year

By Ike Motsapi

The continuing recession is making it difficult for trade unions to convince employers to accede to the demands of workers for better pay.

Ms Harriet Webster and Mr David Neate of FSA-Contact Human Resources Consultants said many organisations were adopting alternatives to annual salary increases

They said some organisations were deferring increases for a time while others were “freezing” salaries and were not granting increases.

Projected increases for 1993 were going to be significantly lower than those granted in 1992.

“Our research has shown that just over half, about 51 percent, of the participating organisations are expecting some sort of decrease in the overall numbers of their workforce as compared with 42 percent in 1992.

“The majority of companies are attributing this to retrenchments and redundancies.

“Employers are also having to re-evaluate strategies in the light of the above conditions, particularly with regard to pay increases.”
Expert outlines worker training scheme

SALT ROCK — Industrial training would become an essential part of industrial bargaining and workers would have to demand paid training leave to upgrade their skills.

That was the view expressed yesterday by Australian Confederation of Unions training and grading co-ordinator Alistair Manchin, who has been seconded to Cosatu for six months to look into the re-structuring of job grading and training systems in SA.

He is expected to present his findings and recommendations to the trade union movement by mid-year.

Manchin, speaking at an open school for shop stewards organised by the SA Clothing and Textiles Union, said the research group would recommend current task-based grading systems be replaced by skills based on competency grading systems.

He believed opportunities for advancement would do more to encourage productivity than the current inflation-based wage bargaining. Competency-based training would assess workers' ability to perform a particular job rather than attain formal training certificates.

Programmes to retrain and relocate workers who lost their jobs during economic restructuring would also have to be introduced.

Clothing industry board director Peter Riches said the philosophy behind the proposals appeared to have merit and they would have to be discussed.
Code breaks new ground in labour relations

SHARON SOROUR
Labour Reporter

A GROUND-BREAKING code of conduct forbidding all forms of violence and intimidation has been signed at the Boksburg factory of Langeberg Foods.


Company managing director Mr Ray Brown said in a statement the code was signed by representatives of Langeberg Foods, the Food and Allied Workers' Union (Fawu) and the United Workers' Union of South Africa (Uwusa).

"It is aimed at ensuring that a climate of tolerance and fair-dealing will prevail at the factory and sets up a system to ensure the settlement of disputes by negotiation," Mr Brown said.

The code signalled "a new beginning for all who are bound by a common interest in the prosperity of Langeberg and represents a triumph for reason, negotiation and the democratic principles of tolerance and respect for the individual."

Fawu president Mr Chris Dlamini said the code was "history in the making."

Mr Dlamini said the parties at Langeberg were brave enough to discuss ways of sorting out problems even though the country was being devastated by violence.

"If we learn to respect and tolerate one another, the question of violence as a product of mistrust could be stopped immediately," he said.

According to Mr Brown, one of the "outstanding" features of the code was that it had not simply been imposed by top management and union officials, but had evolved through the process of broad consultation involving all groups in the factory.

The local committee of the National Peace Accord had helped in the mediation which culminated with the signing of the code.
Labor in era of change.

Critical days ahead.

Protest against high tax on married women.

Business Day, Monday, March 8, 1993

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ECONOMIC ANNOUNCEMENT
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Volkswagen in talks to reduce staff by 25%

Own Correspondent

JOHANNESBURG — Volkswagen SA has begun negotiations with employees to reduce its workforce. Talks with the National Union of Metalworkers of SA (Numsa), representing 8,000 hourly paid workers, and the SA Iron, Steel and Allied Industries Union, which claims about 2,000 members, and VW management began last Friday and again yesterday. Another meeting is scheduled for Friday this week.

A VW spokesman said the company was looking at all opportunities to cut costs because of the current state of the SA and international car markets. VW declined to confirm suggestions that it was seeking to reduce its 6,500-strong workforce by 2,000 through layoffs, natural attrition and early retirement. The spokesman said it was hoped to avoid retrenchments but this could not be ruled out.

He also denied the cutbacks were due to VW’s falling market share. The company produced some 15% fewer vehicles in 1993 than in 1991 and lost 2% of its market share — second only to Toyota which was badly affected by a protracted strike.

Further, the launch of VW’s third generation Golf and Jetta ranges has been postponed to mid-April because of sub-standard quality determined by inspectors from VW’s German parent company.

Iron & Steel Union spokesman Van Niekerk Venter said rumours of 2,000 retrenchments had been denied by VW MD Peter Scarrill. But in the past “the grapevine had been proven to be accurate”.

At present the company was discussing reducing its workforce considerably by means of early retirement and natural attrition, he added.

A Numsa spokesman yesterday refused to comment “because of the sensitivity of the discussions”.

German auto group Volkswagen suffered a 12.6% plunge in its world sales in January-February by comparison with the same period last year, a spokesman said yesterday. Sapa-APP reports.

The group sold a total of 488,000 vehicles during the period, 350,000 bearing the VW name, 55,400 Audi, 50,200 Seat, and 32,400 Skoda.

The spokesman said that, for the year as a whole, the group expects its sales to drop by 20% compared with 1992 in Germany, where they were off by 28.6% for the first two months.
NEWS IN BRIEF

Mayekiso joins picket
SANC president Moses Mayekiso joined a UK anti-apartheid picket at FNB-owned Henry Ansbaucher Merchant Bank in London yesterday.

The picket had been organised by the End Loans to SA group and was aimed at raising consciousness about "socially irresponsible" banking in SA, Sanco said.

Mayekiso will address the Local Authorities Against Apartheid conference in Sheffield today.

Tough anti-poaching law
BOPHUTHATSWANA this week amended its Nature Conservation Act and introduced tougher anti-poaching measures following official concern about an increase in regional poaching.

Water quotas loom
FREE State farmers would have their irrigation quotas halved on May 1 unless water reserves in the province's dams improved, Water Affairs Minister Japie van Wyk said yesterday.

The recent good rains had not brought relief to Free State wheat farmers who had almost total crop failure this year.

The rain had also not been sufficient to boost dam levels.

Van Wyk said farmers would still have time to complete harvesting because the intention was "to pull current crops through without restrictions".

Hippo evades capture
THE Dullstroom hippo, "Mighty Maas", trapped in an eastern Transvaal dam, has continued to frustrate TPA nature conservation efforts to capture it.

TPA nature and environmental department chief director Pieter Mulder said this week the hippo would not leave the dam while people moved around the area. He appealed to the public and media to avoid the dam.

Industrial action at lowest in five years

The dramatic decrease in strike activity for the first quarter of 1993 — at its lowest in more than five years — is largely attributed to a reluctance by unions to initiate industrial action in light of the economic climate.

According to Andrew Levy & Associates' latest strike report only 65,000 man days were lost in the first three months of this year compared with 135,000 in 1992 and 215,000 in 1991. The report suggested, however, strike activity would increase in the second half of this year as wage rounds began in earnest.

The most likely sector to be affected by strikes was the public service, which was expected to oppose the 5% wage ceiling imposed by government.

To date the protracted dispute by the SA Democratic Teachers' Union over wages and retrenchment was alone responsible for more than half the man days lost.

Postal workers in wildcat strike

ABOUT 2000 SA Post Office and Telkom workers in Natal and Cape Town have embarked on wildcat strike action over a looming wage dispute.

Yesterday Posts and Telecommunications Workers' Association (Potwa) president Khabisi Mosunkuza said the action stemmed from a belief that wage talks were "shifting towards deadlock".

Management had offered increases of less than 5% whereas Potwa's demands ranged between 14% and 30%, he said.

Potwa officials had tried to intervene and were desperately trying to resolve the matter. However, if management adopted a "high-handed" attitude this would "simply escalate the situation", he added.

National strike action could not be ruled out unless management moved substan-

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ERICA JANKOWITZ
Business, labour get new role

By ANTHONY JOHNSON
Political Correspondent

ORGANISED labour and business will be invited next week to have a say in determining spending priorities in next year's Budget.

The breakthrough — paving the way for joint decision-making in government — was announced by State Expenditure Minister Mr Amos Venter as part of a 12-point plan to slash state spending by R5 billion over the next two years.

He predicted the programme would help to reduce the tax burden.

For the first time "outsiders" will help decide how the Budget allocates money to government departments, including Defence and Law and Order.

Mr Venter said yesterday that the representatives of business and labour sitting with the government on the National Economic Forum (NEF) would be able to nominate members to make Budget inputs through 15 state-function committees.

He told a press conference yesterday the committees were being established to draft five spending scenarios for each of the 15 departments.

After these had been forwarded to the cabinet, the committees would decide how the money would be spent in terms of the scenario decided upon by government ministers.

Mr Venter said the plan to cut state spending involved setting ceilings in current expenditure, before inflation, at R104.2 billion for 1994/95 and R101.7 billion for 1995/96 — down from the anticipated R106.7 for 1993/94.

Central to the plan will be a change in government budgeting principles from what departments felt was needed to what could be afforded.

Another important aspect of the plan is the scrapping of additional expenditure budgets — the "additional estimates". Only "unforeseen and unavoidable" expenditure will be authorised by Parliament.

Other features of the plan are:

● Ministers or administrators must reduce spending on specific functions to a targeted amount. The function committee will play an important role in setting these targets.

● Unexpended funds will be carried over to the following financial year to eliminate spending on non-essential items at the end of the year.

● A Treasury committee consisting of the Ministers of Public Enterprises, State Expenditure and Finance will advise the cabinet on spending priorities and savings targets.
Long journeys drain workers

COMMITTING distances for many black workers have become increasingly arduous over the years and may have reduced their effectiveness at work.

A World Bank draft report, aspects of which Business Times reported last week, says the average commuting distance of urban blacks is as much as three times that of unskilled workers in more developed countries than SA.

"Distorted patterns of residential location could be expected to both raise the supply price of black labour and to lower the effectiveness of workers through increased fatigue.

Care

"It is highly plausible that these effects still represent a significant impediment to productive efficiency."

The authors suggest that the future government will redirect capital expenditure to urban infrastructure in deprived areas such as sanitation, water supply, roads, garbage collection and electrification of existing dwellings will be targeted.

"Consideration also needs to be given to the development of new sites in more central urban locations.

In 1980, infrastructure needs, such as new schools and clinics, were also identified as probable priority areas.

moved against primary products and simple manufactured products.

"SA has thus lost much of its gains from trade, while exports have not created sufficiently high income growth."

Agriculture, in particular, is singled out for criticism in the report.

"International comparisons with countries at similar levels of GDP per capita suggest that SA's current share of agriculture in GDP is lower than would normally be expected," the authors say.

Tractors

Although the proportion of arable land (12%) in SA compares favourably with many other agricultural producers, productivity lags badly.

Irrigation accounts for 36% of total value of agricultural production. But only 3.7% of SA's cropland is under irrigation compared with 33% in Asia.

Over-mechanisation has been a feature of SA agriculture. The use of tractors has been so extensive that the marginal productivity of tractors is effectively zero.

In agricultural marketing and processing, a monopolistic system has transferred value to white producers at the expense of consumers and international competitiveness.

The report says that although mining receives no protection in the domestic market, it pays its profit from companies which receive protection and consequently pays more than under free-trade conditions.

"As a result, effective protection for the mining industry is negative."
RENEGADE'S RIGHTS

Don't tangle with the 'boss':

By Takasoli Musina

The national union of miners workers is reported to have expelled 21 renegade members from its fold last year.

Does a trade union have the right to expel a member? Can a union say "We do not want to associate with you because your unbecoming conduct is detrimental to our interests"?

The principle source of the right of association is the International Labour Organization. Other sources are the Universal Declaration of Human Rights, International Covenant on Social, Economic and Cultural Rights, International Covenant on Civil and Political Rights, Regional instrument for our continent is the African Charter on Human and People's Rights known as the Banjul Charter.

FREEDOM OF ASSOCIATION

It is illegal for worker to belong to a trade union or to prevent them from doing so. There are certain conditions of workers whom deductions of this right remains compatible with labor laws and standards.

What concerns us in this article is whether a worker, who is not a member of any union can claim to be a member of an affiliated union.

The Namibian case is a good illustration, to quote the London Business Press (in which both unions are affiliated) which states that "no one is or has been a member of any affiliated union should be accepted into membership in another union without his present or former union." Chelali challenged the expulsion on the ground that it was contrary to the European Convention on Human Rights which states that "everyone has the right to freedom of assembly and freedom of association with others, including the right to form and to join trade unions for the protection of his interests."

Allied to appeal

The tribunal ruled against Chelali. He was allowed to appeal. Apex rejected the appeal. The Home of Lords decided that "freedom of association can only be mutual, there can be no free and informed association with either individuals who are not willing to associate with him"

Chelali took the matter to the European Commission on Human Rights. They arrived at the same conclusion, reiterating that the right to a trade union was a special aspect of freedom of association which protected free and non-discriminatory association with others individuals who are not willing to associate with him.

Chelali took the matter to the European Court of Human Rights. The court held that the right to freedom of association with others individuals who are not willing to associate with him.

The court held that the right to freedom of association with others individuals who are not willing to associate with him is not absolute. Freedom of association is not intended to benefit just the individual but the collective as well.

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Unions ‘must boost women’

SHARON SOROUR  
Labour Reporter

TRADE unions need to embark on affirmative action programmes to boost the number of women workers in decision-making structures, according to Nactu’s Women’s Unit.

In an article in the latest SA Labour Bulletin, Ms Crescentia Mofokeng of the Women’s Unit, and Ms Thembile Tshabalala of the Information Unit said trade unions needed to look at the possibility of quota systems where unions reserved seats for women in decision-making structures.

“Trade unions need to have clear policies on women’s issues, and must address barriers to women’s participation and deal with the concerns of women,” they said.

In Nactu alone women represented more than 40 percent of the membership. A recent survey conducted by Nactu, the country’s second-largest union federation, on the status of women in its affiliates, showed there were only two women general secretaries, two women presidents and three vice-presidents.

The level of participation in meetings, national congress, the national executive and education was very low.

A code of conduct had to be formulated for the protection of women against sexual harassment by male colleagues.

Nactu’s Women’s Unit was formed in 1984 to ensure full participation of women within Nactu and its affiliates, to create a platform for women’s issues and to examine problems encountered by women in the workplace and the union environment; to eliminate discrimination and to integrate women into trade union activities.

Ms Tshabalala and Ms Mofokeng said it was “not enough” for a trade union to present themselves as non-sexist organisations when women continued to be under-represented in decision-making structures.

“In the various education activities of Nactu’s Women’s Unit, problems women experience both at work and in the trade union movement have been raised.”

These included low wages, lack of promotional opportunities, restricted maternity leave, limited sick leave, lack of support from spouses to share responsibilities on the home front to allow women to participate in union activities.”
PAY, LESS WORK
In SA it's more

FROM SHIMA KANE

Isolation

The great majority of sales by US
exporters in 1988 was to Japan, and
Japanese exports to the US were
largely to the US market. This
pattern of trade, plus the US
inward investment by Japanese
companies, has been the main
reason for the strong growth of
US-Japan economic relations.

Startling

According to a recent study by the
Institute for International
Economics, the US trade deficit
with Japan has increased by about
50% since 1980, reaching $184
billion in 1991. This deficit is
causing concern among
consumers and producers in the
US, who fear that it will lead to
higher prices and reduced
competitiveness.

The study recommends
immediate action to reduce the
trade deficit, including raising
import tariffs, increasing US
exports, and encouraging US
companies to invest abroad.

The US government has
responded by calling for a
negotiated settlement with
Japan, which is expected to be
announced in the coming months.

Hopes that American
investment abroad will
increase as a result of the
negotiations are tempered by
the fact that Japan's economy is
still struggling to recover from
the 1990-1991 recession.
Wage Policy and Productivity on Competitive Hands

Jonathan Michie

Abstract

The relationship between wage policy and productivity is complex and multifaceted. In this paper, I will explore the historical context of wage policy and its impact on productivity. I will examine the role of government intervention in setting minimum wages and its consequences for the economy. The discussion will also include the impact of globalization on wage policy and productivity. 

Introduction

Wage policy has been a contentious issue for a long time. It is often argued that higher wages can lead to increased productivity, while others believe that wages are determined by market forces and cannot be manipulated to boost productivity. The relationship between wage policy and productivity is complex and has been the subject of much debate in recent years.

Historical Context

In the early 20th century, many countries adopted minimum wage policies as a means of improving the living standards of working-class families. These policies were based on the idea that workers had a right to a living wage, which was sufficient to support themselves and their families. However, the impact of these policies on productivity was not immediately evident.

Impact of Globalization

In recent decades, globalization has had a significant impact on wage policy and productivity. The increasing ease of international trade has led to increased competition in labor markets, which has put downward pressure on wages. This has been particularly evident in countries that have adopted low-wage policies to attract foreign investment.

Government Intervention

Government intervention in wage policy can take many forms, from setting minimum wages to providing wage subsidies. The effectiveness of these policies in boosting productivity is often debated. While some argue that wage subsidies can improve the productivity of low-skilled workers, others believe that they can lead to higher unemployment and lower wages for all workers.

Conclusion

In conclusion, the relationship between wage policy and productivity is complex and depends on many factors. While higher wages can boost productivity, they are not a panacea and must be balanced with other economic policies. Governments must carefully consider the impact of wage policy on productivity when formulating economic strategy.

References

[Insert references here]
Workers are at the bottom of the heap when a company goes bust — and the Law Commission is currently looking at ways of protecting them.

Les Cohen of liquidator Westtrust has revealed that millions of rands of wages owing to workers are going down the drain as liquidations soar.

He told delegates to a Credit Guarantee conference last week that 99 percent of firms which "go bust" had already hogged all the assets by notarial bond or cessation, leaving nothing for employees.

Economic fraud had reached such unprecedented levels that it necessitated the Law of Insolvency being reviewed, he said.

"The Law Commission is currently investigating legislation which will protect employees' wages and this might be to the prejudice of both secured and unsecured creditors."

With liquidation "brutal and harsh in terms of unemployment", an alternative form of judicial management, such as the Chapter 11 in the US, should be sought.

A spokesman for the Law Commission has confirmed that the protection of workers is being reviewed.

Employees rank below secured creditors and preferred creditors such as the Receiver of Revenue.

In July 1984, the commission recommended that employees be paid after the cost of sequestration and administration and before the Receiver of Revenue and others.

The proposal has not yet been implemented, but would now form part of a wider investigation.

Cabinet approval would be needed before new legislation could be passed.
Survey of African employee benefits

CAPE TOWN — Old Mutual has prepared itself for the move by SA corporates into Africa by undertaking a major comparative survey of employee benefit schemes in 11 countries.

Old Mutual assistant GM Henk Beetes said the aim of the survey was to enable the life assurer to provide a consultancy service for companies planning to set up operations in other African countries.

The completed survey — which covers Botswana, Egypt, Lesotho, Nigeria, Kenya, Swaziland, Zimbabwe, Malawi, Zambia, Namibia and SA — would be expanded to incorporate other African, and possibly European countries, and would be updated every two months to take account of new developments.

Beetes said business decisions demanded a careful analysis of local conditions and arrangements, and the employment environment.

"In the case of employee benefits, it is crucial to have a thorough understanding of relevant legislation, employment practices, the investment environment and foreign exchange regulations. Only then can an effective and coherent employee benefits strategy be developed."

He said the survey would prove an invaluable guide to companies poised to expand into Africa, adding that SA could learn valuable lessons from Africa in terms of social security, health care and housing systems. Systems specific to Third World conditions where the average income per capita was low had to be found.

Beetes said it was more feasible to extend employee benefits in the context of an AIDS epidemic, as unlike individual life assurance products, rates were reassessed on an annual basis to reflect the claims experience.

Comparing the social security schemes in Kenya, Egypt and SA, the researchers found that in Kenya and Egypt national social security funds were funded by employers and employees whereas in SA the social old age pensions were funded from tax revenues. The benefits offered in Egypt and Kenya were far more comprehensive than in SA.

More emphasis was given in these African countries to private sector funding for social service benefits.

Beetes said the advantage of a compulsory national contributory scheme was that it was a more explicit form of taxation than income tax and led to a greater sense of ownership and responsibility on the part of the contributor.
Big jump in strikes and layoffs in 1992

CAPE TOWN — Labour relations suffered during 1992, with dramatic increases in the number of jobs lost and the number and intensity of strikes, although a modest increase in labour productivity was also recorded.

The Manpower Department's annual report for 1992 said SA's poor economic growth during the past three years had resulted in the number of formal job opportunities dropping by 250,000. However, average wage increases in 1992 were between 12% and 13%, compared to an inflation rate of about 15%.

The report said about 1.0-million man days were lost during 1992 and 633 strikes took place.

The figures indicated substantial increases over figures for the previous year, when about 600 strikes took place and 1.2-million man days were lost. The number of man days lost per striking worker was almost double the rate in 1991, representing the highest rate yet.

The average number of man days lost per striking worker for the period 1979 to 1988 was 2.6 compared to an average of 3.7 from 1987 to 1992.

Labour productivity and "multifactor productivity" — a combination of labour productivity and capital productivity — showed increases in the private, non-agricultural fields. Labour productivity increased 2.3% in 1991, and by another 1% in the first nine months of 1992.

Multifactor productivity showed a 0.3% increase in 1991, while capital productivity decreased 1.7%.

The report also noted an increase in registered trade union membership, which was close to 2-million.

However, Cosatu had registered a growth rate of only 5.3% — a substantially lower rate of increase than it had seen during the past decade.

Both the National Union of Mineworkers and the SA Clothing and Textile Workers' Union had recorded decreases in membership.

Saps reports National Manpower Commission chairman Frans Berker said retrenchments had caused workplace tensions, with unemployment causing a sharp increase in poverty.

Difficult economic circumstances were one of the main causes of violence and crime, aggravated by uncertainty linked to political change.

Most interest groups had become aware that a solution lay deeper than just a political settlement and that structural adjustment was needed.
Policy makers need a new body of industrial relations

JEREMY BASKIN

In the field of labour and economic policy, SA is fast becoming a country of unions, capital and the corporatist goal works at cross-purposes to the existing industrial relations system. One of the major problems is the lack of cooperation between unions and management towards the goal of national economic policy. The new National Manpower Commission (NMC) official acknowledges that labour law can be developed only with the participation of all stakeholders. Other established institutions are also changing - the National Housing Board to the Employment Insurance Fund, parallel initiatives can be seen in some industries. As union and management in the mining, clothing and motor sectors deal with long-term restructuring and go well beyond collective bargaining issues.

Love it or hate it, there are detractors on the left and the right - corporatists like the resource route forward. It is hard to imagine a scenario which excludes major economic actors from a key role in the formulation and function of a new economic policy. Is the NMC able to do so? Mandela and De Klerk accept this, as do Manuel and Mandel. They recognize the need for economic restructuring, without leaving this to the hands of the market, or relying solely on the heavy hand of the state.

But if corporatism is to work, it needs a compatible institutional system. Deals brokered at the highest level - between union federations, employer organizations and the state - must be reinforced, not undermined, on the ground.

Four aspects of our present industrial relations system are likely to undermine the corporatist endavour. Problem one is the Labour Relations Act (LRA) which says little about the nature of collective bargaining and what it should relate. It grants immunity from prosecution for certain behaviour (such as a legal strike). It provides for adversarial rights. SA labour law, like its British counterpart, makes little attempt to define a place for organised labour in society.

Workers are permitted to form unions, but not to facilitate Management and labour are allowed to negotiate, but nothing compels them to do so. Must an employer recognize a union - who knows? What rights and duties do shop stewards have? Here, too, the LRA is silent. Unfair labour practices are contemplated in the LRA, but barely defined. The result is a confusing mush-mash of contradictory Industrial Court decisions.

The LRA establishes a passive and voluntarist framework. The result? An unstable system, often necessary, but in the end a conflict, inconsistent and unfair conditions and more labour laws than anyone needs. Hardly a foundation for building consensus around socio-economic policy.

The second problem is that there is no collective bargaining in SA. For most workers "bargaining" remains a foreign concept, they are paid on a take-it-or-leave-it basis. In some sectors unions and management bargain on the basis of recognition agreements or custom. In others, the centralized bargaining is the same national, sometimes regional - cover less than 10% of all employees. In general, the threat of unrest compels an employer to bargain in a particular forum, or to bargain at all.

Even in the industries with centralized bargaining there is little to stop an employer withdrawing from the bargaining forum. A mine can withdraw from the Chamber of Mines, or an engineering firm from Sasol and, hey presto, collective agreements often no longer apply.

We have many different bargaining systems. Not surprisingly, we have endless disputes about how, where and whether to bargain.

For some, especially power marketers, this laisser-faire approach to bargaining is not a problem. But for those wanting greater consensus around socio-economic policy, the absence of a comprehensive bargaining framework must undermine their efforts. How can difficult national economic deals be reached when the collective bargaining system encourages each employer, union and plant to go its own way?

Third, and relatedly, it is hard to see how deals reached at the national economic forum or NMC can be implemented while employers remain poorly organized. To a lesser extent, the union movement faces the same problem. Certainly there are employer bodies in almost every industry, and chambers of commerce in every town. But at the national level, where the big issues are thrashed out, is there a confusing array of organizations. It is doubtful whether they can band their members to any difficult deal. Attempts to avoid or bypass August's strikes - would be broken down over the question of mandate. And during the 1992 metal strike a number of employers broke rank with Sasol and went on their own way.

At present, the LRA does not encourage employers to combine, nor does the LRA. The voluntarist LRA and laisser-faire bargaining system actively discourage cooperation. Co-operation on socio-economic issues is discouraged by the fact of commercial competition, and there are no incentives to co-operate. And the big conglomerates tend to bypass their employer bodies when they have something to say. But if meaningful economic strategies are to emerge (regarding international competitiveness, tariffs, productivity, industrial restructuring and so on) then it will require the existence of strong national employer bodies able to look at the big picture.

The flip side of this problem is that the labour movement must be considered as the strongest federation, Cosatu, lacks the muscle to enforce difficult decisions Constitutional and financial power is vested in affiliated, which jealously guard their independence.

Could the union movement agree to a plan which promoted one industry at the expense of another? Cosatu and Necta might agree, say, that Mossas is a waste of resources and should be closed. But what would the Mossas workers and their unions say, with their jobs on the line?

Fourth, there is no agreed system of plant-level governance. Some companies recognize shop stewards, others do not. Some stewards have extensive rights, others have nothing. A few firms grant majority industrial relations representatives no rights. Most don't. Some companies leave non-unionized workers with nothing. Sometimes others actively encourage their own employer-employee channels, frequently as a way of bypassing unions.

On both sides of the industrial relations fence it is agreed that the plant level is the crucial interface. But the absence of a coherent system of protectionism, short-sightedness and socialism. Each side must be on its guard - protecting its backyard and suspicious of the locals' attempts to move hard-won rights.

Without a strong, well-defined system of industrial relations (national down to plant level) the corporatist project is unlikely to deliver. The existing system encourages conflict, short-sightedness and uncoordinated conflict. Drafting a corporatist head onto an Anglo-Saxon industrial relations system is likely to lead to grief. It is time to review the Wiehahn model of unionism and industrial relations.

Baskin is a former unionist and author of Striking Back - A History of Cosatu. This is the first of a series of articles based on research conducted for the Centre for Policy Studies.

Spot Desk
Study finds wage rates set to fall

CAPE TOWN — Wage rates were expected to show real declines this year and next as the recession wrought changes in the attitudes of workers towards their pay, a survey has found.

University of Stellenbosch Bureau for Economic Research (BER) director Oakie Stuart, in a review of economic prospects for 1993 and 1994, has forecast an average wage rate increase of 10.6% for 1993 and 9% for 1994, translating into real declines of 9.4% and 8.1% respectively.

Three reasons for this were that trade unions now favoured job security rather than high pay rises, the loss of jobs as a result of the recession forced people to work for less money in real terms, and the scarcity of work caused an imbalance between labour supply and demand.

Between the second quarter of 1989 and end-1992, about 270,000 jobs were lost — and the likely acceleration of retrenchments would send unemployment soaring to an “alarmingly high level” over the next two years, Stuart said.

It was unlikely non-agricultural sectors would show signs of an upswing before early 1994. The bottoming out of the recession and improvement in business confidence apparent in the first quarter had been negated by the Budget.

Exports should give the economy a boost towards the year end, but not enough to cause a growth in GDP, expected to decline 0.5% this year and grow by a real 2.3% next year.

Stuart said the next upswing would have to be export-led, yet SA’s export performance until the fourth quarter of 1993 would be slowed by the deterioration in the world economy. The total value of merchandise exports was forecast to rise 8.6% in 1993 and 13% in 1994.

Exporters would benefit from a more rapid depreciation of the rand against the dollar — which Stuart forecast at 10.5% this year and 4.2% next year. This would translate into an exchange rate of R3.33 per dollar at end-1993 and R3.47 per dollar at end-1994. While this trend might exert upward pressure on inflation, BER forecast an average inflation rate of 10.2% in 1993 and 8.4% in 1994 with rapid increases thereafter.

An average gold price of $350/oz this year and $340 next year was forecast.

The total income of consumers was likely to increase by 10.6% in nominal terms, with real disposable incomes falling by 1.9% in 1993 and rising by 1.3% in 1994. Private consumption expenditure would drop 1% in real terms in 1993 and might not even reach 1% in 1994.

Gross domestic expenditure would drop during 1993 and grow sluggishly during early 1994, with forecast figures of -1.6% and 2.2% respectively.

Total gross domestic fixed investment by the private sector was expected to fall 6.9% in 1993 and to grow marginally by about 1% in 1994.

Stuart said BER’s forecasts were based on a number of “rather brave” political assumptions such as that the negotiating process remained on track and a government of national unity was installed next April.

There was the possibility that VAT would rise next year but no further decline in the company tax rate seemed likely and this could mean a fuel levy increase, he said.

LINDA ENSOR

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**Expenditure on GDP**

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Unions look at economic crisis

THE country's three major labour federations have reached agreement on joint proposals to address the economic crisis and will soon present their views to the national economic forum.

An insistence on centralised bargaining is a key element in the joint initiative by Cosatu, Nactu and the middle-of-the-road white-collar Federation of Salaried Staff Associations of SA (Fedsa). The position is in direct contrast to government policy of decentralised collective bargaining.

Their two-pronged strategy, announced yesterday, focuses on job creation and an end to retrenchments throughout the economy. The three federations agreed to five steps to reduce retrenchments: centralised bargaining, job security agreements, training and retraining of workers and the establishment of work security funds, targetted quantum-wise for industries in structural decline.

Patel said job security agreements should contain full disclosure of company financial information, a commitment to consider options to retrenchment, reasonable notice periods, fair severance packages and protection of permanent jobs against contracted work practices.

The proposals had been shown to employer organisations at a meeting on Monday and had been met with some negative sentiment, said Patel. He said labour was not trying to be confrontational or prescriptive, but was looking for an immediate start to addressing the crisis.
Unions unveil plans to curb job losses

By Paul Bell
Labour Correspondent

Organised labour has called on business and the Government to accept a sweeping and controversial series of proposals for immediate action to stave off further job losses and stabilise the unemployment crisis during transition.

At a press conference in Johannesburg yesterday, the three major trade union federations, Cosatu, Nactu and Fedsal, unveiled the proposals — which include job security agreements and industry-wide collective bargaining structures, both of which are certain to attract flak from business.

The proposals, already seen by business's representatives at the National Economic Forum, will be considered by its negotiating committee, which meets tomorrow.

The NEF labour negotiators stressed that their proposals should not be construed as confrontational but acknowledged that the initial reaction of their business counterparts had been negative.

But business, they said, and especially manufacturers, were faced with increasing conflict on the shop floor as a result of ongoing large-scale retrenchments. This would encourage employers to take labour's proposals seriously.

"Some of these proposals could be implemented within weeks," said Ibraham Patel of the Cosatu-affiliated SA Clothing Workers Union. "If we can do that in the NEF within the next few weeks, we can initiate programmes that will protect and create jobs in the short term and have an immediate effect on the unemployment crisis."

Cosatu negotiator Jayandra (Little Jay) Naudoo listed the job-saving proposals as follows:

° Changes to collective bargaining structures to effect centralised, industry-wide collective bargaining and enhance labour's ability to contribute to the development of national industrial policy
° Job security agreements to protect existing jobs and hold down the cost to society of retrenchments by requiring employers to explore all other alternative remedies before resorting to the quick fix of axing jobs
° The Government's agreement not to cut jobs in the public sector without consulting the unions, and to concentrate instead on the setting of minimum levels of service provision and the elimination of inefficiencies
° Targeted assistance to industries, notably mining, and major industrial enterprises affected by long-term, possibly terminal, decline — to help them downscale on a planned basis and thereby minimise the "devastating" socio-economic costs of large-scale closures
° The establishment of industry-wide work security funds — funded by employers at this stage — and the improvement of the Unemployment Insurance Fund, including a review of the latter's cut-off level as more skilled workers are affected by job cuts.

Dr Ben van Rensburg, an SA Chamber of Business delegate to the NEF's negotiating council, said the other negotiating blocs had not been consulted before labour went public with its proposals. He himself was not aware of them and they would have to be studied carefully before business would respond.
Time to bury the Industrial Relations model.

Jeremy Baschin
11/13/67/43
No streets paved with gold in Egoli

SOUTH AFRICA is not the goose that lays the golden eggs on which Africa is depending — if the decline of its cities is anything to go by.

In a working paper for the Development Bank, Richard Tomlinson shows that employment in major sectors of the economy has dropped dramatically in major and secondary cities.

"The decline in these cities is worse than that for South Africa as a whole," he notes.

Manufacturing employment in the central Witwatersrand dropped by almost 40 percent between 1980 and 1991. Other cities fared little better: the PWV, Durban and Cape Town, on average, lost 21 percent of their manufacturing jobs.

Other major industries where jobs have been shed around the country in the past two years are mining and quarrying (6.9 percent), construction (6.6 percent) and transport and communication (eight percent).

Roland Hunter, who works for Plan-act, researched trade union membership statistics for the PWV and found these had decreased, with few exceptions.

The Congress of South African Trade Unions' construction, chemical and clothing affiliates lost the most members, while its metal, food and paper affiliates gained members.

There has been an almost national growth in commerce, catering and accommodation. Improved tourism to Durban and Cape Town saw employment increasing by 16 and 31 percent respectively. But jobs in the central Witwatersrand declined because of the mass migration of business and tourists from the city centre.

The sector which stands apart is financial services (banking, insurance, business services and real estate) where employment has almost doubled nationally in the past 11 years.

The most remarkable growth has been in the PWV (44.3 percent) Cape Town (43 percent) and Durban (35.9 percent), but interestingly, growth in the country's financial epicentre, Johannesburg and surrounding areas, has been much slower.

The metcone rise of this sector and the 15 percent growth in the community service sector balanced against sharp losses in manufacturing employment has caused a "change in the occupation distribution of each city's labour force".

It has created a small group of professional workers and a large pool of low-wage service workers. Tomlinson predicts that these changes may "lead to a decline in average individual income levels" People who lose jobs in the formal sector are also moving into the informal sector.

Central Statistical Services (CSS) estimated in 1990 that this sector provided full-time employment for 1.7 million people and part-time employment for 2.8-million people.

But the CSS excluded the homelands and researchers believe that this sector employs 4.5-million people — a quarter of an urban labour force.

Large-scale immigration to South Africa from the frontline states and further afield is not helping: there are fewer "formal opportunities and the market for informal products is diminished".

Planact has found that 20 percent of houset-dwellers and informal settlement inhabitants in the PWV are Zimbabwean or Mozambican, indicating the depth of migration into South Africa.

Tomlinson said that apartheid policies have made cities inefficient and that this has also led to their decline. The distances the labour force has to travel to work has caused exhaustion and low productivity. Administrative and fiscal imbalances have meant that black local authorities do not have the "capacity to maintain services."

Decentralisation policies have not worked; instead, they have made "cities less efficient sites of production," says Tomlinson.

Regenerating the cities is one of the most urgent challenges facing the country: they house 60 percent of the population and account for 80 percent of the country's gross domestic product.

The World Bank suggests the deregulation of urban markets to increase the supply of housing, finance and infrastructure as well as to improve business opportunities. It also stressed the urgency of uniting local governments.

For Tomlinson, the future of the cities lies in "public-private partnerships". He says: "They combine government powers with private sector management and flexibility" by including local authorities, influential business leaders, community organisations and trade unions.

New marketing strategies, the encouragement of small and medium scale enterprises as well as assistance to the informal sector are other ways of improving city economies.
Yugoslavia or Germany? Options for the new SA

ELUCIDATING reconciliation is taking shape in South Africa. The ambivalent alliance between the two major contenders for power, the National Party (NP) and the African National Congress (ANC), results from a balance of forces where neither side can defeat the other. It is their mutual weakness rather than their mutual strength, that makes both long-term adversaries embrace negotiations for power-sharing.

But, developments in South Africa also have been widely misunderstood owing to the tendency to apply colonial analogies or popular stereotypes of violent tribalism which are the likely futures of South Africa, compared with developments elsewhere? We have selected three courses as played out in other countries and, by exploring the similarities and differences between South Africa and Zimbabwe, Yugoslavia and Germany, draw lessons about desirable post-apartheid policies.

ANOTHER ZIMBABWE?

At least three major structural differences make a Zimbabwean course unlikely in South Africa:

1. First, the failure of the new liberation forces to prevent civil strife at all costs.
2. Second, the armed forces' role in engineering political and social order.
3. Third, the role of the private sector in contributing to the corruption that bedevilled Zimbabwe.

Zimbabwean civil service revolved largely from the departure of half of the country's white population. With independence, the Zimbabwean economy depends on an impoverished African-based middle class and a large-scale exodus of skilled administrators to a predominantly white country. Zimbabwe is likely to take place more through a transformation of existing structures than through replacement or expansion.

Secondly, the expansion of the Zimbabwean civil service resulted from the absence of a strong private sector to absorb newly graduated students. In South Africa, a much stronger private sector is keen to recruit qualified blacks and give itself an African image.

Thirdly, even if the lobby for a quick Africanization for the sake of political, rather than economic, reasons is to build up, the numbers would remain small and the strong role of the private sector in the governance of the country would contain the corruption that bedevilled Zimbabwe.

ANOTHER YUGOSLAVIA?

SOUTH African state and business interests, together with international forces, want to prevent violent civil strife at all costs.

Like the Serbs, Zulu speakers are the largest ethnic group in the nation's cultural mosaic, although both groups are politically divided.

Serbs and Zulus are economically and educationally underserviced, compared with more affluent and westernized communities like the Swedes and Swiss or more urbanized Indians, coloreds, and whites in South Africa.

A closer historical parallel can be drawn between the Serbs and African nationalists. Both demand a divided state and monopolize its army. In both countries, there were pro-African and pro-tax factions in World War 2.

In South Africa, unlike Yugoslavia, none of the factions, with the exception of a small Africentric minority, strive for an expanded homeland — even the Boer extreme advocates do not envisage an area cleansed of outsiders.

There are no internal boundaries in South Africa that are considered an illegitimate as those in the artificial Balkan federation.

In spite of the massacres and deaths in political unrest during apartheid's dying years, the conflicts between the main contenders for power still are conducted with some restraint, especially when compared to the brutality devastating Yugoslavia.

In addition, international capital and local business interests in the forefront of engineering political and social order and peace have little stake in Bosnia.

In Yugoslavia, all moves are directed to the battlefield because a victory seemed possible and advantageous after 30 years of discredited political rule had broken down. In South Africa, a mutually credible political rule is in the process of being established for the first time.

ANOTHER GERMANY?

This most rational and also the most likely scenario for South Africa is a social-democratic pact between business, labour and key state bureaucracies, as practiced in post-war Germany.

This pact would involve genuine co-determination in the private sector and wage constraint limits on price increases in order to make South Africa competitive in the world market and to maintain productivity. Labour and business would act as partners in rebuilding a nation, not adversaries engaging in regular trials of strength through strikes and mass action.

An affluent economy with both wages and state industrial relations as the goal, not the state-determined union.

Unlike Europe and industrial democracies elsewhere, South Africa granted more rights before granting the political franchise. The ensuing struggle for political rights through industrial action has created one of the most militant union movements in the world.

However, there are emerging forces that pursue a wider vision and seem to be moving towards a breakthrough.


The deal struck between Ciskei and the government on the unification and social benefits for farm and domestic workers.

The restructuring of the National Manpower Commission.

These right have been labeled "a Waterkloof" in a dramatic new industrial relations system.

In the process of forging cooperation, many a stopgap dream will be dispatched particularly on the left, but also among business advocates of an unfettered free market. Their capitalist vision nonetheless will survive in a modified form.

The small elites will have to sacrifice part of their dream because they have the least real power, in spite of mass movements by radical restructuring. Whatever democracy and a social charter can be achieved depends on these holding power. The dismantling of apartheid has brought the ANC into the government, but it is unlikely that the formerly disenfranchised will hold power in the immediate post-apartheid era.

Extracts from an article published in South Africa, International, quarterly review of the South Africa Foundation.
Union values independence

Cape: 

Executive Daytime: EMNIA BOYSENN

the new political climate. EMNIA BOYSENN

when their unions role as an independent force in

Electional Workers Union of South Africa will deter-

At their national congress in Johannesberg next

South 1916 - 2316/16

ORMED IN 1998
MALAWI and SA are the most dangerous countries for trade union and pro-democracy activists in southern Africa.

During a trade union conference held in Harare last month, the International Confederation of Free Trade Unions (ICFTU) submitted a report which cited trade union and human rights abuses in 27 African countries.

The report says innumerable cases of violation of human rights and victimisation and intimidation of trade unionists took place over the last four years.

On the African continent, the report says, SA, Malawi, Chad, Burundi and Togo are considered the most dangerous countries for trade unionists, who often face pro-democracy movements that are denounced as riots and protests.

According to statistics in the report, SA remains the most dangerous country. At least 25 activists were killed in political violence during the first six months of 1992.

Last February an ICFTU mission visited SA to investigate violations there. It concluded that the government was directly or indirectly responsible for most of the violence.

Malawi, the gross violation of human rights and the systematic suppression of the opposition by President Kamuzu Banda, has drawn worldwide condemnation, particularly after the arrest in April of late last year of Chafukwa Chishama, secretary-general of the Southern African Trade-Union Co-ordination Council.

Two weeks earlier, Banda had arrested eight Catholic bishops for openly campaigning for a return to democracy.

"His ministers had gone to the extent of threatening that all democracy supporters who dared return from exile would become meat for crocodiles," said union leaders.

At a pre-conference symposium, trade unionists said that the economic reform programmes prescribed for African countries by the International Monetary Fund and the World Bank had not brought the intended economic recovery.

At least two-thirds of countries on the African continent have or are implementing World Bank and IMF-backed economic reforms.

Reviewing the situation in 29 African countries over the last 10 years, the report paints grim pictures of falling living standards, rising unemployment and bleak prospects for growth. "Africa's total foreign debt, which stood at $165 billion (R495 billion) in 1984, rose to $237 billion (R711 billion) last year, with sub-Saharan Africa alone having a total external debt of $172.6 billion (R517.5 billion) in 1991.

Unemployment levels reached worrying proportions, with annual growth rates of up to 10 percent between 1986 and 1990, compared with six percent in the 1970s. In urban areas, unemployment was running at 20 percent compared with 10 percent in the 1970s.

The informal sector, which accounts for about 70 percent of urban employment in sub-Saharan African countries, suffered terrible exploitation, and workers working and living conditions.

The unionists blamed the failure of the "ill-defined" structural adjustment programmes on the absence of social dimension programmes and the lack of consultation with representatives of organisations such as trade unions.

"In the context of authoritarian rules, where those leaders claiming to support adjustment were the same whose mismanagement had caused the economic problems in the first place, it has been evident that adjustment was designed merely to buy time for unpopular rulers trying to cling to power," said the trade unionists.
the Korean example
SAS recovery lies in JOB MARKET
Unions call for end to income ceilings

THE Federation of SA Labour Unions (Fed sal) yesterday resolved to apply to the National Manpower Commission for the equalisation or abolition of income ceilings in three major Acts regulating labour relations.

Speaking at the federation’s annual conference, president Johan du Plessis proposed that salary ceilings in the Acts either be abolished or one common ceiling be set and reviewed annually.

Du Plessis said employees could be covered by one or more of the Acts and many moved into and out of the legislation’s scope as a result of inflation-linked annual wage increases.

The lowest ceiling is that placed in the Basic Conditions of Employment Act — ranging from an annual income of R27 600 in rural areas to R31 800 in major metropolitan areas.

In the Workmen’s Compensation Act the ceiling is an annual income of R45 084 which may be extended by employers to cover higher earners. Finally, the Unemployment Insurance Act imposes a ceiling of R50 180 per annum for contributors.

Du Plessis said these different levels led to inequality of treatment, confusion and economic hardship.

Speaking at the same conference, National Manpower Commission chairman Frans Barker said he did not believe legislated affirmative action programmes would redress the inequality of opportunities in SA.

He said a more viable approach would be voluntary programmes based on intensive company-run training for those who had suffered from past discriminatory practices.

On the question of industrial councils, Barker said there was an international move away from centralised bargaining. Barker himself was not opposed to the principle of councils as long as they displayed a degree of flexibility on the questions of small businesses and regional differences.

Barker identified three developments in overcoming the obstacles to building social consensus.

He said the major role players in the process — organised labour, business and government — had agreed the process was more important than the substance of discussions. Bodies such as the commission were well-placed to help the process since they were representative, acceptable and had mandates to reach agreement within parameters.
Future government may act on affirmative action

AFFIRMATIVE action practised by large employers is not meeting the requirements that a future government might demand and legislation to correct this might soon be introduced.

This warning comes from a new survey conducted by the Steel and Engineering Industries Federation of SA (Seifisa).

A policy based on equal opportunity, practised by most companies, rather than preferential treatment for disadvantaged groups, is not acceptable, says the report.

The industry lost over 119,000 workers between 1989 and December 1992 and now stands at about 350,000 people, largely because of the drastic turn the economy has taken.

But the report, conducted by the Innes Labour Bureau, finds that the equal opportunity option "is not strictly speaking an affirmative policy, but rather a policy of non-discrimination. As such it does not meet the requirements which a future government is likely to demand from companies".

Seifisa companies, according to the report, do not seem to be paying enough attention to this aspect and if legal requirements are instituted, some companies might find it difficult to employ skilled black labour.

Affirmative action has become a major issue for businesses with SA moving into a new political dispensation.

The International Labour Organisation (ILO) which drafted the Affirmative Action Employment Bill in Namibia, is investigating the possibility of a similar one in SA.

The demand for affirmative action stems from the very low level of involvement of blacks in ownership and management of companies, says the report. In 1991, only 2% of assets in the private sector were owned by blacks, while 90% of managerial positions were held by whites.

A total of 30% of the survey respondents had affirmative action policies in operation, but 55% did not. The emphasis, however, is on equal opportunity programmes, rather than preferential treatment schemes and these might not be suitable.
Survival 'depends on clear vote result'  

BUSINESS had to push for a 'definite result' in the country's first democratic elections if it wanted to survive, a conference on voter education was told in Johannesburg yesterday.

Consultative Business Movement executive member Leon Cohen told the conference organised by the Continuing Education Programme that a clear-cut result was needed to avoid polarisation, which could lead to violence and ultimately the collapse of the economy.

"The issue is not to influence people's vote, but to influence employees to exercise their vote," he said.

Engen human resources consultant Mel Palmer told the conference that business had clear-cut reasons for getting involved in the election process.

By encouraging employees to vote, a decisive victory for the winning party would head off the "Angola option," Palmer said.

Getting people to accept the result would also be difficult, but by promoting voter education, people would be encouraged to cast their ballots and accept the final decision.

With 20-million prospective voters, business would have to help with logistical arrangements, and give time off to workers who were involved in education programmes, as well as marshaling at polls.

Employees represented an influential force in their communities, as they had jobs, skills and respect, he said.

Promoting voter education among workers would have positive effects in the larger community.

However, it was important that business was not perceived as biased to any party.

The emphasis had to be on education, and not on politics, he said.

In this respect, the trade unions could play an important role in the education process.
Jobs task group set up

Political Staff

THE National Manpower Commission has been given a host of tasks, including revision of labour legislation, the Minister of Manpower, Mr Leon Wessels, has announced.

Mr Wessels said a task group had been set up to develop a national training strategy because huge sums were spent on training without visible return.

Speaking in Parliament, he said the newly-reconstituted commission would examine, among other things:

- "Modernising" labour laws.
- A code for good labour practices.
- The establishment of labour standards.
- The question of increased productivity.
- The principles that would give rise to legal actions in court.
- The question of a minimum wage.
- Dealing with Aids in the workplace.
- Harmonising labour legislation.
- Labour-related questions raised by the government's normative economic model.
- The ratification of international labour relations conventions.
- The effect of not abiding by agreements on collective action.
- The political involvement of unions.
- Programmes for the unemployed.
- Sapa reports that Mr Tony Leon (Houghton, DP) told Parliament that industrial councils should be scrapped as they were anachronistic and throttled small businesses.
NEWS FEATURE  ICFTU says at least 260 unionists were killed worldwide last year

By ike Motsapi

SA labour activists in risky profession

GEOFFREY WAY

WORRYING PATTERN Defending workers may end in death or imprisonment for unionists:

intelligent brain by the Goldmine Com mission set up under the September 1990 Pence Accords to Investigate Violence

Pattern

The pattern and timing of political violence which has claimed thousands of lives since mid-1990 increasingly pointed to its manipulation as a political tool and the trade union movement figured prominently among the victims.

"The death toll of trade unionists increased sharply since 1991, rising to an alarming level in 1992. Included among these unionists were members of the National Education, Health and Allied Workers Union, whose severely mangled body was found in Milnerton in January, and Siphiwe Maseko, a member of the Food and Allied Workers Union. Also in March, a National Union of Metalworkers of South Africa organiser, Khumbulani Msomi, and his wife and another union official were murdered when police opened fire on them at a funeral in Tembisa."

James Mihlanyane...was detained last year.

...Recognise the growing number of women migrant workers among the victims who are in a particularly vulnerable position, and further strongly condemn all atrocities committed against women, and call on the ICFTU family to make a determined response to all manifestations of racism xenophobia and religious intolerance.

...workers, asylum seekers or migrant peoples all over the world.

...defence workers, health workers and other professionals working in health care, education, and other essential services.

...workers, asylum seekers or migrant peoples all over the world.

...defensive workers, health workers and other professionals working in health care, education, and other essential services.
The Soweto branch of the South African Democratic Teachers' Union (SADTU) has threatened to ban The Star from its meetings and activities following an article published in the newspaper that week about division among its members over the handling of a strike to demand back pay.

SADTU local spokesman Solly Makhaza said yesterday members took "strong exception" to the report reflecting upon them and would decide at a meeting today whether or not to "barr" the newspaper.

By Tuesday, The Star reported, there was a section in the Soweto branch that senior executive members of the local committee had refused to sanction some of the recent campaigns, including a 'check-down and sit-ins'.

Six senior executive members of the branch de facto resigned their positions when they refused to stand for re-election at the annual meeting held last weekend.

The six top officials are vice-chairman Madoda Mlekana, general-secretary Veli Meyimpi, education officer Mveli Nekati, publicity secretary Copa Mphetha, treasurer Pulehi Popho and sports officer Mathaba Mphasa.

Makhaza accused The Star of scoring divisions in the SADTU ranks and demanded an apology or else the union would "take action".
Supreme Court tells 12 employers to abide by the rules, honour industrial agreements

SHARON SOROUR
Labour Reporter

IN a watershed judgment, the Supreme Court in Cape Town has ruled that 12 employers comply with the agreements of the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industries.

This reaffirms the rights of industrial councils to extend wage and labour agreements to employers who are not members.

In a statement, the council — the largest of its kind in the country — said the 12 employers refused to contribute to the industry's pension, provident and education and training funds on behalf of employees.

They also launched counter applications against the industrial council's court application, alleging defects in the council's registration, misinterpretations of the Labour Relations Act and lack of representation of the employer parties to the council.

The Supreme Court "comprehensively rejected the opposing applications on all counts", said the council

The court determined that the main respondent, Photocircuit, pay all costs and the counter applications were dismissed with costs.

Mr Horst Peschke of Photocircuit also gave the court a written undertaking that he would refrain from instigating or encouraging people to reject industrial council agreements.

The judgment was welcomed by the engineering industry as it confirmed the important role of the council in regulating the industry collectively through agreements negotiated between employer organisations and trade union parties to the council.

Council secretary general Mr David Levy said he was satisfied the court had "fully repudiated the intemperate and defamatory claims" made against the council in the course of proceedings.

He hoped the judgment would encourage a more balanced perspective of the council's important role in industry.

Mr Levy said the council would continue to serve the interests of employers and employees by striving to create a stable and organised industry.
Blue collar workers down on their luck

Important victory

Unita rebels claim...

...spectacular end to the war...

...the war,...
Trade Unionists go back to school
Wanted: An Employee-Friendly Climate

IN MY OPINION

LAWRENCE MCGREAVY
Bidvest acquisition likely

By Stephen Cranston

Bidvest chairman Brian Joffe says an announcement which will have a material effect on the share price will be made today. This follows a cautionary statement published yesterday.

It is expected that Bidvest will make a further acquisition in one of its core fields of catering, services or packaging materials.

Joffe has denied speculation that he is interested in buying Karos Hotels, but possible acquisitions include Foodcorp’s catering subsidiary Catercraft or the purchase of a master franchise of an international fast food operation such as McDonald’s.

An alternative move might be the disposal of the 50 percent interest in Justine, which does not have an obvious fit with the rest of the group.

Although several pyramids such as Gencor Berrend, Malhold and M&R Investments will be eliminated soon, it is unlikely that Joffe is considering removing the Bidcorp pyramid because it would jeopardise his control.
Workers urged to go to World Trade Centre

WORKER rights were in “grave jeopardy” because workers were leaving their future in the hands of negotiators at the World Trade Centre.

To solve the problem, workers had to find out where the World Trade Centre was (outside Johannesburg at Kempton Park) “go there in great numbers” and make their presence felt when their future was being decided.

Mr John Copelyn, general secretary of the SA Clothing and Textile Workers Union, told a labour conference at the weekend that workers had made too many sacrifices and had fought too long to become passive.

“We’ve gone to sleep as a trade union movement. We are always referred to the World Trade Centre and told that people at the World Trade Centre are looking after our interests.”

To loud applause Copelyn reminded delegates to the conference of the story about a group of people who were told to close their eyes and pray everything would be fine. When they opened their eyes their land was gone.

“We are being told to close our eyes and leave things to the World Trade Centre and when we open our eyes everything will be all right.”

Supporters of the ANC were led to believe that as long as the ANC was at the negotiating table everything would be all right. The same situation existed among National Party supporters, Copelyn said.

“Unfortunately this approach is a great discredit to the trade union movement. We have suffered too much and fought too long to be passive about our rights.”

Representatives of a few negotiating parties at the World Trade Centre presented their positions on worker rights at the opening of the “Worker Rights in a Democratic SA” conference.

Professor Albie Sachs stood in for the ANC, Mrs Sheila Camerer for the NP and Mr Tony Leon for the Democratic Party.

After the speakers from the political organisations presented their viewpoints Mr Copelyn commented: “I am not here to stroke you, be polite and welcome you to the new South Africa. I’m on home turf.”

Copelyn said workers should be concerned about the outcome of negotiations and how it affected them in the future. He said if unions lost the right to closed shop agreements and industrial councils, political parties would not be responsible but courts would.

“If we lose our rights it won’t be the NP or the ANC taking away those rights but court judgements. We have to be wary.”

Camerer and Leon prefaced their speeches with warm thanks to Sactwu for inviting them to address the conference because, both said, it was not very often that got invited to conferences of the sort.

Wamers was put on the line after presenting the NP’s position on worker rights. According to the NP charter workers have the right to go on strike but employers, at the same time, had the right to employ an alternative workforce. After some fumbling she composed herself and said.

Our approach is to be fair to workers and employers. She added the NP charter could be amended.

Sachs told the gathering that worker rights should be firmly entrenched in a future South Africa and that “no government in future, including an ANC one, can take away these fundamental worker rights.”

Sachs warned that workers should not only confine themselves to fighting for worker rights. “You should not ignore the general rights that every person is entitled to. You are all South Africans, not only workers.”

RAHQ ROHAN
Cosatu to lobby for more rights, says labour expert

COSATU and other trade union groupings would press for statutory organisational rights and employers would have to "formulate positions in this regard", Professor Peter le Roux said in the latest edition of Contemporary Labour Law.

In the absence of a coherent body of jurisprudence, as well as the period required by the Industrial Court to establish standards, Le Roux said legislative changes were likely to be made to regulate these rights.

Cosatu made a detailed report concerning organisational rights to the International Labour Organisation (ILO) fact-finding commission which visited the country last year. It argued for the inclusion of rights of access, stop order and collective bargaining facilities, and the recognition of shop stewards.

Le Roux said access was recognised by the ILO commission as being of crucial importance in SA, where many workers both worked and lived on employers' premises. Denial of access under such circumstances would hinder unions in their recruitment of members, as well as prevent them from having access to members.

In light of an ILO convention, the commission recommended that "access should be granted more freely to unions for the purpose of carrying out normal union activities".

On collective bargaining facilities, the commission said "space for union business and meetings; time off for union business or training; (and) access to information for negotiation purposes should be accorded to the unions either through national laws, regulations or collective agreements".

However, the granting of facilities should not "impair the efficient operation of the business" and should take into account the undertaking concerned.

The ILO also recommended that the prohibition on stop-order facilities under the present Labour Relations Act be repealed. Currently, unregistered unions are not entitled to apply for such a facility unless the Minister gives permission.

Le Roux noted the draft Bill drawn up by the National Manpower Commission which is being circulated for comment included this change.

ILO recommendations also cover shop steward rights and duties. Victimisation and time off for training and to attend to union matters are dealt with as well as access to necessary information.

Le Roux said that as the article was wide in application and contained financial implications, the ILO provided for countries, either through statute or collective agreement, to define the "precise extent of facilities and the conditions under which they should be granted".
New approaches to staff relations

NEW forms of work organisation and pay schemes based partially or in full on incentive are being implemented in some SA companies intent on achieving "world class performance".

A seminar hosted by FSA-Contact management consultants last week focused on this topic.

Bromor Foods MD Patrick Fleming spoke of the company's attempts to optimise employee performance by building commitment.

"Building the ability of management to foster commitment from lower level employees because of lack of communication, frequent incentive and succession planning. Fleming said Bromor looked at a dramatically different approach to bring resources.

The two strongly held beliefs used as the foundation of its "towards excellence" programme were that people were valuable assets, and a performance-based culture.

Bromor made a commitment not to reduce its workforce as a result of productivity improvements, and implemented a multi-pronged approach consisting of supervisory training and worker participation.

The company assessed all workers to identify those with potential for development. These were sent on training courses. Literacy and numeracy programmes were introduced for those without basic skills.

But it was on the reward side that Bromor made major changes. Three "tangible reward systems" were developed - ad hoc financial rewards in recognition of excellent service; financial rewards for suggestions which resulted in improved performance and performance-based incentives.

The performance-based scheme covered every employee and was linked to either individual, team or company performance.

"This was a major structural and conceptual change, and we hailed forth with some trepidation," Fleming said.

In assessing the success of the programme, he said: "At the end of the day success will be determined not by the programmes we embark on but by the relationships we develop. It is the quality of those relationships which leads to mutual trust and respect, and without these, there can never be commitment."

In a similar vein, Carlton Paper MD Keith Partridge spoke of his company's programme which was "building a productive relationship with labour".

"Carlton's initiative rested on the premise of having employees involved and the democratic participation of all workers in reaching consensus on important issues.

Partridge described the "new employee" as being committed to company goals; informed about all aspects of company performance; developed by the company within his capabilities; customer orientated; a creative thinker; a participant in company success; and able to add value to company performance.

Carlton's reward scheme was not purely financially based but had a recognition component, Partridge said. The company had identified personal recognition, self esteem, which in turn helped empower the workforce.

Partridge and Fleming said they were a long way from achieving their goal of becoming world class manufacturers. However, progress had been made in involving workers in more aspects of production planning."
But what about the (white) workers?

When the AWB broke into the World Trade Centre, the almost universal reaction of white workers at the factory at which ANDREW KENNY works was one of chortling delight. He explains why.

FEARFUL white workers, abandoned by the National Party, now rally around the AWB flag

Picture CHRISTINE NESBITT

THERE are two taboo subjects in South African politics. Each is as shocking to the politically correct as sex was to the Victorian English:

The first is the failure of black Africa. There is a stricken silence when you point out that black Africa under majority rule is a cruel, brutal, much worse place than South Africa under apartheid.

The second is the white working class. The same silence falls when you point out that it was only the privileged whites who opposed apartheid and that the white working class supported it all the way.

A political theme divides white South Africa. It is not between the English and Afrikaners but between rich and poor. The rich welcome the new South Africa, the poor deplore it. On one side are the academics and ascendants who live in northern Johannesburg and Pretoria's Waterkloof, on the other are the blacksmiths and mechanics who live in Vanderbijlpark and Secunda.

You can see this divided glare with menace from the institutions at Kempton Park, where the white ruling class is represented by the NP, the IFP and the ANC, and the white underclass is represented by Conag.

The fact is that white workers were the strongest supporters of apartheid was only to be expected. All over the world, racial and national differences are felt keenly down to the social scale.

As people advance economically and socially, they become more secure, they are able to move into suburbs further removed from the racial frontlines, and they also expel the liberal sympathies of the international bourgeoisie.

The whites who remain in the working class are not only potentially dangerous politically but are of crucial importance to the post-apartheid South Africa in ways that university graduates but has a much more urgent shortage of tradesmen.

In the present era, foremen and supervisors are the backbone of South Africa's industry. It is mainly because of them that we have any infrastructure at all. When black workers have gone on strike or been on strike, production has been little affected, if white workers went on strike, production would cease completely.

During a recent visit to Zimbabwe, I was struck by the failure of Zim- babwe's EKsombo to provide sufficient electricity, despite having good power stations, particularly at Bushveld. The reason is that it lacks the skilled workers to run them. The white elite left Zimbabwe in large numbers leaving behind Robert Mugabe to take over, and the economy has been devastated by their departure.

In South Africa, there are a number of these ex-Rhodians, all excellent skilled workers who could easily run those power stations. If they still love the country of Zimbabwe, and all of them hate Mugabe, as he seems to hate them.

A similar mutual loathing exists in South Africa between the white workers and the ANC. The leaders of the ANC, who are quite at ease in the company of the white capitalist bosses, seem unable to talk to the white working masses. Support for the ANC and the Communist Party is limited to the most privileged whites, such as the White Paper people who inhabit the universities.

The white workers overwhelmingly prefer internalists like the ANC. Part of the reason might be that when the ANC takes over it contains the ancient Zulu enemy, is clearly indigenous to South Africa, whereas the ANC, with its overseas funding and advice, seems foreign, cold and uncaring.

The National Party, which was once the party of the white workers, abandoned them as it moved up the social ladder. The CP and its allies, being closer to the land and the workshop, have moved to woo them.

In the 70's, business leaders from the vantage point of their head offices in Johannesburg and their swimming pools in Sandton, realised that there must be a redistribution of wealth. So, facing the challenge with unflinch- ing resolve, they dug deep into the pockets of their white workers to give to their black workers.

The result is that skilled white workers in South Africa are now worse off than skilled workers in Western Europe (from where they originated), whereas unskilled black workers are enormously better off than unskilled workers in black Africa.

On the factory floor, white workers minority endure the repressive tactics of the remote bosses, including affirmative action (which, they believe, is a plot to replace them with black men). Ordinary, decent men though they are, they are driven, by the imperious attitudes of security managers, to seek security in other directions.

When I asked an engineering foreman, an English immigrant, why he had joined the white-only Iron and Steel Union, less sympathetic to the CP, he replied in a thick Lancashire accent: "Because nobody else looks after the white work- er."

After work, the white workers buy guns, cheer the CP, attend the rallies of the AWB, and are now looking to General Constant Viljoen for salvation.

In England, newspapers like the Daily Mirror and the Sun express the concern of the working man. In South Africa, the white workers have no public voice. Public debate among whites consists entirely of middle-class chatter among journalists, politicians, academics and businessmen - among people who have no experience, and no understanding, of life in factories and mines.

When majority rule came to Zimbabwe, the white workers left. But the white workers in South Africa have nowhere to flee. Brooding, unsettled and fearful, they feel cut off from the rest of the new South Africa. They are rejected by the NP, ignored by the academics and editors, shunned by the unions and despised by the ANC.

They are vital to the econ- omy. They are heavily armed. I suggest we start talking to them.

Andrew Kenny is an engineer at a South African factory.
Call for national worker summit

By FAROUK CHOTHIA, Durban

FLEXING its muscle, the trade union movement in Natal this week called for a national worker summit to discuss strategies to ensure that worker rights are entrenched in a future Bill of Rights and constitution.

This comes against the backdrop of growing fears in the labour movement in the province that worker interests are not only being ignored at the World Trade Centre, but that politicians may also introduce legislation which threatens worker rights.

The National Worker Summit, the first of its kind in the country, was attended by about 200 delegates from the Congress of South African Trade Unions (Cosatu), the National Council of Trade Unions (Nactu) and the independent unions.

Cosatu head office has been reluctant to call a national worker summit. With Cosatu's Chris Dlamini and Nactu's Cunningham Ngwakama present at their regional summit, Natal leaders hope that their initiative will now win support at head office.

The delegates resolved that their head offices should join hands to convene a national worker summit within three months - before a constitution and a Bill of Rights are finalised at the World Trade Centre.

"There are indications that worker rights are being attacked (at the multi-party negotiating forum). On the issue of centralised bargaining, for example, they want to deregulate it," said Rohan Persad, co-ordinator of Cosatu's Economic and Development Initiative in southern and northern Natal.

A representative of the independent unions, Kessie Moodley of the National Union of Leatherworkers, said the summit noted that in other African countries, liberation movements "eroded" worker rights since they assumed power. He said the negotiation process, and the proposed Bill of Rights, was dominated by "a debate around regionalism and federalism, and addressing minority fears. Worker rights have been placed on the backburner.

"The longer we take to set up a national worker summit and to adopt a workers' charter, the more critical it will become for workers," he said.

Warning that time was running out, Moodley added, "The boat hasn't left the shore yet. We can throw a life raft out to get on board.

Persad said the workers' summit had to address other "unanswered questions" as well, including whether trade union leaders can be allowed to take positions in a new government.

"There is a lot of uneasiness about this, particularly given the history of Africa. We need clarity on the issue," he said.

The workers' summit should also look at formulating a national economic restructuring programme in order to ensure there is unity when challenging business and government.
LABOUR

NEF tripartism triumphs

A SEA of sober suits and the odd struggle T-shirt greeted delegates to the first ever plenary session of the National Economic Forum this week.

Six government ministers, the cream of South Africa's unions and the best of the business world met on Monday in a conference centre outside Johannesburg to present to an eager public the fruit of their first eight months of work.

This was tripartism at work: the state, business and labour getting together to hammer out economic and labour market policy, taking decisions on consensus and throwing in a good few checks and balances to even the enormous odds.

A chortling Jape Jacobs (a government advisor), an almost smug Bobby Godsell (Anglo-American director) and the Congress of South African Trade Unions' other Jayendra Nadoo chaired the proceedings. Labour had clearly arrived — albeit not in a Mercedes-Benz — and was sitting as an equal negotiating partner.

The NEF, which was formed in October last year, has done a lot of work in very little time. Numerous agreements have been reached, stumbling blocks identified and a macro-economic policy outlined.

More important, though, is that it is a transparent process: submissions have been invited from the public, it has promised regular bulletins and plenaries and even had a question time at Monday's meeting where delegates were free to criticise and condemn.

Strong condemnation came from Cosatu's Jane Barrett: to loud applause she noted that "there is not a single woman on the working groups (of the NEF)." There were only five women in the labour delegation and not one in the business delegation.

At a gathering of such a diversity of interests, ideologies and identities, there were bound to be tensions.

The South African Municipal Workers Union's Saleh Mane told the government his union was not opposed to public sector restructuring, but that retrenchments were not the answer: "If you don't know how to do it, come to the workers, we've got some ideas."

The South African Chamber of Business delegate said the NEF's commitment to voluntarism — voluntarily entering into bargaining agreements — contradicted their commitment to centralised bargaining.

And the Inkatha Freedom Party's delegate complained that participants were dictating "an indefinite lifespan for the NEF." "Console yourself, this is a process not an event," a patient chairman kept saying.

But the air at the indaba was generally conciliatory and often jocular. Said Naddoo: "When do you know that the process of change has touched the hearts of everybody? When Jape Jacobs advocates a process of transparency."

And Godsell said "Labour's prodding me to get on. I'm used to labour prodding me."

See PAGES 17 and 22.
Unions at odds over new workers' party

SOUTH AFRICA's two largest unions are engaged in a battle over the formation of a working-class party to pressure the ANC into implementing socialist policies, including nationalisation, once an interim government is elected.

At its congress last week, the National Union of Metalworkers of SA (Numsa), which has around 240,000 members, passed resolutions in favour of the new party and the breaking of Cosatu's alliances with the ANC once it is part of an interim government.

But the 300,000-strong National Union of Mineworkers (NUM), headed by James Molatlha, is vociferously opposed to the party and supports the long-term continuation of the alliance with the ANC.

Numsa officials, including general-secretary Moses Mayekiso and president Mthuthuzeli Tom, are in favour of the party Mr Mayekiso, who is also a central committee member of the SACP, said this week the new party would provide a home for socialists within the SACP and those outside it such as ANC NEC member Pallo Jordan.

But senior SACP officials such as party chairman Joe Slovo, general-secretary Charles Ngakula and central committee members Jeremy Cronin and Ronnie Kasrils are known to be strong opponents of a new workers' party.

Cosatu general-secretary Jay Naidoo and ANC secretary-general Cyril Ramaphosa, who attended a caucus meeting in May which agreed to "the long haul character of the alliance" between Cosatu, the ANC and SACP, are also believed to oppose the idea.

NUM publicity officer Jerry Majatlala said the NUM believed a workers' party would usurp the role of the SACP "To talk of another revolutionary party smacks of a political anachronism which belongs to another era."

Innes Labour Brief manager Dr Duncan Innes said Numsa was likely to gain the support of the SA Clothing and Textile Workers' Union, one of Cosatu's largest affiliates.

The SA Commercial and Catering and Allied Workers Union and the Chemical Workers Industrial Union could also support Numsa in its bid to form the new party, he said.

Mr Kasrils accused proponents of a workers' party of "weird thinking" and "snatching defeat from the jaws of victory."

Mr Mayekiso said the new workers' party would monitor the extent to which the ANC implemented socialism, including the nationalisation of the land and key industries once it was in government.

While Numsa would support the ANC in next year's elections, the party could challenge the ANC at the polls in the future if it was unhappy with its performance, he said.

A priority would be the nationalisation of the land, partly without compensation.

Mr Majatlala said NUM was opposed to any decision being taken on nationalisation at present because it was a sensitive issue, which needed further debate. Nationalisation without compensation was out of the question, he said.
Trade union fund shows slow growth

By MONDLI MAKHANYA

The trade union controlled Community Growth Fund (CGF) learnt a hard lesson in social investment in the past year, when it missed out on the gold price surge.

The CGF reported mild growth for its first year of operation, posting returns of 16,3 percent, just above the rise in the Johannesburg Stock Exchange’s All Share Index, which was 15,4 percent.

The fund invests in companies which meet the investment criteria set by Syfrets fund managers and the trade unions’ social responsibility criteria.

But, as mining companies are perceived by the unions as being among the most conservative employers in industry, they have not met the social responsibility criteria.

Hence, the fund’s missing the gold rush which so many other funds joined. But this may change in the coming year.

“We are going to be approving some gold companies soon,” says Labour Research Services’ Mark Anderson.

Six new companies were approved in the past six months, bringing the total in the portfolio to 17. Nine others are currently being studied.

While there was some scepticism in union ranks last year, Anderson says the CGF has greatly improved since then.

“Presentations have been done to shop stewards and many actually ask why we are not approving a greater number of companies,” he says.

CGF Management Company’s Anthony Asher adds that it is the corporations rather than unions who are increasingly sceptical of the fund.

“It involves the empowerment of unions and they therefore feel threatened,” Asher says.

The CGF — now worth R45-million — certainly has no shortage of cash to invest, only avenues.

Union pension funds pump between 10 and 20 percent of their cash flow into the fund every month.
Worker party will halt compromise

Mounting calls for a Workers’ Party to stem the “compromise of workers’ interests” by political negotiators have raised questions about the role of the South African Communist Party (SACP) in negotiations.

The National Union of Metal Workers of South Africa (Numsa) — the largest Congress of South African Trade Unions (Cosatu) affiliate — recently expressed concern at the lack of worker participation in negotiations.

Numsa resolved to ask Cosatu to investigate new forms of organisations to “unify working class organisations and take forward a programme to implement socialism.” This could take the form of a Working Class Party.

At its conference last week, the Workers Organisation for Socialist Action (Wosa) also resolved to support the formation of a “Mass Workers’ Party”.

“Only an independent Mass Workers’ Party can halt and reverse the wholesale compromise of the interests of the working class by the negotiations at the World Trade Centre,” said Wosa chairperson Mr Neville Alexander.

Alexander said Wosa would use the election campaign to promote the Workers’ Party.

The SACP adviser at the negotiations, Mr Esop Pahad, conceded this week that workers had a “valid criticism.”

The ANC and the SACP, Pahad said, represented the interests of the working class at the negotiations.

He conceded the party was not effective enough in ensuring that workers received regular and sufficient reports on how their interests were being defended at Kempton Park. But he said he would not accept there had been a “sell-out” of worker interests at the talks.

“It is quite clear that there should be more report-backs to the organised constituencies of the working class: the trade union movement.”

Pahad said the SACP believed the responsibility to report back to workers on the negotiations lay “first and foremost” with Cosatu. Cosatu assistant general secretary Mr Sam Shilowa was also an adviser at the negotiations and was reporting back regularly to his organisation.

Numsa had also discussed the future of the tripartite alliance and resolved that Cosatu should remain independent of political parties or the government.

Numsa will encourage its members to support the ANC in the coming elections, but once an interim government is established the union should not have a formal alliance with the ANC.

Pahad disagreed with the “rupture” of the alliance, although he believed the trade union movement should make its decisions independently on how long it should last.

“I would argue that the need to broaden the alliance to include all mass democratic forces would become more critical after the elections,” he said.

“We need to work and fight together to bring about a policy of reconstruction and radically transform South Africa.”

“To bring about a national democratic revolution requires that the alliance continues after elections.”

Pahad said he did not believe it was necessary to work towards the establishment of a Workers Party.

Other political formations of the left which believed the SACP was not fulfilling its role would have an opportunity during the elections to test their popularity.

Rehana Rossouw
Fat spreads: No sign of collusion

COMPETITION BOARD chairman Dr. Pierre Brooks, who is investigating the recent price hike in margarine and low and medium fat spreads, said there was no evidence yet to suggest collusion took place between manufacturers.

The board started its inquiry last week after retailers announced increases of up to 94%.

Dr. Brooks said "warning bells had started ringing" when the announcements were made, particularly as they were accompanied by remarks by manufacturers that the margarine price war could not be allowed to continue.

The board hoped to complete its investigation by the end of the week.

Retailers yesterday said the increase would not be as severe as originally speculated.

The largest price rise would be in the medium fat spreads which could increase by up to 60%, depending on the brand.

The prices of regular margarines could go up by an average 30% — Staff Reporter, Sapa
THE trade union movement will have to make considerable strategic adjustments in the forthcoming period of reconstruction, and selling these changes to rank-and-file members will not be easy.

National Union of Metalworkers of SA (Numsa) education officer and top Cosatu strategist Alec Erwin offered a range of insights on this theme at the weekend labour law conference at Durban's Natal University. Thus period of "new unionism", which was central to the transformation of society, would have to encompass a reconstruction programme, including a collective bargaining dimension, to protect membership and union objectives.

For Erwin, the most critical areas to be included in "a coherent policy package" should be:
- Achieving a macroeconomic balance by controlling inflation;
- Employment creation, which he described as "an absolute priority";
- Reregulation of the SA economy;
- Ensuring all players participate in the benefits of economic growth; and
- Political democracy.

Reconciling labour's interests with those of the changing SA society is required for the need for industrial restructuring, but also the continuation of macroeconomic and microeconomic policy.

This, explained Erwin, was the basis for a three-year proposal submitted at this year's wage negotiations. The aim was to redress serious structural problems in the metal sector. "The bargaining process is changing, with unions proposing a programme approach in contrast to the previous year-on-year process," said Erwin.

He conceded there should be a direct relationship between wage increases and productivity gains. "Higher wages do imply higher productivity," he added. "We need to reorganise to get the most out of existing technologies in production."

Management, through a process of interaction, participation and negotiation, should explore the most effective way of using human resources. "We need flexibility and acceptance by the union movement, as evidenced in the recently signed agreement on labour-intensive production."

However, this "is different from accepting a cheap labour policy". "Wages and restructuring are part of a macroeconomic policy. We will have to negotiate wider issues such as the structure of negotiations and their place in the context of these negotiations take place. We will have to be much more detailed, sophisticated and pragmatic."

Comparative advantage was not based on wage rates. Erwin argued that education, skills, training, and other factors had to be taken into account in determining whether a country was competitive. "With the world trading patterns changing rapidly, SA needed to study these changes and adjust accordingly."

The debate on levels of collective bargaining was crucial. "At the end of collective bargaining was that there was no advantage that SA had in the area of new demands. "We are facing introducing new traditional internal democracy," he said. With members' lack of formal education, it was incumbent on unions to develop their capacity rapidly to enable meaningful debate. Current management was not responsive to new proposals and solutions, which rendered negotiations useless.

Erwin said the debate was between union leadership and membership on the question of the extent to which unions had developed the capacity to deal with the challenges of reconstruction. The union movement would be able to rise to this challenge and mobilise members behind its macroeconomic initiatives remained to be seen. If not, the sophisticated deals struck at leadership level would not stick.

Labour, said Erwin, had accepted that SA's economic woes were based on structural decline. "The entry into the world economy exacerbates our vulnerability to world trends. With the long-term decline in primary product markets and substantial changes in manufactured markets, SA has been isolated from international competition for decades, and to restructure industries to cope with new demands. "

Work reorganisation, state subsidies, interest rates and other factors were all relevant. He said that while the targets were clear, a major challenge facing trade unions is a time of high and rising unemployment.

Erwin said one valuable lesson learnt through participation in tripartite forums was that compromise and agreement were possible. "The only way to resolve the problems inherent in a period of reconstruction is through negotiation, participation and democratisation. We must learn to respect each other's positions and seek a compromise."

Traditional internal democracy."

He argued that a 10% increase in productivity was necessary to support a 5% increase in wages, which was the norm.

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Strikes by thousands of workers looming

More jobless as industrial action increases

PAT CANDIDO
The Argus Bureau

PORT ELIZABETH. — Prospects for labour stability during the third quarter of this year are looking increasingly gloomy with threats of strikes involving thousands of workers.

Strikes by municipal, motor industry and leather industry workers are looming during the next few weeks.

The South African Municipal Workers Union will embark on a countrywide strike on August 2.

Samwu national secretary-general John Erzen said further meetings had been planned and he hoped the matter could be settled through negotiation.

The South African Democratic Teachers Union remains at loggerheads with the State over salary negotiations and rationalisation of teaching posts. Failure by the government to meet Sadtu's demands could lead to "mass action".

Negotiations in the automotive industry — a key sector of the Eastern Cape's economy — are on the brink of collapse over final wage increase positions adopted by employers and unions.

Car makers have joined tyre manufacturers and engineering companies in offering a seven percent across-the-board increase while National Union of Metalworkers of SA members are holding out for an increase of 15 percent.

The national bargaining forum for the automotive sector meets this week in a final attempt to bridge the gap.

The National Union of Leather Workers is also holding a strike ballot after employers offered a seven percent pay rise in response to union demands for 10 percent.

The present increase in industrial action is coupled to a rise in the number of unemployed in the Eastern Cape. The number registered with the Department of Manpower stands at 21,690, only the tip of the iceberg.
THE uneasy marriage between the labour movement and political organisations is beginning to show signs of strain. Or is it?

What appears to be the first signs of discord surfaced early this month when the giant National Union of Metal Workers of SA (Numsa), proposed that its mother body Cosatu disaffiliate from the ANC-led tripartite alliance once an interim government had been established.

Numsa further hinted at the possible establishment of a workers’ party that could even challenge the ANC.

Until a few months ago, supporters of such ideas would have been considered heretics and would at best have been marginalised within the tripartite alliance and at worst hounded out.

The fact that these sentiments, expressed during Numsa’s conference at the World Trade Centre, did not elicit any criticism from the ANC or the SACP, did not go unnoticed among political and labour observers.

This week another important Cosatu member, the Southern African Clothing and Textile Workers Union, resolved at its national conference in Durban that it would also sever links with the ANC once a constituent assembly has been established.

Numsa and Sactwu’s widely publicised stances could well indicate tensions within the labour movement as the demise of apartheid nears and unions try to re-define their relations with a future government – widely expected to be dominated by the ANC.

They also raise some interesting questions.

How serious are these pro-ANC unions about going their separate ways once a constituent assembly or an interim government has been established?

Allied to this, if this notion of disaffiliation is gaining currency within the labour movement, what could its cause be?

It was expected that relations between the labour movement and an ANC-led government would not always be easy. A conflict of interest between government and organised labour is not unusual.

Potential conflict

The potential for conflict between organised labour and a new administration (even if it is ANC-led) has always been considered high given that such an incoming government would most likely face serious problems as a result of empty state coffers.

There are growing indications will seek to be independent – even if it is ANC-led, proposed that its mother from the tripartite alliance ment has been installed.

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It is argued a similar scenario itself in SA.

Perhaps aware of such a
There are growing indications that organised labour will seek to be independent from a new SA government – even if it is ANC-led. Earlier this month NUMSA proposed that its mother body Cosatu disaffiliate from the tripartite alliance once an interim government has been installed.

As unemployment and a pressing need for social and economic reconstruction.

However, the speed at which differences between the unions and what many consider “the government in waiting” has taken observers by surprise.

Equally surprising is that the labour movement seems to be in the split. Traditionally in Africa it has been a former liberation movement-turned-government which has precipitated the split with former ally in the trade union movement.

An example is Kenneth Kaunda – a close ally of the ANC – whose party came to power riding on the back of the labour federation. But once in State House, Kaunda fell out with the workers’ leadership and even jailed some of them.

It is argued a similar scenario could well repeat itself in SA.

Perhaps aware of such a possibility, organised SACU could even help with the establishment of such a party. It is inconceivable that the SACU would help in creating a potential rival.

It is also unclear whether NUMSA is serious about the issue, or whether this is pure rhetoric a scare tactic.

Whatever the alleged sanctions between organised labour and the ANC, it would be wrong to say this will have any adverse effect on the ANC’s election campaign.

Cosatu has publicly stated it will help the ANC win forthcoming elections and will release its resources and personnel to achieve this. Some of its members will also be running for the ANC.

“Despite talk by NUMSA, the South African Chemical and Textile Workers’ Union (Sactw) or even Cosatu of going it alone after elections, the symbiotic relationship of the tripartite alliance precludes the possibility of an early or complete split.”

The ANC/Cosatu marriage has been blissful for some time now. But rocky signs lie ahead.

The irony is that the dawn of Ujama – which both have fought so hard for – could well bring about the end of their affair.

MARCHING TO A DIFFERENT DRUM?

... Will union workers carry out their threat to leave the ANC in the political wilderness. And will the SACU take up the slack and give workers the political voice they demand? Only time will give those answers.

IN: EVANS MBOWENI
Union has 'saints and sinners' awards for bosses

SHARON SOROUR
Labour Report

IN a labour relations first, the Southern African Clothing and Textile Workers' Union has, through a series of awards, recognised the behaviour — and misbehaviour — of the industry's employers.

At an "award evening" recently, Saetwu said employer Saphi Lambert — voted "Employer of the Year" — "surprised" the union with its constructive attitude.

In a statement, the union said workers who were staging a sleep-in protest at a Saphi Lambert factory, were surprised when their employer, a Mr. Kraamwinkel, arranged heaters and food for the workers.

This was not a one-off incident, Saetwu noted.

On another occasion, Mr Kraamwinkel arranged a tent and other facilities for workers' children who accompanied their parents to work on child-care day. He also provided refreshments for workers when union meetings were being held.

"This is very unusual and highly commendable," said the union.

However, other employers, 14 in all, were nominated for the "Obstructive Employer of the Year" award.

"Two companies were head and shoulders above the rest. They were an East London-based factory, National Converter Industries, and a Newcastle company, Apollo Industries.

"In the end, it was decided to make them joint winners, or was it losers?" said Saetwu.

Both employers would receive their awards, a book on trade unionism, soon.

Apollo allegedly mistreated workers, held back wages, penalised them for talking while working and bringing union pamphlets on to the premises, while NCI allegedly repeatedly dismissed shop stewards, fired workers for taking part in stayaways and refused to pay industrial council rates.

The "Branch of the Year" award went to the Atlantis branch, while Lit Chetty, the union's national administrator, received the award for the most dedicated staff member.
Cutting the bull

EMPLOYER awards with a difference made their way on to the labour scene in August when the Southern African Clothing and Textile Workers’ Union (Sactwu) handed out its “Bull of the year” and “Employer of the year” awards.

The “Bull of the year” — bull for bullshit — prize went to the owner of the Kingsgate Clothing company in Durban who retrenched workers saying the company did not have any orders on its order books. Soon afterwards, however, Sactwu discovered Kingsgate had just secured an export order for R30-million. When asked about his prize, the company’s owner, Sadeek Vakah said the order had been faked from existing stock.

Saphil Lambert in Pretoria walked off with the “Employer of the year” award for providing heaters and food for workers on a sit-in at the factory. The owner of the company had previously put up a tent and provided other facilities when their parents brought their children to work on “Child-care day” in June and also provides refreshments when workers hold meetings at the factory.

The union called the company’s actions “very unusual and highly commendable”.

Union members sent in 13 nominations for the trade union’s “Obstructive employer of the year” award, which was won jointly by National Convector Industries in East London and Apollo Industries in Newcastle.

National Convector Industries won the dubious honour for consistently dismissing shop stewards and union members and for not paying industrial council wage rates, even after a court case.

The union claims the owners of Apollo Industries had on different occasions “assaulted an organiser, tortured workers with electrical shocks, physically stopped workers from bringing union pamphlets into the factory, deducted wages from workers for talking while working and also denied access to Department of Manpower Inspectors”.

Other innovative awards — which were presented at the union’s congress — were also given to workers at the Da Gama textile factory for “the most significant struggle” after they went on a 47-day strike earlier this year.

Clothing negotiators in the union won kudos for the “Most significant agreement”, while Solly Sachs, who used to be the general secretary of the old Garment Workers’ Union, received a posthumous award.
CLOTHING retailer Sales House has asked its employees to help it come up with a business plan.

In a statement, managing director Arthur da Costa said, "I believe Sales House is certainly one of the first companies in South Africa to ask its employees for input in a document of this nature."

Marketing director Penny Lloyd said the idea had emerged while the company was trying to find ways to empower its workers. "Da Costa believes in employee participation," said Lloyd. "He consults his management team and staff and involves them in quite a lot."

Rather than saddle workers with the complexities of developing a strategic business plan, management "drew up a questionnaire which dealt with aspects of the business plan. Workers are being asked their opinions on employee benefits, the location of stores, winning market share, funding and so forth."

All Sales House staff have been divided into 10 groups and a deadline has been set by which the staff contributions have to be ready.

Once the workers' responses have been received, management will discuss the answers with employees before incorporating them into the business plan.

"There is an enormous amount of excitement about the plan. People have a feeling that they are going to be heard," said Lloyd.

"We have to be careful of raised expectations, you can't put this to staff and then not let them hear something."
Avoid government control, unions told

The glee with which some employers are rubbing their hands in anticipation of the weakening of the trade union movement is ill-conceived, according to Andrew Leon's Pat Stone.

Trade unions should, however, be wary of losing their independence to the government of the day.

"It is recognised worldwide that trade unions who align themselves too closely to particular political parties or governments, quickly lose the confidence of their members," noted Mr Stone in an address at Black Allied Workers Union's (Bawu) 21st anniversary celebration in Durban.

Giving examples showing that trade unions would continue to play a role, Mr Stone referred to pay statistics.

"While workers have undoubtedly made major advances in SA, I would suggest that there is still a long way to go."

In 1990 black workers earned on average R995 monthly against a white's equivalent income level of R3,011.

This meant an average black worker earned only 32 percent of a white person's pay.

"Put another way, 48 percent of blacks who earn an income, earn less than R3,000 per month. Job security and the potential for job creation remain a major structural problem in this country and until they are overcome, the work of the trade union movement can never be seen as complete."

The ability of the union to deliver would be determined by its level of influence.

"We all know that influence is only derived from power in a fragile economy and where unemployment is so high, the strike is becoming an increasingly ineffective weapon."

"However, power also comes from perceived legitimacy in society. I would suggest that it is on the grounds of legitimacy that the trade union movement in this country will be judged in years to come."

"No trade union is 'going' to have legitimacy and power unless it represents workers who have an increasing skill base in the SA economy."


The labour movement in Natal has set the pace for the rest of the country by working as a cohesive unit in the fight to protect its economic interests in the region.

The move, however, has led to tensions between the Congress of South African Trade Unions and the African National Congress.

The federation has found itself closer to its union partners — the National Congress of Trade Unions (Nactu) and the independent unions — than its elected officials on issues related to economic development in the region.

The new-found unity in the fragmented labour movement follows a successful Natal worker summit held in Durban recently, the first of its kind in the country.

Cosatu's co-ordinator for economic development, Rohan Perse, said he believes that a new level of trust has developed among the unions. Nactu and the independent unions' suspicions over Cosatu's alliance with the ANC have disappeared.

"They previously held the view that if the ANC cracks the whip, Cosatu jumps. Through the Regional Economic Forum we have proved our credibility. We are an independent partner in the alliance with the ANC," he said.
Landmark judgments should send signal to employers

SHARON SOROUR
Labour Reporter

RECENT precedent-setting labour court judgments should send a clear signal to employers, no matter how influential, that their disregard for fair labour practices will not be tolerated.

In a ground-breaking appeal last week, regional giant Capab was ordered by the Labour Appeal Court to reinstate an orchestra musician dismissed unfairly in 1991.

Mr Justice J King ordered the performing arts council to reinstate Pierre Schuster as principal trumpeter from March 1, 1992, with full back-pay.

Mr Schuster had successfully applied to the Industrial Court to have the termination of his employment declared an unfair labour practice, asking for his reinstatement as principal trumpeter.

Capab appealed, and not only lost the appeal but was ordered to compensate Mr Schuster for "remunera-
tion forgone since March 1, 1992".

Judge King also dismissed the appeal with costs.

"Capab used its disproportionate bargaining power to impose an extremely onerous set of contractual terms on a skilful professional, which was effectively kept in the precarious position of a probationary employee for two years."

In the circumstances, it is clear that Capab committed an unfair labour practice in terminating the way it did Mr Schuster's probationary contract as principal trumpeter.

According to Capab, it terminated the contract because Mr Schuster's abilities did not measure up to required standards.

However, Mr Schuster told The Argus he had not received any complaints about his playing.

When he joined Capab, he was offered a six-month probationary contract from January 15, 1990. Towards the end of the six months, on June 18, he was told he had made sufficient progress to merit a second six-month probationary contract, until December 31, 1990. He accepted the offer.

The second trial period was sufficiently successful for him to be offered employment as a member of the orchestra as principal trumpeter for a year, from January 1991.

On October 8 he was informed in writing of Capab's decision not to offer him a permanent contract beyond December 31, 1991, although he was invited to audition for the position of sub-principal trumpeter.

Mr Deon Irish, legal counsel for Capab, contended that the second six-month employment offer was silent on the question of permanency, and merely informed Mr Schuster that Capab was extending his initial period for a further six months and that he would be offered a year's contract if he performed successfully.

However, Judge King said the proper interpretation of the contractual relations between the parties yielded different conclusions.

There is no evidence to suggest that the offer of June 18, 1990 did not incorporate the expectation of a permanent contract in due course.

"Mr Schuster clearly contracted on the basis that his one-year probationary contract would lead, all things going well, to a permanent employment," Judge King said.

Capab did not follow any of its stipulated procedures, like a warning to improve or a notice to audition before a panel, in coming to the decision to terminate Mr Schuster's service.

Judge King said: "Did Capab's failure to abide by its contractual obligations constitute an unfair labour practice? We cannot say what the outcome would have been if Schuster's performance had been properly evaluated..."

"However, we do know that in the absence of that procedure Schuster lost his job and has been unable to find a comparable post. He has suffered substantial prejudice."

So, after a two-year absence, Pierre Schuster will take up his post as Capab's principal trumpeter.

15/10/92

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Future envoys go to school

OWN CORRESPONDENT

LONDON — Twenty-five South Africans, blacks and whites, are training at the University of Birmingham to take part in what they hope will be a new chapter in SA's diplomatic history.

The group includes members of the ANC and the Inkatha Freedom Party. But their spokesman, former Transkei civil servant Veli Nts栅ane, is adamant that political affiliations mean nothing.

"We came here as South Africans," he said this week. "We came to prepare a new, democratic, nonracial nation."

The trainees have just started a 10-week course in cultural relations, trade and finance, law and diplomatic practice and consular work.

ANC leader Nelson Mandela, who is on a world tour, met the group during a visit to Birmingham on Monday.

Later he told an enthusiastic audience who packed a civic reception in his honour: "We need the collective wisdom of all our people to chart the way forward."

— Daily Telegraph.

DP launches attack against communists

DEMONSTRATS within the ANC had every right to believe that their communist allies were different from other communists, just as they had the right to believe in fairies at the bottom of the garden. DP leader Zach de Beer said last night.

De Beer was speaking at a report-back meeting in Rosebank.

He attacked the ANC's communist allies as "ruthless power-seekers and arch-manipulators", who were remorseless in their attack on human rights.

"When Jeremy Cronin attacked Boris Yeltsin for what he is doing to the communists in Russia, it didn't seem to me that he was all that far from the communists abroad ... we know communists as the greatest enemy of individual freedom, and we think it is our duty to fight against it," De Beer said.

He asked who South Africans wanted to sit in Parliament and to write a new constitution.

De Beer said the more DP MPs there were in Parliament, the greater the possibility that human rights would be protected.

He said that only the ANC had a chance of gaining a two-thirds majority in Parliament.

But, between them, the non-ANC parties had to ensure they gained at least one-third of the vote so this would prevent the ANC from writing a constitution that suited it alone.

SA's post-election constitution, like the constitution being written at Kempton Park — in terms of which the April 27 election would be held — had to represent agreement between the various parties.

He described 1993 as a year of acute conflict, of many murders of continuing poverty, joblessness, hunger — in many ways a miserable year.

However, progress had been made at negotiations and sanctions had now been lifted so that the ANC, which for so many years campaigned to impoverish SA, has now reversed itself and is appealing for foreign investment.

Consensus to scrap party funding clause

NATIONAL Manpower Commission members have reached consensus on the scrapping of a clause preventing trade unions from funding political parties or candidates.

Their recommendation will be debated in Parliament during its next session, probably in November.

Government sources said, however, that a new clause would not necessarily be approved by Parliament as the whole question of party funding was due to be debated in the next session.

Sources said it was an extremely delicate issue and tied to funding covered in the Electoral Act.

As a result, Manpower Department delegates had been told not to enter the debate as the issue had to be determined by government and not on a plenary basis.

However, Cosatu representative Mike Madlala said the controversial clause — Section 15a of the Labour Relations Act — was likely to be scrapped as Parliament was likely to ratify the recommendation.

Employer members were more cautious, especially in light of the recent national economic forum recommendation on the petrol price increase not succeeding in swaying government opinion.

Madlala said unions were awaiting the outcome of the Parliamentary debate and thereafter the qualifications of the scrapping would be debated. Those pertinent to the status of workers covered by closed shop agreements.

Once the clause was scrapped unions would be able to fund political parties or candidates from their coffers, he said.

Employer sources said the more conservative unions had not agreed to the recommendation and government representatives had withdrawn from the debate citing its political nature. As a result, government members had not adopted a position on the issue.

C
'Maximum transparency' for NEF

THE big challenge facing the National Economic Forum was ensuring "maximum transparency" so the public and members of represented organisations participated as key actors in getting mandates to their negotiators, said Ebrahim Patel, NEF short-term working group labour co-ordinator.

In an interview in People Dynamics, the Institute of Personnel Management's official publication, Mr Patel - assistant secretary-general of the Southern African Clothing and Textile Workers' Union (Sactwu) - said agreements, even excellent ones, would not be "durable" if they were reached by only a few skilled negotiators.

"Those agreements would not have achieved the objective of refocusing the energies of large numbers of entrepreneurs and workers towards the purpose of economic reconstruction," he said.

The NEF, made up of business, labour and government, had an important role to play in a future democracy, he said.

Mr Patel said the NEF's positive achievements to date were the actual agreements, the process by which they were reached and the promise the NEF held for the future.

"Arising out of the agreements, we have a comprehensive new framework that starts to address some of the weaknesses of ordinary collective bargaining. Until now collective bargaining has tended to focus exclusively on redistributive issues and has not adequately addressed the economic challenges facing South Africa.

The issues of job security, job creation and economic growth were central to the NEF agreement.

"As an example, R249 million has been set aside for NEF-sponsored job-creation projects.

This was the first time government had agreed to a body, other than a government department, dispensing such funds.

"Significantly, the parties have constructed a set of fairly rigorous criteria against which any applications for grants will be judged."

On centralised bargaining, the NEF agreement repudiated the basic assumptions of the government's Normative Economic Model on the labour market.

"The model posits the view that the key reform to introduce efficiency and create conditions for international competitiveness is the deregulation of the labour market.

"As organised labour, we put forward a coherent set of ideas arguing that for political and economic reasons, the attempt to dismantle centralised bargaining would not only result in increased conflict, but would remove the one opportunity to get cooperation towards the creation of world-class manufacturing in South Africa."

The NEF agreement acknowledged the value of centralised bargaining and set in motion a voluntary process, intended to concentrate the minds of industrialists on the debate about appropriate levels of bargaining.

It was agreed not to dismantle any of the existing centralised bargaining institutions and not to create obstacles preventing the development of new institutions.

Mr Patel said the union movement's biggest challenge would be for it to remain the voice of workers.
Workers get new party

By NORMAN WEST; Political Reporter

THE "creeping revolt" within trade unions against Kempten Park negotiations has speeded up plans for the formation of a new worker-based Mass Workers' Party (MWP) next Sunday.

The party could decide to contest elections for a new South Africa, said its prime mover, Cape Town academic Neville Alexander.

The decision to participate would be taken by an interim national steering committee, which will be chosen by delegates at Daveyton, on the East Rand, on Sunday.

Dr Alexander said "a kind of creeping rebellion from below" existed within trade unions which believed that negotiators at Kempten Park would "compromise the interest of the workers irrevocably".

He claimed the idea of the new party was taking root especially among trade unions, including Cosatu, Nactu and socialist groups like Wesst.
Johannesburg — The International Labour Organisation (ILO) suspended its declaration of action against apartheid — after nearly 30 years — yesterday and voted in favour of immediately implementing a programme of action in South Africa, former Cosatu general secretary Mr Jay Naidoo said.

Speaking from Geneva where the ILO is based, he said it was the first international agency to commit itself to the reconstruction of South Africa.

With the ILO again operating legally and constitutionally in the country, its wealth of information and knowledge of labour relations and socio-economic development "would become available for the future development of South Africa."

The decision was expected to be ratified by the organisation’s next conference in June next year.

Mr Naidoo addressed the governing body yesterday, urging the ILO to reverse its policy of excluding South Africa and to implement its plan of action urgently under a multi-disciplinary ILO team.

He said the ILO decision had important implications for "addressing the legacy of apartheid."

The ILO would work with the UN and Commonwealth Secretariat to organise an international donors' conference in a post-apartheid South Africa early next year, Mr Naidoo said.
SA to rejoin world labour body

The Argus Correspondent

JOHANNESBURG.—After three decades of exclusion, South Africa will be formally readmitted to the International Labour Organisation next June.

Plans are already in the pipeline for an extensive, multimillion dollar programme of assistance to the South African labour movement, said former Cosatu general secretary Jay Naidoo, who returned from Geneva yesterday.

Mr Naidoo said the ILO’s committee on legal issues and international labour standards had resolved to recommend that the organisation suspend its declaration on action against apartheid.

This recommendation, to be considered by the ILO at its meeting next June, will formally pave the way for South Africa’s readmission.

Cosatu also believes the planned programme of ILO assistance will dovetail with its own proposals for economic reconstruction and the restructuring of the South African labour market.

Following meetings with labour employers, the National Economic Forum and the National Manpower Commission, the ILO has developed a series of proposals that will provide a framework for action to help South Africa in its “transition to full democracy, and in overcoming the effects of apartheid.”
New union body has no teeth, say critics

Durban — A new trade union federation has been formed which will oppose the Congress of SA Trade Unions and reject strikes and work stoppages.

The "politically non-aligned" United Independent and Economic Trade Unions of South Africa (Uinetusa) was launched in Durban two weeks ago and claims the support of 10 independent unions totalling 22,000 members.

Durban Chamber of Commerce industrial relations consultant Basil Smith said he was cautious about the federation, and questioned how it hoped to sustain its membership if it abdicated its ultimate power against employers — the right to withhold labour.

Cosatu regional secretary Thami Mkhoni contested the federation's claim to represent worker interests, saying "no union can be founded on the basis of not being able to strike — it's the only weapon workers have".

— Sapa (3.2)
No-strike union group formed

DURBAN — A new "politically non-aligned" trade union federation has been formed to oppose Cosatu and reject strikes and work stoppages.

The United Independent and Economic Trade Unions of SA was launched in Durban two weeks ago and claims the support of 10 independent unions totalling 22,000 members.

Business and Cosatu greeted news of the new federation warily yesterday.

The leader of the new federation, Sydney Grabahe, said it aimed to "combine the strategies and policies of independents".

Durban Chamber of Commerce consultant Basil Smith said he was cautious about the federation, questioning how it hoped to sustain its membership if it alienated its ultimate power against employers in bargaining — the right to withhold labour.

Cosatu regional secretary Thami Mohlomi said he contested the federation's claim to represent worker interests, saying "There is no union which can be founded on the basis of not being able to strike. It's the only weapon workers have." — Sapa
Strike: Ball is in the negotiators’ court

If the World Trade Centre negotiators scrap a draft Bill of Rights clause on lockout rights, Cosatu will call off Monday’s planned general strike, reports Paul Stober and Jacque Golding.

The question of whether the economic situation is a standstill on Monday lies in the hands of the negotiating council at the World Trade Centre.

The Congress of South African Trade Unions has already decided that Monday’s planned strike will go ahead if the forum does not scrap a clause in the interim Bill of Rights which allows employers to lock out workers during labour disputes.

A joint government-African National Congress proposal to be tabled at the council today guarantees workers the right to strike for purposes of collective bargaining. Another clause will prevent any future labour legislation which bars employers from using lockouts during labour disputes. The legislation will have to consult the National Manpower Commission (NMC), which has representatives from labour, business and government, before passing any labour legislation.

On Thursday the Cosatu leadership was consulting its affiliates about the proposal, which was due to be tabled at the World Trade Centre today.

An alliance statement, issued early yesterday, said: “The alliance leadership unani-

mously endorsed an amendment to the interim Bill of Rights proposed by Cosatu. The amendment unani-

dously enforces workers’ right to strike for collective bargaining as a funda-

mental right. Employers recourse to the lockout is no longer considered to be a basic human right but a measure which is subject to labour relations legislation.

“As an alliance we stand fully behind Cosatu’s call for a general strike. However, we remain confident that the multiparty negotiations process will endorse our proposal in the next 48 hours, thus averting the need for a recourse to action.”

On Wednesday night ANC secretary general Cyril Ramaphosa and Manpower Minister Lulu Xingwana said Cosatu would accept the compromise proposal Ramaphosa said “Cosatu has said since last week there is no need for a strike.”

The ANC has been hell-bent on meeting the strike, as the organisation’s leadership wants to wrap up negotiations and start directing its energies toward the April 27 election. There has been surprisingly little sympathy for Cosatu’s demands, a ANC rank and the organisation seemed to be more concerned with extracting the alliance from the dispute.

Senior members of the alliance were of the opinion that Cosatu had placed it in an “all-or-nothing position” by insisting on going ahead with the strike if the negotiating forum did not give

» SATIN LEAF

See PAGE 22
Cosatu's being strange, but not stupid

Is there something to Cosatu's call for a stayaway or is it just Sam Shikwana playing with his new toy-toy? Union law expert Martin Brassey looks at the union's right to strike and the employer's right to lockout.

The confusion is understandable. It is easy to see why, despite being committed to the protection of workers, a union movement might feel itself called for their disciplines, such calls are quite often made to create employment opportunities for union members or to protect the integrity of an existing closed shop.

Equally comprehensible is the notion of a non-reciprocal arrangement rendering one part of the call, for instance, obsolete as soon as the call is made, for otherwise it seems no quick way of addressing the imbalances that currently exist in the public service.

But it is hard to see why a union movement should embark on action that undermines those very job security structures that protect its own members and that it has spent the last two years helping to create.

To stay away over issues that seem like shooting the economy in the foot.

In the weeks since the strike

Popular protest. The strike is the only means, short of recognition, by which workers can change their lot.

in the same way by the law. In their favour is the fact that our law has always treated them thus. Under the Labour Relations Act both sides are hedged around with restrictions that - at the formal level, anyway - operate in exactly the same way.

Are there any other forms of subsidy include direct financing, preferential taxes, tax rebates, regional allowances and the protection against competition that licensing laws and excise duties in effect provide?

Made strong by these obstacles, workers win at the bargaining table unless workers have a countervailing strength. The law can give them this by protecting and giving special preference to the worker weapon.

In the draft Bill of Rights both the right to strike and the right to lockout are put on hold by clause 13(5). In effect it keeps the existing statutory regime in force until it is altered or repealed by the legislature.

During the lifetime of this Bill, which is expected to be about three years, no such allocation will be possible without the concurrence of the labour movement.

So why, you ask, is Cosatu making such a fuss now? The answer is simple. When a new Bill of Rights is drafted, the present one will be the used as the point of departure.

Rights already won will not be relinquished without a battle. For Cosatu, the battle is one worth waging, and understandably. It would rather wage it now, when it is strong, than when it may be weak. Its standpoint on this issue may seem strange and, in fact, it is.
Cosatu hails worker victory

JOHANNESBURG — Cosatu has officially called off Monday's national strike after a deal was struck by multi-party negotiators in consultation with the union movement and employer federations yesterday.

Cosatu general secretary Mr Sam Shilowa said: "This is an important victory for workers."

Cosatu would mobilise more than 30,000 shop stewards and organisers to bolster the ANC's election drive, its former general secretary, Mr Jay Naidoo, said yesterday — Sapa.
LAST minute attempts were made at the weekend to avert a Cosatu general strike on Monday over the Bill of Rights.

The Cosatu executive committee had unanimously agreed to go ahead with a one-day national action but the strike appeared to be averted on Thursday when the ANC/SACP/Cosatu Alliance endorsed a compromise between the government and the ANC on the labour clause.

The deal entrenches the right of workers to strike but does not preclude lock-out "for purposes of collective bargaining".

Cosatu originally wanted the right to strike, but not the right of employers to lock-out striking workers, to be included as a fundamental right during the political transition period.

The alliance endorsement was reached at a two-hour meeting at Kempton Park, unambiguously upholding workers' right to strike for collective bargaining as a fundamental right.

"Employers' recourse to the lock-out is not considered to be a basic human right but a measure which is subject to labour relations legislation," the alliance said.

A copy of the endorsement was dispatched to employer organisations for approval.

- ABOUT 600 King Edward Hospital employees in Durban are back at work after a strike over conditions.

Meanwhile, staff at the Newlands Park Rehabilitation Centre at Newlands West struck over a dispute with management.

The entire staff of about 40 people occupied the superintendent's office on Tuesday.

- THE closures of the Langeberg pineapple canery next month could cost thousands of jobs.

A total of 1,000 canery workers and 3,500 farm labourers, packers and harbour workers are expected to be affected — prompting farmers to seek ministerial intervention.

Langeberg is the single largest exporter operating through the East London harbour, creating many stowdoring jobs.

- THE National Manpower Commission has welcomed the International Labour Organisation's decision to suspend its Declaration Against Apartheid.

NMC chairman Frans Barker said the move was a major step towards normalising relations between South Africa and the ILO.

- A NEW "politically neutral" trade union federation has been formed to oppose Cosatu and reject strikes and work stoppages.

The United Independent and Economic Trade Unions of South Africa (Unnetusa), launched in Durban, claims to have the support of 10 independent unions with a total of 22,000 members.

Unnetusa leader Sydney Gcaba said the federation aimed to "combine the same strategies and policies of independents".

He said strikes and stayaways damaged the economy and issues should be resolved through negotiations.

The United Workers of South Africa (Uwusa) spearheaded the "independent" formation.

- THE International Textile, Garment and Leather Workers Federation held an executive meeting in Cape Town this week, marking an end to a protracted international labour secretariat boycott against the country.

It comes two days after the International Labour Organisation suspended its declaration against apartheid, setting the scene for normal relations with South Africa after a 30-year chill.
Unionists call for ‘social clause’

INTERNATIONAL unionists are to campaign for a “social clause” to be included in all world trade agreements in a bid to force participating countries to adhere to accepted labour standards.

This was one of the resolutions stemming from the week-long executive meeting of the 6.2-million International Textile, Garment and Leather Workers’ Federation.

Hosted by the Southern African Clothing and Textile Workers’ Union (Sactwu), 85 delegates from 30 countries attended the historic meeting in Cape Town this week.

“This is the first time in the 120-year history of the ITGLWF that any of its constitutional meetings has been held in Southern Africa.

“It marks, too, the first international trade meeting in South Africa,” said Sactwu deputy general secretary Ebrahim Patel.

Issues debated included women’s participation in unions and the future of clothing, textile and leather workers worldwide.

Federation general secretary Neil Kearney said that although the 165 affiliates would embark on a month of “action”, this would not include strikes.

“Ensuring that negotiators in Geneva pick up our ideas is not handled best by going on strike. They are academically minded,” Mr. Kearney said.

If we are to influence opinion-formers and decision-makers, this has to be done through discussion,” he said.

Explaining the “social clause” concept, he said it was an attempt to bring a social dimension to trade agreements.

“The idea is that if countries do not adhere to accepted labour standards they will not be allowed to participate in world agreements.”

The social aspect included the right of workers to bargain collectively and the right not to be discriminated against on the basis of race or gender.

“The majority of employees in our industries are women, certainly 95 percent in the garment sector, but this is not reflected in management or trade union leadership,” Mr. Kearney said.

He recognised that many countries had problems with a “social clause” because it could be used in a “protectionist” manner.

There would be no sanctions against countries which did not uphold the clause, rather rewards for those which did.

Delegates visited more than 20 local factories, attended union general meetings and shop steward meetings, and visited townships and Robben Island.

Federation president Dave Lambert said delegates had never been exposed to “wealth and beauty on the one hand and poverty and deprivation on the other”.

“This is a cause for great concern — it has been quite a shocking experience,” he said.
Few SA firms equipped to deal with sexual harassment of workers

SHARON SOROUR  ( Labour Reporter
FEW organisations in South Africa are equipped to deal with cases of sexual harassment in the workplace.

"This is one of the findings of a survey conducted by human resource consultants FSA-Contact, involving 114 organisations including many of the largest and best-known companies in the country.

The survey found that although 12 percent acknowledged they had experienced incidents of sexual harassment, only 11 percent of the companies had a formal policy on sexual harassment, said spokesman Olaf van Schalkwijk.

"In terms of the Labour Relations Act of 1996, sexual harassment is considered an unfair labour practice.

"Employers who fail to act on complaints of sexual harassment and don't take steps to prevent its recurrence are guilty of an unfair labour practice.

"Companies which fail to take adequate action against offenders risk expensive lawsuits from victims.

The incidents experienced by companies surveyed had been dealt with as isolated cases and had not led to the implementation of a formal company policy.

"Approximately half of the 114 companies stated they had not yet discovered a need for a formal policy but that 1

While one participating organisation stated employees were not encouraged to report incidents of sexual harassment, the survey found most companies handled incidents promptly to discourage further occurrences.

Mr Van Schalkwijk believed normal grievance procedures were inadequate to deal with the "sensitivities" involved and companies could find themselves "floundering when faced with a complaint".

He said companies facing a sexual harassment lawsuit could not plead ignorance because an employee who had suffered harassment could bring an action against the employer "who knows, or ought to know, and fails to take action, or takes inadequate action to prevent the harassment".

In addition, where inadequate complaint channels existed the industrial court could also find the employer liable since the employer's lack of knowledge was his or her own fault, and not that of the employee.

"A victim may institute criminal and civil action against both the perpetrator and the company."

The survey found that of the 12 companies with formal policies on harassment, only five were South African.
Dividends are not wages

The relationship between dividends and employment must be seen in the context of the broader social contract, argues Sinclair Davidson.

That South African firms are increasing their dividend payouts is seen by some to be evidence of the social irresponsibility of business (WM&G October 15-21).

Fortunately, the dividend decision is more complex than the simplistic Marxist analysis of the Labour Research Service (LRS) allows for. We must consider three factors before we can draw this conclusion:

- The role dividends play within firms
- Not all investment necessarily leads to job creation
- There is no contract between business and unemployed workers.

Dividends form part of the reward investors receive in return for bearing risk. Contrary to popular belief in the union movement, dividends are not a "wage" paid shareholders. When the firm can do so, it should not pay a dividend at all but profitably reinvest all the funds it can.

When the firm does not have any profitable investment opportunities it should return investors' funds to them via a dividend. Increasing dividend payouts are evidence that firms do not perceive profitable opportunities and are cutting investment to the bone. The reason is that there are few if any profitable investments within the economy at present.

For this reason the Secondary Tax on Companies (STC) is doomed to eventual failure. This tax encourages firms to retain and reinvest earnings. The belief behind the tax is that retained earnings are free and any investment is better than none.

Unfortunately, both of these assumptions are false. It is profitable investment that will create permanent job creation. We do not need more Mossgas projects. In the face of few profitable investment opportunities the STC will lead the economy to numerous mini-Mossgasses with all the inefficiencies this implies.

The third factor to consider is the relationship between business and unemployed workers. The modern corporation is an interrelated set of contracts amongst various stakeholders. These stakeholders include shareholders, lenders, employees, managers, suppliers, customers and the government. For example, shareholders are entitled to dividends, lenders to interest payments, workers to wages, and so on.

Business discharges its obligation to society by obeying the law and by paying taxes. All stakeholders have an interest in the continuing financial viability of the organisation.

The relationships between these stakeholders form an interrelated set of implicit and explicit contracts. The firm enters into these contracts and honours its obligations as best it can. An explicit contract can include implicit elements. The shareholders who are the owners of the organisation are only entitled to some return if and when the firm makes a profit. Even then the firm can decide to bypass the dividend payment.

The LRS seems to believe business operates in a profligate vacuum. Secondly, as business is not a conscious monolith, which part of the business sector is to bear the burden of job creation? If there is to be a contract between the two parties, business and the unemployed, then this needs to be part of the broader social contract that governs society as a whole.

The costs of job creation to the business sector would have to be reduced. The parties to the contract will have to be the business sector and the government. The reason is that labour too is not a conscious monolith. For consensus to be reached the government would have to mediate (often unilaterally) between business and labour.

There are distinct policies that government can follow to achieve this goal. The most obvious approach would be to create sound investment conditions. This would entail the government giving tax cuts and incentives to business, enforcing explicit contracts and establishing law and order.

This would only be a first step. The government would also have to lower the costs of employing labour, or else there would be a bias towards capital investment. Reducing the costs of labour would include the government allowing business to follow low-wage policies. The government should then follow a strict anti-union policy that would inter alia outlaw strikes and organised industrial activity.

Also, the conditions of employment would have to be downwardsly revised. All these conditions would create an environment that would allow firms to follow sound investment decision-making and create jobs.

Obviously these conditions are absent in the economy and are untenable for the forthcoming new government. It is unlikely the LRS would want to advocate such Draconian oppression of the labour movement. Yet it is only through such measures that the LRS could have business providing more and more jobs and simultaneously remaining profitable.

The central proposition of economics is that there are unlimited desirable outcomes and limited means to achieve those outcomes. The LRS must choose their story, either they want a solid economy or they want short-term job creation and long-term economic failure.

Sinclair Davidson is a finance lecturer at the University of the Western Cape.

On the other hand, the firm must pay its workers irrespective of whether it makes a profit or not. This is part of an implicit contract between the firm and workers. The firm undertakes to pay workers a fixed wage in return for labour, similarly workers are implicitly aware that if they work hard and are loyal to the organisation they can have lifetime employment.

The firm can always retrench its workers (egree to an implicit contract), but may not retrench its owners. Thus the firm may or may not abandon all of its implicit contracts and often renegotiates on its explicit contracts (for example in bankruptcy).

Contrary to the view of the LRS, business has no contract with the unemployed workers of the economy. It only has a contract with those workers who already work within the business.

The problems with entering into a contract between these two parties is firstly: what is the exchange? Business is to create jobs. What incentive is there for it to do so?
LAUR NEWS IN BRIEF

Compiled by Labour Reporter SHARON SOROUR

SITE tax repayments could exceed R700-million, according to an independent audit conducted by Cosatu.

An average of R530 in refunds was owed to each worker in the manufacturing, heavy industrial, textile and catering sectors.

One in four workers had paid too much SITE tax according to the audit.

Research showed workers with children and female breadwinners had made the most overpayments.

A spokesman for the Commissioner of Inland Revenue said the department could not quantify figures until applications had been received. They would be processed as swiftly as possible.

A NATIONAL strike planned for last week by the National Union of Leather Workers was called off after the union and the Footwear Manufacturers' Federation reached agreement on wage issues.

According to union spokesman Keesse Moodley, manufacturers would pay a 6.5 percent increase from July 1, or a 10 percent increase from December 1.

The African National Congress has called on the House of Representatives to recognise Cosatu-affiliate Nehuwa (National Education, Health and Allied Workers Union).

ANC Western Cape chairman Allan Boesak this week accused the "National Party-dominat-
ed" HoR administration of shifting the goalposts on the criteria for the union's recognition.

Nehuwa had been told it had to represent 2.5 percent of the national staff to be recognised, which it accomplished quickly.

The union was then informed it would have to prove this percentage at each of the regional offices.

FOOD and Allied Workers' Union members were arrested at the Irvin & Johnson factory premises at Delmas for trespassing after staging a sit-in.

The workers had been retrenched by Springbok Chips in Helderberg, a subsidiary of Irvin and Johnson, when the factory closed on November 5.

Negotiations between Fawu and management over retrenchment packages had deadlocked.

AT least 3300 Consolidated Diamond Mines workers at three Namibian mines downed tools last Sunday after wages talks collapsed.

Members of the Mineworkers' Union of Namibia are demanding a 15 percent wage hike, while the company has offered an 8.5 percent increase.

CDM general manager Keith Whiteley estimated the strike would cost the company about N$3 million a day.

CDM's Oranjemund, Elizabeth Bay and Aucharas mines have been affected.

The company, owned by the De Beers Centenary AG group, obtained an urgent interdict in Namibia's Labour Court to stop strikers from intimidating employees wishing to work.
Industrial relations body formed

People working in the field of industrial relations now have their own professional organisation.

Designed to enable people in the profession to maintain contact and to keep abreast of developments in the profession, the newly formed Industrial Relations Association of South Africa (Irasa) emerged after wide-ranging discussions which identified the need for an umbrella organisation.

Membership is open to anyone in the field, regardless of the nature of their organisation or their qualifications.

Irasa secretary Felicity Boyers says its broad membership base will enable it to act as a forum for debate and education and to deal with themes such as the relationship between labour and the economy.

Board members include some of the country's leading experts: Loet Douwes-Dekker of Wits Business School, Frans Barker, chairman of the National Manpower Commission, Nic Wielaha, and Adolph Landman, president of the Industrial Court.
Silence stifles success, says personnel expert

Labour Reporter

FEAR in the workplace "eats at the heart of organisational success" and prevents people doing their best, a researcher has found.

Research and development specialist Mora Katz says most employees who hesitate to talk openly in the workplace about work-related issues are afraid to.

Fear in the workplace was defined as "feeling threatened by possible repercussions as a result of speaking up about work-related concerns."

"Typical repercussions were retaliation, reprisals, retribution, negative consequences and so on," she said in an article in People Dynamics, the official journal of the Institute of Personnel Management.

Workplace fear arose out of "the patriarchal contract" that required employees to submit to authority, deny self-expression, make sacrifices for unnamed rewards and believe requirements were just.

The major issues or problems employees hesitated to talk about with those essential to its resolution were called "undiscussables."

"Because these undiscussables are not brought into the open they become potential barriers to excellence in performance, or in building effective relationships."

Significant "undiscussables" were management style, which included areas of decision-making, favouritism, the manager's role in promotions, assignments, information flow, too heavy a workload, ethics and assumptions about management motives and corporate politics.

Although employees did not talk openly, they shared "undiscussables" privately, and gossip and hearsay abounded.

Ms Katz said environments had to be established that were conducive to trust and openness through the "free sharing of information, whether it is positive or negative."

New approaches were necessary and change had to be initiated with managers because it was easier to influence manager-subordinate relationships than vice-versa.

Areas for managers to concentrate on were building relationships without fear, acknowledging the presence of fear, paying attention to interpersonal conduct, valuing criticism, inviting discussion on "undiscussables" without destructive repercussions and encouraging collaboration on decisions.

Success would depend on the methods used, but fear had to be driven from the workplace.
Question mark over Labour relations

Stan 2/11/79

It was a year that saw labour make important inroads while advocating

Looking back
THE crippling two-week strike by 3,500 Consolidated Diamond Mines' workers ended on Monday as management and the Mine Workers Union of Namibia agreed to a 10 percent wage hike.

Salary scales were increased by 8 percent, which raised CMD's minimum starting wage to R1,044 a month.

The shutdown was estimated to have cost the Namibian government R900,000 each working day in lost taxes. Workers lost two weeks in wages.

THE South African Nursing Council has warned that action will be taken against nurses who leave patients unattended to take part in protests.

This follows protests for higher salaries by nurses in various centres.

Nursing Council president Wilma Kotze said nursing was a vital service in any community and "when nurses reach the point where they cease to care for patients, they are no longer entitled to the trust, support and respect of the community and their nursing colleagues".

STRIKING public servants chanted and toyed around government buildings in Gazankulu's capital Giyani this week, demanding an adjustment of the promotions system and the dismissal of Gazankulu Director General Johannes van der Westhuizen.

The Northern Transvaal homeland's brass band, formerly staunch government supporters, led the rendition of freedom songs.

The strikers were also demanding the registration of casual labourers.

ABOUT 200 National Union of Metalworkers (Numsa) members gathered in Doornfontein this week to call for peace and to condemn violence.

Numsa said the call followed the murder of two Numsa members after a Cosatu march on the World Trade Centre in Kempton Park earlier this year.

Protests against violence in Jeppe and other Johannesburg industrial areas were also heard at the rally.

IN Durban about 5,000 security guards vowed to continue their week-long wildcat wage strike until demands for higher wages were met.

The Inkatha Freedom Party condemned the action, claiming the ANC had supported it to gain control of the strategic security industry.

The union said it refused the offer because a return-to-work condition was attached to it.

Workers at 38 plants are demanding an increase from R600 to R750.

THE Midrand Town Council dismissed 300 striking members of the SA Municipal Workers' Union this week.

The workers had been warned three times by the council to return to work.

They went on strike to protest against the arrest of four union members who allegedly assaulted another worker for not joining the union.

Five workers were wounded when police used teargas, rubber bullets and stun grenades to break up an illegal gathering.

ST AUGUSTINE'S Hospital has dismissed 140 employees on an illegal strike.

General staffs went on strike on Monday after two workers, allegedly involved in a fight, were fired.

The workers were dismissed after failing to comply with a court interdict ordering them to return to work.
INDUSTRIAL RELATIONS - GENERAL

1994
Unions focusing on skills

TRADE unions had tended recently to table demands aimed at developing workers' skills and earning potential, Andrew Levy and Associates partner Larry Falk said.

At the annual Andrew Levy and Associates wage bargaining strategies seminar last week, Falk said when unions realised they could not force up wage levels because of the economic squeeze, they sought other means of improving working conditions.

Wage bargaining was being linked to industrial restructuring where wages, skills development and grading was planned and negotiated. Negotiations were being linked to a job grading and a reduction process designed to lay the basis for developing world-class manufacturing capacity in areas such as metal, auto-assembly and the main 'areas of manufacture.'

Falk predicted some demands would continue to be union priorities. These included:

- Training and education, including literacy and numeracy;
- Educational assistance for workers and their families;
- Uniform wage policies and a reduction of disparities between skilled and unskilled categories;
- Removal of discriminatory pay practices;
- Implementation of affirmative action programmes;
- Job grading and career path planning;
- Participation in industry training boards.

Falk lamented the fact that management tended not to be proactive in tabling counter-demands, but often used this tactic as a negotiating ploy. "While employers have finally accepted the need for two-way negotiation as a means of achieving their cost and production objectives, very few have developed proper counter-demands which have been carefully thought through, firmly adhered to and not dropped at the first sign of resistance."

Employers tended to concentrate on the development of multiple skills, job flexibility and linked annual bonuses. He suggested looking at getting agreement on the employer's right to grant merit increases. Other possible counter-demands were agreement on reasonable changes to production standards, support for participative schemes and flexible working and overtime hours.
Political parties spell out policies on workers' rights

JOHANNESBURG

Jacquie Golding

except the right to strike, but this should be accompanied by compulsory arbitration.

There was a consensus among the various parties that access of unions to private property for organizing members was an essential prerequisite to ensuring the balance of power between employers and workers.

Closed-shop policies were accepted by the NP and ANC.

The ANC viewed closed shops as capable of stabilising collective bargaining and "offering effective protection to exploited groups".

The NP favoured the implementation of closed shops where more than 50% of workers belonged to a specific union but believed the arrangement should be negotiated by employers and unions and not be embedded in legislation.

The PAC and Inkatha rejected closed shops, calling them undemocratic.

The NP said trade unions should play a role in public policy-making and should be represented on statutory bodies such as the National Manpower Commission.

Inkatha did not see a role for trade unions in lobbying government.

The ANC, however, saw such lobbying as an important step towards tackling SA's economic problems.

Report by J. Golding, T/LK, 11 Reference Dr.

POLITICAL parties have outlined their official positions on workers' rights in the first survey of its kind in the latest issue of the Shopsteward.

On the right to strike, the ANC said it saw this as an integral part of any system of labour law and collective bargaining, while the NP limited it to the purposes of collective bargaining. The Inkatha Freedom Party agreed on the right to strike but said it should be balanced against others' rights and welfare.

On the employment of temporary labour during strikes, the ANC said this led to violence and was unacceptable. Inkatha supported using such labour, adding that it was the right of employers to ensure the continued viability of a business. The NP also supported the employment of temporary labour but cautioned against increased conflict.

The right to lockouts was rejected by all parties except the NP and DP. The NP believed it was fundamental in preserving the balance of power between management and labour.

Parties differed on the rights of those working in essential services.

The ANC said all employees restricted from striking because of service classification should have avenues of compulsory arbitration.

The NP said workers in essential services should enjoy full trade union rights,
Walvis medics win Round 1

Compiled by SHARON SOROUR

FIVE Walvis Bay doctors who took the Cape Provincial Administration to the Industrial Court for an alleged unfair labour practice have been granted an urgent application to have their dismissals temporarily suspended.

The doctors, who hold sessions and district surgery appointments at the Walvis Bay hospital, brought the application on Monday.

According to the CPA, their services were terminated in terms of their contracts and they were given three months notice.

The court gave the CPA until April 12 to submit reasons as to why it should not set aside the CPA decision to terminate the doctors’ services.

DEMOCRATIC Party MP Henrie Beater this week said evidence was mounting that monthly union subscriptions were not only being used to finance unions, but as a “ready source of election funding for the ANC/Cesatu/SACP alliance”.

Mr Bester said the accusations were made by union members and suspensions were mounting because unions were refusing to disclose their books of account to members.

Demanding that the books should be open to workers on demand and to certain members of the Independent Electoral Commission, Mr Bester said union members, whose political sympathies lay elsewhere, should be given the option to withhold fees until after the election.

AFRICAN National Congress Western Cape chairman Allan Boesak last week said that while the organisation did not believe in quotas, it felt legislation for affirmative action would be necessary.

“We are not saying people must be put in a privileged position simply because they have a black skin, but a qualified black person must be given opportunities,” he said during a debate organised by the Young Adult Division of the Israel United Appeal United Communal Fund.

“All the historically disadvantaged must be looked at carefully,” he said.

MEDIATORS yesterday stepped in to resolve a wage dispute between the 54 000-strong SA Society of Bank Officials (Sasbo) and Santam Insurance.

Short-term insurance employees are threatening to take strike action if their demand for a 10 percent monthly increase on the salary package is not met.

Santam is offering eight percent.

The union said excellent after-tax profits and increased productivity of Santam had fuelled the unhappiness of Sasbo members.

Conforming the dispute and the company wage offer, Santam Insurance spokesman Arno Bester said the company believed that eight percent was a “fair and realistic increase.”

SEVERELY disrupted train services in the FWV region returned to normal on Wednesday following a breakthrough agreement between Spoornet and several unions over a pay dispute.

A strike by black Spoornet conductors who operated commuter trains on the Witwatersrand last week paralysed train services, with only 650 of the 1 210 trains running normally.

Only limited unscheduled trains ran between Johannes- burg and Randfontein, Springs, Naledi, Davelton, Katlehong, Vereeniging, Randburg, Meyerton, Faraday and Westgate.

Train services between Johannes- burg and Pretoria, Nigel, Oberholzer, Alberton and Boy- sons also were disrupted.

Conductors belonging to the Black Trade Union (Blatu) and the South African Railway and Harbours Union are striking for
Employees take employers to court more frequently

Bully-boy tactics may land business in labour case

SHARON SOROUR
Labour Reporter

EMPLOYERS who make their staff members' working lives intolerable to force them to resign are having to defend their actions in court more and more often.

More “constructive dismissal” cases were being brought before the labour courts, according to Lesley Grossett, industrial relations expert at human resource consultants FSA Contact.

Ms Grossett said labour courts recognised constructive dismissal as an unfair labour practice. The concept included key elements of coercion and the clear intention of the employer not to perform obligations due under the employment contract.

Elements which had to be present for constructive dismissal to be proved were force, fear, pressure or undue influence, as well as affording the employee insufficient time to consider his or her future.

Ms Grossett said “The allegation of constructive dismissal has to be proven, and this is not always easy. For example the labour court found recently that an undertaking by an employer to promote an employee could not be proven.”

But in another case the court ordered the reinstatement of an employee who was presented with a choice of accepting unlawful deductions from his salary or resigning.

"Where employers unilaterally change conditions of employment with the intention of driving employees to leave, the court would also find in the employee’s favour," she said.

Other factors recognised by the labour court as contributing towards constructive dismissal were:

- Unlawful or intolerable conduct by the employer including unsubstantiated allegations
- Harassment
- Assault which directly led to the resignation or dismissal of an employee.

"In such circumstances, resignation is, in effect, the acceptance by the employee of the repudiation of the employment contract by the employer."

There were a number of remedies open to the employee who believed he or she had been constructively dismissed.

"They could pursue the matter on the basis of an unfair dismissal which is clearly spelled out in the Labour Relations Act and declare a dispute."

"Alternatively, under common law, the employee could cancel the contract on the grounds of it having been repudiated, and claim appropriate relief in this context," she said.
Most blacks happy in workplace

BY THABO LESHILO

Most blacks are happy to work for their companies and display a strong sense of loyalty, says the National Productivity Institute.

The survey of attitudes to affirmative action shows that it has been successful in achieving a sense of belonging in the workplace among black employees and trainees in middle management.

Industrial psychologist Johan Venier says 83 percent of blacks in such positions take pride in their firms.

Another 57 percent actively recruit friends to join and 75 percent are not planning to leave their jobs for greener pastures.

The poll was conducted at SAB beer division, Ensa, Pick 'n Pay, Carlton Paper, Sales House and two other companies 'between last July and November'.

These companies have had affirmative action programmes in place for nine years on average, compared with the national average of three years.

Venier says 52 percent of those polled are willing to make an effort without receiving any direct benefit in return.

Another 79 percent are satisfied with their own performances, while 75 percent are happy with the performances of their peers.

But a third feel affirmative action programmes at their companies cry out for improvement.

Owing mostly to racial tension, 29 percent feel that negative attitudes and behaviour of staff members, especially white, are hampering their efforts to develop.

Training enjoys the most support as an effective development strategy (42 percent), support from seniors (21 percent) and supervisory training (21 percent).

NPI chief executive, Dr Jan Visser says SA still lags far behind in its commitment to human resources development.
Labour’s love lost

Industrial relations should be completely deregulated, advocates former labour and political lawyer Frans Rautenbach. He spoke to Reg Rumney

It is rare act of apostasy. After eight years at the bar, labour lawyer Frans Rautenbach came to the conclusion his work did more harm than good.

South African labour legislation, he argues in a just-published book, has not brought labour peace or prosperity and should simply be junked.

South Africans should now be used to mainly white, middle-class males lecturing them about the virtues of the free market with all the zeal of converts.

Where Rautenbach differs from professional and amateur market missionaries is how he has arrived at his conclusions. He has not only researched the economic effects but, he points out, has been able to view the effect of unionism on labour relations first hand.

Rautenbach says his practice had been 50-50 union and management, so he has seen the issue from both sides and concluded the system itself is wrong. He would ask himself when coming out of the court after a judgment, “What have I contributed to labour relations?” And the answer would be less than nothing: a relationship had been destroyed.

Out of his profound frustrations with applying labour law in practice came Set the Workers Free.

To quote from the introduction: “After all, how can a labour system be said to be successful in a country where unit manufacturing costs have increased by 600 percent over the past 18 years, where we lose 2-3 million man-days to strikes annually, and where the Reserve Bank says that our unemployment stands at 46 percent of the economically active population.”

The book is posited on the belief that supply and demand does ultimately work to the benefit of all.

Rautenbach argues complete deregulation would lead to economic growth. Prosperity in turn would mean so much competition among employers to attract and retain workers that they would be better off than under the present system of legal protection.

It is clear, he says, that the system is not “investor-friendly” citing the recent ABI strike. Investors will see that even high wages do not ensure labour peace, and on the contrary seem to make a high-wage company even more of a target.

The present system poses a threat to the ANC’s desire to attract investment and create jobs. Since at least 50 percent of the ANC’s support comes from the unemployed, it will be forced into confronting the power of the unions.

Rautenbach notes we have entered an era of negotiation and legitimacy and the future economic programme is being discussed, but he says small business and the unemployed are not represented in the various forums.

“People who should know better curry favour with the unions who protect the privileged.”

He is unequivocal in his censure of the union movement, condemning its members as an elite whose benefits have merely increased the pool of unemployed, and whose officials, albeit sincere, are in the end motivated by desire for political advancement.

The book’s strength lies in the detailed criticism of the way labour laws work in practice.

That criticism is informed and relentless, and goes beyond theoretical economics.

As a lawyer Rautenbach is well-placed to talk of the cost to companies at micro level of legal action in industrial disputes.

Noting that union members comprise at best 10 percent of the population, he sees a place for a “union of the unemployed.”

Deregulation is always opposed by vested interests. Rautenbach believes those vested interests extend to big business itself, which he thinks is comfortable with high wages which form another barrier to competition from small businesses.

The arguments are persuasive, but on a personal level are mildly chilling even to white-collar workers who believe labour law at least gives them some recourse against unscrupulous bosses.

Rautenbach admits convincing ordinary people deregulation is in their interest will be no easy task, but he published his book to this end, hoping that the longer and broader view will prevail over a short-term and short-sighted one.

“It has to be established that there is a better way.”

Set the Workers Free — Why deregulation will solve South Africa’s labour problems, by Frans Rautenbach, published by Labour Dynamics.
WORKERS GET THEIR SAVINGS BACK FROM BANKRUPT COMPANY

New laws on the cards to stop the bosses from making a run with your money

BY WAGHIED MISBACH

WORKERS who nearly lost years’ worth of savings when their company went bankrupt had their money returned to them recently.

The textile industry has pledged to protect workers’ savings in the event of more companies being liquidated.

Workers at Higham’s SA Ltd, a Maitland-based company participated in a factory savings scheme, with weekly contributions over one year which totalled R49 851.

But when the company folded, their savings, which were kept in the company’s bank account, was regarded as part of the company’s assets and was subsequently paid out to their major creditors, the Frame Textile Corporation and Merchant Trade Finance Ltd, which were owed a total of R13 million.

The president of the Textile Federation, Mr Mervyn King stepped in to prevent the 147 retrenched workers from losing their savings.

King, who is chairperson of the Frame Group supported the claim by the Southern African Textile Workers Union (Sactwu) that the workers should have their money returned to them.

King said at a joint press conference with Sactwu last week, he would request textile companies in the Western Cape to place workers’ money in separate bank accounts to prevent the money being lost if a company goes under.

Mr Ebrahim Patel, Sactwu’s Deputy General Secretary called the union would be launching a campaign with Cosatu to have the law changed by the first parliamentary sitting after elections.

At the moment, workers’ wages and savings are on the lowest rungs of preference, with major creditors and the government being paid out first when a business goes bust.

SAVINGS: Workers’ savings were returned to them last week after their company went into liquidation and their money was paid out to creditors. Here one of the major creditors, Mr Mervyn King of the Frame Group hands over a cheque of R49 000 to Sactwu’s Mr Ebrahim Patel.
ANC promises to empower workers

LABOUR has been given more clout in decision-making at a national and industry level in terms of the latest update of the ANC's reconstruction and development programme.

The seventh draft of the programme, believed to be the final version before the election, also adopts a harsher tone in dealing with breaking up the "pyramid" ownership structure of corporate SA. But it places more emphasis on the need to consult widely with all stakeholders in the economy before implementation.

In addition, a note of caution is sounded on excessive expectations in the first years. The adverse effects of triggering macroeconomic instability are spelled out more clearly than in the sixth draft.

The latest draft introduces "workplace empowerment" through legislation. It says legislation should oblige employers to negotiate substantial changes to "production matters or workplace organisation" within a "nationally negotiated framework.

The law should also provide for facilities for organisation and communication with workers on these issues, and the right of shop stewards to attend union meetings and training without loss of pay.

Unions had to be fully involved in designing and overseeing changes at workplace and industry levels.

The section on "democratising" the mining sector has been amended to spell out the requirement that employers negotiate the organisation of work with their employees and their unions.

In addition, programmes had to be established to allow financial participation by workers in mining companies "in a meaningful way.

The constitution had to safeguard the right to organise and join unions, the right to strike and picket "on all economic and social matters" and the right to information from companies and government. The right to lock out "should not be in the Constitution."

The section on building the economy places greater emphasis on wage policy under apartheid. "Economic growth depends on the centrality of the cheap labour system. The majority of workers earn low wages, and there are enormous wage differentials."

Worker power

The section on civil society, a paragraph has been inserted to say trade unions and other mass organisations should be involved in public policymaking, ranging from the composition of the Constitutional Court to international trade and loan agreements.

Two controversial aspects of the NDP - the proposals for reforming the financial and mining sectors - are kept largely intact. But both sections are characterised by emphasis on the need for consultation.

The section on mining calls for the strengthening of the existing tripartite structures. While it still calls for the return of private mineral rights to government, it adds "this must be done in full consultation with all stakeholders."

The section on the financial sector also notes the need for consultation.

EDWARD WEGF reports that ANC economics head Trevor Manuel on Saturday told a Cape Town conference on the Western Cape reconstruction and development programme that an ANC government would tackle water supply and sanitation problems as well as the inoculation of children in townships within the first 100 days of winning the election.

A greater emphasis on housing construction would also become evident towards the end of the first 100 days in the Cape as would the first changes in the reform of the education system.

The Western Cape's reconstruction and development programme focused mainly on socioeconomic issues.

A public works programme was planned for the Western Cape to create 225,000 new jobs by 1997. The programme included the building of houses, clinics, schools, dams and roads.

The provincial government had to develop a programme to build 50,000 new low cost houses a year by its third year, in office. A unitary health structure was to be set up with community health centres providing primary health care.

A land reform programme would also be legislated in the region.

An increased private vehicle tax would be considered as part of a regional transport policy to reduce urban sprawl and restrict private motor vehicle use, and increase the use of public transport.

Report by G Baye, TML, 11 Derby St, Jhb and E Werf, TML, 122 St George Rd, Cape Town
Union membership falls after decade of growth

TRADE union membership fell marginally from 2,966-million in 1992 to 2,808-million at the end of last year, according to the National Manpower Commission.

In its annual report, the commission said the decline in membership of registered trade unions of 0.5% could partly be attributed to "unfavourable economic conditions" and the effect of retrenchments.

This followed a decade of growth in union membership, which had risen at an annual rate of 8.4% from 1,288,748 in 1983 to 2,890,174 in 1992.

At the end of last year, about 26.7% of the economically active population belonged to a registered trade union, down from the 22.9% recorded in 1992.

In contrast, membership of unregistered trade unions increased by about 161,000 to 529,000, with about 50 new unions being established in 1993.

The commission found that membership of the five largest trade unions — all Cosatu affiliates — decreased 3.4% in the same period.

Numsa, Cosatu's second largest affiliate, had a steady growth rate of 0.3% over the past two years, in spite of being in an industry which had suffered a general decline in employment opportunities, the report noted.

Cosatu was the slowest growing of the five federations, whereas the mainly white-collar Federation of SA Labour Unions recorded a growth rate of more than 20%.

Private sector strike activity fell 5% last year, with 790 strikes recorded for the 12 months ending October, but with an increased number of workers taking part. The average duration of strikes fell from 123 days in 1992 to 71 days in 1993.

"This resulted in an estimated loss of 1,119,517 man-days and R46,753,174 in lost wages." The man-days lost decreased 41.1% in 1993 from 1992.
Workers' Rights

**Workers, Party plans to launch New mass workers Party planned • ANC welcomes Alpha integral**

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**Conference called to convene a Conference**

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**Workers' Party**

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**Planes to launch**

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**Alpha members**

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**Defence Force opens door to**

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**NEW NEWS**

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**By Irene August**

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Employers and unions give Mboweni the nod

Employers and trade unions have welcomed the appointment of Tito Mboweni as labour minister, saying he has credibility in both quarters and a non-partisan approach.

They also believe his economics background will stand him in good stead to make the necessary changes to the labour portfolio on a rational and even-handed basis.

Business SA (BSA) chairman Dave Brink said at the weekend the appointment had come as something of a surprise to the business community and it "would be a new experience working with him". However, he said Mboweni had "the advantage of not coming to the position with labour baggage."

He said Mboweni had had some exposure to business through playing an important role in the last National Economic Forum plenary session as well as in his capacity as a member of the Transitional Executive Council. In both he had shown his exposure to and knowledge of socio-political matters and, although he had little knowledge of labour issues, he would be brought "up to speed quickly."

Industrial relations consultant Gavin Brown said most employers would welcome Mboweni's appointment as his "middle-of-the-road approach" and even-handedness would stand him in good stead with both labour and management.

"He commands respect from both sides and has a good insight into labour from the macro-economic perspective. His lack of history of the cut and thrust of labour is a good thing," Brown said.

Cosatu spokesman Neil Coleman concurred with the view that both labour and management respected Mboweni.

"Over time, we believe he will be well respected by all and he's a vast improvement on any labour minister we've had before."

Coleman also commented on other Cabinet appointments, saying former Cosatu general secretary Jay Naidoo would be charged with overseeing the implementation of the Reconstruction and Development Programme (RDP) from his position in the President's office.

"We've taken note of President Mandela's commitment to the RDP and welcome Jay's appointment as having responsibility for the programme."

Federation of SA Labour Unions general secretary Dampfhauser van der Merwe also welcomed the appointment and pledged support to the new minister.

"We are willing to work with the minister and will support him as we have done in the past."

Brink called on employers to note the declaration of Tuesday, May 10 as a public holiday. Although he felt the inauguration should not give rise to labour disputes, he believed a negotiations process should be used to resolve potential disagreements.

"Employers should note the call of the ANC and Cosatu for the day to be a paid holiday. Where this is problematic, employers should engage the unions with which they deal in negotiations to resolve these problems."
Industrial councils face a showdown

By KEVIN DAVIE

THE International Labour Organization (ILO) has been asked to intervene to curtail the power of South Africa's industrial councils which stand accused of destroying jobs through heavy-handed bureaucracy and over-regulation.

The Confederation of Employers of SA (Cofesa), whose 120 000 members employ 2,4 million people, says it could create a million jobs in five years if freed from the restrictive grip of the Labour Relations Act.

The Act, says Cofesa's Henk van der Walt, was devised to protect white artisans against black competition.

"It now protects an elitist 850 000 workers within the industrial council system against the competition of 2,4 million unemployed."

Employment in sectors controlled by 89 industrial councils has fallen from 1,1 million in 1980 to 850 000.

Mr van der Walt says the National Party did not create one job in the formal sector in the past 20 years. He says Labour Minister Tito Mboweni will face a crucial test shortly when asked to sign his first regulation to extend an industrial council agreement to non-parties.

The Competition Board's Pierre Brooks says the Labour Relations Act is exempt from the Promotion and Maintenance of Competition Act.

Industrial councils prosecute hundreds of employers annually for technicalities, says Mr van der Walt. Prosecutions by the industrial council for the building industry are running at 30 a week, he says.

A council official in the prosecutions department declines to confirm this figure.

Dunia Teplisky employs 20 people at her ballet-shoe company in Cape Town. Her 13-year-old firm faces closure because it is difficult to meet the leather industrial council's demands.

They include furnishing a guarantee of R65 000 every February to cover holiday pay for the full year. She says "I treat my workers well, but I've had it with this council."

The council may demand that she shut at certain times, such as during the Christmas holidays, even though she may have a full order book.

An industrial council official declines to discuss her case.

Also controversial are secrecy clauses in the Labour Relations Act "There is no transparency," says the Small Business Development Corporation's Johan Naudé.

"Industrial councils are inherently biased against competition. They are autonomous, almost a law unto themselves. Judicial processes are not applied."

Outsiders say even basic information, such as the councils' assets and the number of officials they employ, is unavailable.

The law, promulgated in 1956, allows an industrial council to stamp out competition it deems to be unfair.

Critics say the system protects big business and organised labour to the detriment of small business.

Also controversial is the question of exemptions. Department of Labour officials say 80% to 90% of exemptions are granted. Critics say exemption procedures are complicated, representation is not allowed and reasons for refusal are not given.

Cofesa says it is registered with the Department of Labour and that its members follow strict labour codes. Not a single member has been taken to the industrial court for five years.

Mr van der Walt says "Professor Adolf Landman, president of the Industrial Court, says the Bill of Rights will be taken into account when interpreting labour law."

"This is a clear message to anyone who might have the nerve to try to use the Industrial Court to enforce the outdated industrial council regime."

The 1948 convention of the ILO protects freedom of association of employers and employees. Cofesa has asked the ILO to apply this convention in SA.

Mr Mboweni's department says "industrial councils are voluntary bodies". It blames job losses on sanctions, the slowing of the economy and redundancies. Secrecy is limited to the financial affairs of companies under discussion at council meetings. Small employers are represented in industrial councils. Few complaints are received and most are satisfactorily dealt with.

"The fall in employment has been across the board and has not only affected employment where there are industrial councils," it says.

"As the economy picks up as a result of the new constitutional dispensation it is expected that employment will rise noticeably. It is expected that employment under industrial councils will show a concomitant improvement."
Silent suffering of workers from poisonous substances never hits headlines

Toxic toll on humans staggering

HEALTH THREAT Workers in many industries are harmed by environments:

By Ike Motsapi

Chemicals have brought enormous benefits by boosting food production, fighting disease and offering novel and often safer materials. But these can be dangerous to workers who have to handle them.

Poisonous gases and exploding gases are a serious threat to workers.

Workers are required to handle them without any protective gear offered to them.

"Again, it should be emphasised that on the whole precautionary measures are not taken to identify dangerous chemicals, resulting in working conditions being very risky in the industry."

"Workers employed in the manufacture of ceramic tiles are required to handle dangerous acids which might spill over."

"This also affects workers employed in the asbestos industry," said Morale.

The World Labour Report says people can absorb toxic chemicals by breathing gases, vapour or airborne particles.

They can also absorb liquids through the skin or even eat or drink chemicals if they have been stored together with food.

But, as the report points out, reliable statistics on poisoning are rare.

The correlation between exposure and health damage may be difficult to establish and symptoms may only show up after a number of years by which time the workers may have moved elsewhere.

"With any toxic chemical there will always be a finite risk at each stage of its life cycle," the report notes.

According to the World Health Organisation, up to five million people are poisoned each year by pesticides, about 40 000 of them fatally.

Most of the damage is to the Third World.
Tito: Integrated labour dispensation a 'priority'

JOHANNESBURG — Establishing a single integrated labour dispensation for this country and its former homelands was a priority and would be developed within the framework of the reconstruction and development programme, Labour Minister Mr Tito Mboweni said yesterday.

He said there were 11 separate labour dispensations which needed to be reviewed urgently.

His department's aim was to create and implement an 'inclusive, transparent dispensation in which disruption of services is minimalised'.
Minister calls for an alliance

**GENDER SENSITIVE** Task team will investigate public holidays: 3/8/94

By Tyrone August
Political Reporter

The new Ministry of Labour has called for a partnership between the Government, business and the trade union movement to make reconstruction work.

At a press conference in Pretoria yesterday, Minister of Labour Affairs Tito Mboweni said the Ministry wanted “a social partnership” of the trade union movement, business and Government.

“We want to ensure that the challenges which confront South Africa are dealt with as a collaborative effort among the three key social partners,” he said.

“Developing a system of social partnership is very important to carry forward a process of thorough economic reconstruction.”

The joint South African delegation to the conference of the International Labour Organisation in Switzerland next week is in line with this envisaged partnership.

The “tripartite delegation” will include Mboweni, Congress of SA Trade Unions’ general-secretary Mr. Sam Shilowa and employer delegate Mr. Johan Liebenberg.

“It is significant that we are back in the ILO,” said Mboweni. “We are reintegrating ourselves as a normal citizen of the world.”

He said the ILO would be able to assist South Africa to strengthen its tripartite institutions because it had a lot of experience in this area.

Mboweni said his department would also undergo changes: it would become more “gender sensitive” and would introduce a process of affirmative action.

Amendments to the Labour Relations Act would be tabled in Parliament but he did not want to give any indication of their content at this stage.

He also said a “task team” would be set up to investigate the number of public holidays.
Centralised industrial bargaining is re-emerging as the most important campaign of the labour movement in a post-apartheid South Africa, said Cosatu.

In a report its research arm, the National Labour and Economic Development Institute (Naledi), mooted a centralised, but flexible bargaining system to protect, among other things, minimum wages and labour standards.
The Labour Ministry said the decision had to be taken by employers.

Minister of Labour Mr Tito Mboweni said employers and trade unions in some sectors and companies had negotiated June 16 as a paid holiday and that the agreements had been negotiated at industrial council and company level.

In sectors where no such agreements existed Mr Mboweni appealed to employers and workers to negotiate mutually acceptable arrangements "so as to avoid any penalties or loss of production which should be recouped later.

Police arrested 70 former Mercedes-Benz of SA employees at the plant after they had forced their way in and occupied the production section. The group, who have been charged with trespassing, demanded to be re-employed.

MISSA decision laid a formal charge after urgent consultations with its parent company in Germany.

Confusion and anger abounded on June 16 as the government failed to declare Soweto Day a paid public holiday for all workers.
NEWS  Makwaeba family lose both daughters ●

Labour depts to be integrated

By Josias Charle

PLANS to integrate and restructure South Africa's labour departments are at an advanced stage.

Announcing this at a Press briefing in Pretoria yesterday, Minister of Labour Mr Tito Mboweni said consultations were being held on a continuous basis with concerned parties.

These included unions and employer organisations.

The minister yesterday met officials from the former TBVC states who were responsible for the administration of labour.

"Basically, we want to find out how we can restructure the departments into a single one and how we can integrate labour market policies and merge them with the reconstruction and development programme," Mboweni said.

He added that the mechanisms to harmonise labour law in the country had to be in place as soon as possible so that all citizens, including those from the former independent states, can be under one law.

The process of consultation was expected to be completed by August 24.

This would enable him to table legislation in Parliament during the August-December sitting.

Mboweni also said he wanted to be in a position to have basic guidelines to plan for the next five years. This would have to be carefully done so that when new labour dispensation is introduced, "it should be in a sophisticated and organised manner."

He said similar bilateral negotiations would continue to be held so that when the new law comes into effect it should enjoy the support of all people in South Africa.
Workers key to world markets — union boss

ALIDE DASNOIS
Business Staff

COST — especially wage cost — is not the main factor in a company's ability to compete on world markets, trade unionist Ebrahim Patel argues.

"If competitiveness was about wages, firms in India and most of Africa would be competitive and firms in Germany and in Japan would not," he said.

Mr Patel, assistant general secretary of the SA Clothing and Textile Workers' Union (Sacwut), was addressing the Footwear Manufacturers' Federation symposium in Somerset West.

He said competitiveness should not be a goal in itself but an instrument in achieving growth.

Between 1960 and 1970 competitive edge in the world economy had been defined mostly by price. Long production runs, economies of scale and reduced factor costs had been critical.

But since the early 1970s this had changed. In today's world the ability of a company, an industry or a country to compete depended on the quality of the people employed, reliable delivery of goods or services and product innovation. This meant that South African industry, in spite of its short production runs, could compete on world and domestic markets.

Short runs allowed companies to react faster to changing consumer requirements.

However, successful competition depended on the skill of the work force.

The high growth economies had all invested heavily in education. At the same time trade unions would increasingly have to focus on the changing nature of work.

"We must not longer resist change but seek opportunities in it," Mr Patel said.

The agenda of discussions between shop stewards and management should be expanded to cover the nature of the business and the introduction of new products, as well as the workers' grievances.

"Shop stewards should not be seen as the opposition, but as part of the company's success. This means expanding the rights of the union, with better disclosure of financial information. It also means creating new mechanisms for discussion at factory level".

Mr Patel said the result of the GATT negotiations for the clothing industry was an example of successful co-operation between unions and management. In spite of resistance from SA's main trading partners, the unions had helped the industry secure a unique dispensation from the GATT with longer periods for the phasing out of import tariffs.

The clothing industry had 12 years and the footwear industry eight years to phase out protective tariffs. But, Mr Patel warned, this was not a reason for complacency.

"We must start preparing today. We are racing against a moving train."
**HEALTH**

Business, industry forced to be responsible

Looking after the health of workers

By Ike Motsapi

On January 1 1994 the Occupational Health and Safety Act replaced the Machinery Occupational Safety Act, bringing into effect a number of important policy changes.

The most notable were to the administration and regulation of health and safety in the workplace.

Mr Clive Hertog, associate partner at Webber Wentzel Attorneys said the new legislation had wider application than its predecessors, extending health and safety laws to protect members of the public against hazards to their health.

He said: "The law makes it necessary for employers to address not only the safety of employees, but also the occupational health of people.

"Business concerns are now at greater risk of being criminally prosecuted and sued if they allow a dangerous situation to exist or to originate from their premises," said Hertog.

"Two quotations from the Act essentially summarise its objectives:

- **Sub-section 8 (1)**: Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his employees and,
- **Sub-section 9 (1)**: "Every employer shall conduct his undertakings in such a manner as to ensure, as far as is reasonably practicable, that persons other than those in his employ who may be directly affected by his activities are not exposed to health or safety hazards."

Regulation of the Machinery Occupational Safety Act required frequent inspections from the Department of Manpower.

Hertog said: "Primarily, as a result of work pressure on the limited number of inspectors, inspections were far too infrequent and the implied role of the inspectorate to prevent accidents by prohibiting dangerous work or situations was largely neglected."

The new Act, to some extent, addresses this by requiring employers to inform employees "as far as reasonably practicable" of the potential hazards to the employees' health and safety related to any work with which he may be involved.

The new Act also, to some extent, caters for small businesses, as it is only necessary to have a health and safety representative if there are more than 20 employees in any workplace.

Hertog said: "Consultations which are necessary between employees or their representatives and the employer must be in respect of arrangements and procedures for the nomination or election, period of offices and subsequent designation of health and safety representatives."

The Act entitles health and safety representatives to:

- Review the effectiveness of safety measures,
- Identify hazards in the workplace,
- Investigate complaints by other employees,
- Participate in consultations with inspectors at the workplace,
- Participate in internal health and safety audits,
- Investigate accidents and
- Attend formal inquiries.

"These entitlements are matters of right and the employer's consent is unnecessary," said Hertog. "In terms of the Act an employer must provide facilities for assisting and training employee representatives."

The Act does not say who should be party to this agreement but since the employer is only obliged to consult with employees or their representatives in regard to procedures for the nomination or election, period and office the agreement referred to must be between the employer and the safety representative.

The Act provides that employers are obliged to establish one or more health and safety committees in respect of each workplace to which two or more health and safety representatives have been designated.

The new Act provides that every employee must take reasonable care of his own health and safety and that of other people who may be affected by any act of his omission.

Hertog concluded: "The criminal sanctions which can be imposed under the Occupational Health and Safety Act have increased dramatically."

"Generally speaking, technical contraventions of the Act can attract a maximum fine of R50 000 or imprisonment of a year or both."

"In situations where the employer has been negligent, possibly resulting in the injury or death of a person, the employers could face a maximum fine of R100 000 or two years' imprisonment or both."

"The increased scope of the Act and its extension to cover the health of people generally will result in increased civil litigation," Hertog added.
Stargazer to government man

Vuyo Mlokot

ONE of South Africa’s longest-serving and best-known trade unionists, Numsa’s Bernie Fanaroff, has left the labour movement to take a government post.

Fanaroff now leads the team under Jay Nkadlo, minister without portfolio charged with implementing the reconstruction and development programme, and he will develop and coordinate the RDP at provincial and local government levels.

One of the founders of South Africa’s modern trade union movement, Fanaroff cut short a promising academic career in the early 1970s after obtaining a doctorate in astronomy at Cambridge University. “All I had was an interest in the working class,” he said in an interview from the President’s Office this week.

His union career spans the growth of the labour movement from the tiny splinter organisations that emerged from the 1973 Durban strike wave, through the formation of the Federation of South African Trade Unions to Cosatu, now a major political and economic actor with two million members.

He is one of the few white unionists to have stayed the course, and is renowned in union and employer circles for his understanding of the labour field, creative thinking and strategic subtlety.

A member of Cosatu’s inner circle, he led the federation’s anti-VAT campaign, was one of three union delegates on the Electricity Council and spearheaded the formation of the Telecommunications Forum.

Fanaroff reminisced over the transfiguration of employers towards black unionism when he started organising for the Metal and Allied Workers’ Union in the 1970s. He recalled how workers were dismissed before taking leave, only to be shrewd when it was over.

Considered crypto-communists and subjected to the closest scrutiny by the security police, the unionists of those years were constantly harassed, had no offices, no recognition agreements and little protective legislation.

Fanaroff expressed no regrets at leaving the union, even though he said they were facing one of the most crucial periods in their history.

“Unions now have a sympathetic government, so they need to find ways of relating to that government, to ensure they get maximum benefits,” he said. At the same time, they had to “keep their power base by looking after workers’ interests without compromise.”

He claimed that management was becoming more hostile as the country entered a new era, and could roll back years of gains by the labour movement in the workplace. Contrary to the prevailing business view that South Africa could compete internationally by “crushing unions and reducing wages”, he believed a skilled workforce, higher pay and efficient management were the key.

Courts, especially the industrial court, were “still very anti-union” and needed to be changed, he said. Labour should begin the fight for a constitutional right to strike as soon as possible.

Fanaroff said the unions had to “go back to basics”, strengthening themselves on the ground, servicing members and honing the skills of organisers and worker leaders.

In the years, he said, unions would “use their power to take a serious role in directing the strategies and policies of industry. Trade unions understand the need for efficiency. They can ensure that workers and society benefit — not only shareholders.”
Mboweni’s 5-Year Plan for Labour Changes

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Seifisa offers 4,5% increase to workers

SEIFISA yesterday offered a 4,5% annual wage increase to steel and engineering workers in response to union demands ranging between 14% and 21%. The offer was made at a meeting between a Seifisa work group and the 11 recognised trade unions.

Lesser offers were made for some regions — the Cape, Natal and Border — and in the Free State a wage freeze was proposed because of the industry's absolute reliance on the mining industry, which was undergoing difficult times.

Seifisa industrial relations director Dave Carson said after caucusing, the unions had indicated they could not accept the wage offer and appealed to Seifisa to reconsider its position.

On the regional wage issues, the unions said they had not been mandated to respond to this proposal and suggested a further meeting be held under the ambit of the collective bargaining group.

The parties agreed to do their best to reach finality at their next meeting scheduled for June 4 as the present agreement expired at the end of June.

Carson said a number of peripheral items had been removed from the agenda and employers had agreed to re-examine other issues such as occasional leave and employees injured on duty.
Labour body officially established

ESANN DE KOCK
Weekend Argus Reporter.

THE National Labour Relations Forum for local government has been officially established.

At its inaugural meeting in Bellville yesterday the forum, consisting of employer organisations and trade unions in local government, agreed on its objects and functions, including:

- Considering options with regard to re-organisation and development of appropriate bargaining structures for the municipal sector, including the feasibility of a national industrial council.

- Setting disputes between parties as a result of the implementation of the Local Government Transition Act which could not otherwise be resolved in existing structures.

- Maintaining and enhancing industrial peace during the transitional period.

- Considering, advising and make representation on any legislation or proposed legislation affecting labour relationship between the parties and local government.

The forum represents more than 150 000 local government workers. Included are the South African Municipal Workers' Union, the Amalgamated Municipal Employees' Association, the Johannesburg Municipal Employees' Organisation, the South African Association of Municipal Employees and the National Union of Employees of Local Authorities.
Organised labour flexes muscles

About Labour unrest

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State, wait and see.

Cape
Union links with international labour threaten SA employers

BRUCE CAMERON
Business Editor

SOUTH African businesses, already taking it on the nose in industrial relations, could find even tougher times ahead as links between local unions and international labour strengthen.

And the problem could be even worse if the local company has a strong foreign holding.

French-controlled construction company Basil Read has already come up against the situation with its current industrial dispute with the Construction and Allied Workers' Union (Cawu).

According to the latest edition of *South African Labour News*, the major International Federation of Building and Woodworkers has reacted "swiftly and aggressively to a call for assistance from huge Cawu.

The publication reports "In a strongly worded letter to Basil Read, the IFBWW has condemned the company's notice of dismissal to more than 200 Cawu members, the lock-out since June 24 over a wage dispute, as well as the use of teargas and police dogs to disperse picketing employees by the South African Police Services."

The IFBWW told Basil Read that it supported Cawu's demands and said it would be taking up the issue with parent company Bougues in France.

Deputy editor of the publication Winifred Everett says the move by the French Union could be the thin edge of the wedge.

"The IFBWW is a massive organisation and very powerful in Europe, which will impress the local unions.

"Lock-outs are anathema to international unionism and it is quite possible that they would wish to make this a policy issue and pull out other workers in sympathy.

"Should the matter end up in industrial courts one can be certain the IFBWW will see that its huge resources are made available to bring in the biggest labour law guns to present the Cawu case."
Labour to be central govt issue

Own Correspondent

JOHANNESBURG. — A tripartite core team will oversee implementa-
tion of a new policy to regulate labour and employment rela-
tions, Labour Minister Mr Tito Mboweni announced yesterday.
He said the team would consist of representatives from labour, business
and government.
He also called for a White Paper as a basis for devising an active labour
market policy.

This was after Cosatu representatives met key Labour Ministry and
department officials at the weekend to consult on a broad range of issues
affecting labour and the formulation of a new labour market policy.

It was agreed this policy would be a national, not provincial, government
preserve. Cosatu general-secretary Mr Sam Shilowa said

Matters discussed included:

- An equal opportunities bill regulating employment practices
- Labour legislation to incorporate the former homelands
- A new Labour Relations Act to bring labour law into line with the
  interim constitution, provide a collective bargaining framework and ex-
  tend the operation of laws to all sectors
- Policies and laws that inhibit the right to strike
- Giving effect to international standards

Mr Mboweni said the Labour Ministry would assist trade unions with ca-
pacity building in such areas as financial assistance for education and
training facilities.
The parties agreed to establish a single Labour Appeal Court by the
end of the year. This would include establishing an effective mediation
and conciliation service.
Democracy, 'not enough'

DURBAN — The wave of industrial action by organised labour was a sign that democracy alone could not deliver, Minister without Portfolio Mr Jay Nadoo said.

Workers expectations were very high and the sooner the collective bargaining system was improved, the better for the economic growth of the country.

Speaking here, Mr Nadoo said labour laws, which gave workers the right to strike and rights of collective bargaining, must be drafted by the new parliament.

He said workers were not satisfied.

Mr Naidoo said government officials not prepared to implement the RDP had no place in the government. — Sapa
Workers’ party on the cards by 1999, says expert

Spirit-based ANC alliance

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Row over Labour Law Group's end

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**Johan Pretorius**

Cape Times, Tuesday, July 26 1994

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A commission to rewrite the legal framework of the Labour Laws which were never passed due to the National Party's refusal to engage in meaningful dialogue on the matter. The government, represented by its Labour Minister, Mr. Tito Mboweni, did not consult with the Labour Unions or the Employers' Association before presenting the new Labour Law to Parliament. The Labour Unions and Employers' Association were given only 3 days to respond to the proposed changes. The commission was proposed to be chaired by Judge Christopher Barnard, a retired Judge of the Supreme Court. The commission was expected to recommend amendments to the Labour Laws to make them more flexible and responsive to the needs of the economy. The commission was expected to submit its report within 6 months. The commission's recommendations were expected to be implemented within a year. The commission was expected to be independent of the government and to be chaired by a former Judge of the Supreme Court.
"Bosses not the enemy" — Rupert

By ARI JACOBSON

SOUTH AFRICA’S trade unions will have to be more supportive of industry, said Rembrandt group (Remgro) chairman Johann Rupert at its AGM in Stellenbosch yesterday.

Rupert responding to a question said "they will soon realise that capital flows downhill," implying that investment flows will come from a country’s ability to produce at competitive international levels.

"We (industry and labour) are all in the same boat — if they (the trade unions) drill holes in the boat everyone will sink."

Rupert pointed out that "labour skills" are measurable on an international basis and that he said meant competing with among others the Far East in producing goods.

In this regard he pointed out that the "going wage" in Indonesia was $5 (R18.50) for a six day week.

Switching to other matters Rupert confirmed that about R900m was collected from the Rembrandt group for excise duties for the year to March 1994, adding that did not include other companies linked to the group.

After the AGM he mentioned that higher excise duties encouraged the smuggling of cigarettes into the country.

Rupert indicated that this contributed to the "lighter" then expected treatment of tobacco products in the government budget of 1994/95.

He added that input costs were already burdensome on the locally produced cigarette, with SA tobacco prices higher then elsewhere, the raw materials like card board (for the boxes) costlier and the labour intensive nature of the business less productive than capital-based production.

"However Rembrandt opted to stay with labour intensive production to avoid creating further unemployment."

In addition Rupert said that the group was encouraging the smaller trader and spaza shop owner to "be better positioned" to distribute its products.

As an aside at the AGM Rupert said that he supported the inclusion of intangible assets such as "intellectual property" in lifting the asset value of a group.

He said that "trademarks are the bread and butter" of the group yet the majority of this so-called "goodwill" was written-off.

Rupert said that there was a need to move away from the book value measure of assets to include "intellectual property".
World Bank warns against high cost.

PETER FABRICIUS
Weekend Argus Foreign Service
WASHINGTON. — The World Bank has warned that South Africa's conflict-ridden industrial relations could harm the very types of exports which would enable the country to penetrate the international market.

And expanding exports are essential in creating growth and jobs, the bank says in a report, “Reducing Poverty in South Africa.”

It says that because of its relatively high labour costs, South African products are "entirely uncompetitive internationally" in "low-end" products such as clothing for poor consumers.

But a sustainable expansion of labour-intensive, light-manufacturing of quality products is possible within the present wage structure.

South Africa’s best chance for export success lies with high-quality niche products such as textiles, garments, shoes, furniture and high-value fabricated metal and plastic products.

The essential ingredients for success in these markets include high product-quality, reliability in meeting delivery schedules and quick turnaround. "But, if conflict-ridden industrial relations emerge, South African firms will be vulnerable to work stoppages and a consequent inability to meet commitments on time — undercutting their ability to penetrate export markets.

"Moving towards 'win-win' industrial relations is a necessary condition for moving to an efficient and labour-demanding growth-path."

The report was written before the present rash of strikes.

At another point in the report the World Bank says there is reason to hope that South Africa's political transformation will reduce the intensity of conflict between labour and capital.

"Without better industrial relations, an employment-oriented industrial strategy is certain to be a non-starter." The World Bank study has estimated that increased union activity raised blacks' real wages in the formal sector by 15 percent above what they would have been from 1979 to 1980.

"The evidence is clear that higher wages have led to lower demand for labour...

Without the 15 percent increase, blacks would have had between 200 000 and 400 000 more jobs in the formal sector.

Problems in the labour market have both slowed down the rate of overall growth and helped to skew growth in the capital-intensive direction. The bank is also critical of government policy continuing to favour capital-intensive industry.

It says that until the late 80s, South Africa's financial markets and tax code were geared to reduce the cost of capital to firms.

Real interest rates were kept negative and tax breaks made the effective tax rate substantially lower for capital and investment-intensive ac-

tivities. This system worked against job creation, providing incentives for firms to replace workers with machines. Many of the biases in favour of capital-intensive activities have been removed and real interest rates have been positive since 1984. But, the tendency to give special benefits to big investments — which did little to create jobs — has persisted into the 90s.

"New investments in an aluminium smelter and a stainless steel plant were given special tax breaks, injections of equity finance by parastatal organisations and preferentially-priced inputs."

Subsidies for these investments were "at the direct expense of resources which could otherwise have been used to move the economy onto a more equitable growth path.

"A bank study found that light, labour-intensive industries such as metal products or garments, created three to five times more jobs than heavy, capital-intensive industries."
Call for labour democratisation

ERICA JANKOWITZ

WORKPLACE democratisation had become a key demand in current labour disputes and unless progress on this front was made a severe crisis could be approaching, IR Network researcher Wendy Dobson said at the weekend.

She said SA had witnessed more strikes so far this year than in any corresponding period except 1997 when the three-week miners' strike led to an all-time high of working days lost to strike action.

Dobson said workplace democratisation included eliminating wage differentials, abolishing discriminatory practices and embarking on human resource development.

"It implies a greater degree of worker participation in decision-making, in the extent that Cosatu thinks the whole idea of management prerogative should be discarded," she said.

Dobson predicted that wage differentials would come under the spotlight, with management being increasingly pressured to close the gap between management and production worker remuneration. Redistribution was also a major contributing factor to current industrial unrest.

She agreed with other commentators' suggestion that the economic upswing together with heightened expectations had contributed to the surge of industrial action, yet discounted the theory that Cosatu was confronting the ANC.

Falling wage settlement levels over the past few years was also a factor, Dobson noted that average wage settlement levels had dropped from 19.6% in the third quarter of 1991 to 7.8% in the corresponding period of 1993. So far this quarter, wage increases had averaged 9.06%.

Work relations needs set down

ERICA JANKOWITZ

SA NEEDS an enabling regulatory environment, especially in labour relations, to ensure wealth creation and economic growth, says Chamber of Mines chief negotiator Adrian du Plessis.

Addressing an AIC Conferences seminar last week on the future of mining, Du Plessis set out five key perspectives of a new labour relations Act.

- The Act should establish a floor of basic worker and management rights by fleshing out the limitations and duties attendant on the rights contained in current law.
- A framework and not a model of labour relations should be established as models tended to be prescriptive and relied on compulsion to enforce their terms.
- The Act should take established traditions of site- and industry-level collective bargaining arrangements into account as these processes were "pertinent to the overall balance of the labour relations system".
- Flexibility should be allowed within the framework to take account of the enormous diversity of business processes and systems should be developed "which are sensitive to the needs of all parties"; and
- An expeditious and efficient dispute resolution structure should be put in place with mechanisms which ensured devolution of the process to the lowest possible level, preferably the source of the dispute.

Du Plessis said the rate of increase of gold production in the developed world was declining relative to the developing world and other developing countries therefore stood to gain an increasing slice of world mine production "provided we can define and build upon our strategic competitive advantage".

To achieve this, an enabling legislative and regulatory environment would need to be in place to help define that competitive advantage, Du Plessis argued.

He warned there were several examples of legislated restrictions which strangled enterprise, and suggested the drafting of a new Act offered a real opportunity to ensure this was not the case in SA.

"Our Labour Relations Act has succeeded in securing a jurisprudence of labour equity and has also been in the forefront of the process of social change in SA. The Act now needs to address the kind of economic objectives that we will need to secure if we are to position SA for real growth and development," he said.

Du Plessis stressed the need to involve government's social partners — labour and business — in the process of devising the new statute to ensure that the proper balance was struck between social and economic objectives.

"SA as fortunate that, unlike many countries, it has real opportunities for a meaningful dialogue between the social partners on the kind of regulatory environment it wants and needs," he said.
Ramaphosa hits out at exploiters of labour

These were investors who knew they were coming to a country which would finally have modern labour laws – "labour laws that do not lead to the exploitation of workers".

Mr Ramaphosa discounted fears the current strikes would harm the economy.

He said the budget was good, but still reflected some remnants of the apartheid era. The R25 billion or 18 percent for security establishments such as the National Intelligence Service, police and prisons was unacceptable. Instead the allowance for social services should be increased.
Social change vital for Labour peace

CAPE/NATIONAL

Wage spiral not answer to end unrest

Fulltrans

UNLESS the Government

Labor reporter

Labor, Island, and Development Program

Social change vital for Labour peace
Mbweni: I won't bash unions

Political Correspondent

LABOUR Minister Tito Mbweni says he will not indulge in union-bashing.

He made the remark during an interpolation debate in the senate about his handling of the labour crisis.

Replying to questions by James Selfe (DP), he said 272,000 man-days had been lost in June and July because of strikes. Strikes totalled 41 in June and 23 in July.

He said it was the responsibility of labour and management to settle their disputes. He had appointed a mediator in the Pick'n Pay and Saccawu dispute because it had become clear the two faced enormous difficulties.

Neels Ackermann (NP) said the Pick'n Pay-Saccawu dispute was not the only strike.

The dedication of all MPs, especially ANC MPs, was needed to persuade their supporters and Cosatu "not to put the cart before the horse."

The only path to higher ways was by economic development.
Ministry ‘won’t bash unions’

THE SENATE — Neither Labour Minister Mr Tito Mboweni nor his ministry would engage in union bashing, Mr Mboweni said yesterday.

Speaking in an interpellation in the Senate, he said his intervention into the recent Pick ’n Pay strike had been in terms of Section 44 of the Labour Relations Act, which enabled the minister to organise mediation when there was a major problem in solving the dispute.

“I am pleased to report that the matter is now over.”

There had been 41 strikes in June this year, in which 72,000 man days had been lost, and about 80 strikes in July in which about 200,000 man days had been lost.

Compared with labour disputes in previous years, this figure was not particularly high.

In June 1990 there had been 69 strikes which had led to a loss of 488,000 man days, and in July that year 680,000 man days had been lost in 80 strikes.

Senator Mr Cornelius Ackermann (NP) said the recent labour unrest would lead to a massive loss of potential international investment.

The ANC should tell its followers and those of its Cosatu allies that the time had come to work, he said — Sapa.
Labour law team named

Own Correspondent
JOHANNESBURG — Labour Minister Mr Tito Mboweni yesterday appointed a legal team headed by his adviser, lawyer Mr Halton Cheadle, to draft a new Labour Relations Bill.

The team was appointed after Mr Mboweni had consulted the National Manpower Commission and the cabinet.

Its submissions will be presented to the cabinet and, if approved, new labour legislation could be tabled in Parliament by next year's round of wage negotiations.

The team is Mr Cheadle, lawyer Mr Ray Zondo, who served on two Goldstone Commission committees, Ms Amanda Armstrong, a partner in law firm Cheadle Thompson Haysom, Rand Afrikaans University associate professor of labour law Prof Willem le Roux, and Anglo American legal adviser Mr André van Niekerk.

Ministry spokesman Mr Sharleen Singh said "The process is meant to expedite the formulation of a new Labour Relations Act."

The team's terms of reference included giving effect to the Reconstruction and Development Programme, recognizing organizational rights of trade unions and promoting collective bargaining in the workplace.

The bill will replace the Labour Relations Act and the Public Service, Education and Agricultural Labour Acts.

The draft is also intended to make provision for a system of labour courts, the ministry said.

The bill would also provide simple procedures for dispute resolution through statutory conciliation, mediation, arbitration and the licensing of alternative dispute resolution services.

The constitutional right to strike had to be entrenched, and lock-outs had to be regulated.

- The existing 11 Manpower or Labour Departments, including those of the former homelands, would be rationalised into a single labour dispensation.

Mr Joggie Kastner was appointed acting director-general.
Business is trying to subvert union power by making unions shareholders and offering workers 'no-strike' bonuses, writes Jacques Magliolo

Despite political change, the rand remains low as investors shrug off the currency. 2

Labour unrest: Bosses attempt to buy acquiescence from workers and unions 3

The bargaining power of unions is under threat. Recent trends in the market show that management is refusing to compromise during wage demands, but at the same time, introducing bonuses for those who do not strike and offering unions company shares. An investigation into these market movements shows that, instead of waging a wage war with unions, business’ aim seems to be changing to reducing union power and influence over workers, confusing employees and causing dissonance among union leaders to the point where trade organisations could virtually become outdated. How does business intend to achieve this and can it actually succeed?

Experts agree that there is no question some companies would dearly love to break up, or at least confuse, unions’ collective bargaining voice. This, say the experts, can be successfully carried out if companies play hardball during negotiations, can turn unions into capitalists and, finally, if workers can be enticed not to strike. Even if all three trends are coincidental, they could seriously affect unions’ ability to call members to strike.

"When management is unwilling to compromise during wage talks, unions usually turn to workers and ask for strike action. If the union is also an owner, it would be more inclined to strike only as a last resort and, if workers get a non-strike bonus, unions will find it difficult to persuade workers to down tools," says a consumer analyst.

Firstly, management is no longer willing to compromise to the extent it has in the past and is definitely adopting a much harder line. The we-will-not-budge attitude during wage negotiations has not been seen in South Africa since prior to the rise of union power. This was aptly demonstrated by Pick ’n Pay’s stance in only offering R5 more before the strike was called off.

And, the planned union call for a countrywide mass stayaway plan caused many directors to assume that the Pick ’n Pay strike could move their industry and found themselves huddled behind closed doors to work out a new approach to rat themselves of the negative effects of labour unrest.

Secondly, the answer some companies came up with is to introduce a new attractive incentive scheme for workers not to strike. Highveld Steel and Vanadium is one company to say that it will adopt such a strategy in the future.

Financial director Luigi Matteucci says: “This is not a bribe, but an incentive for workers to act in a responsible and businesslike manner.” He indicates that, given the number of working days lost in the past five years, such bonuses would be well worth the cost to the group.

"The bonus would be in addition to..."
Employers ‘not tackling apartheid’

JOHANNESBURG. — The Congress of SA Trade Unions claimed in a statement yesterday that employers had “dismally failed to address the legacy of apartheid”.

Cosatu further claimed that the “unions have from their side put forward sophisticated and coherent proposals in this regard”.

The hard-hitting statement urged the National and Democratic parties to call on “their business friends” to commit themselves to the Reconstruction and Development Programme by adopting a more progressive approach to industrial relations.

Cosatu accused employers of adopting a short-sight ed approach to unions’ innovative suggestions for tackling anomalies in wage structures. Employers were obviously not aware of workers’ bitterness as companies did nothing to end entrenched inequalities in industry.

Cosatu accused conglomerates and large corporations of setting “a ceiling to wage offers employers are allowed to make in various sectors”.

In response, Business SA, secretary Ms Friede Bowie said forums such as the National Manpower Commission and the National Economic Forum existed for Cosatu to raise its concerns. She urged Cosatu to pursue constructive debate in existing forums.
Powerful new advisory body

Political Staff

THE cabinet yesterday approved the integration of the National Manpower Commission and the National Economic Forum into a new statutory body, effectively establishing a powerful advisory forum on economic, labour and social matters.

It also approved a bill that will amend the constitution for the fourth time to enable the president to appoint a person from outside Parliament as a government minister. The amendment is necessary for the appointment of Mr Chris Liebenberg as Minister of Finance.

In a statement by the cabinet on the eve of the new government’s 100 days in office, the cabinet approved a number of projects for funding under the Reconstruction and Development Programme and approved procedures for programme and project management and control of RDP funds.

President Nelson Mandela will make some announcements on these projects today.

It is understood Mr Mandela will call for more direct public participation in the RDP to shift the programme up a gear.

His call was discussed by the cabinet yesterday, which noted and re-emphasised the unanimous support for the programme within the government.

The statement said the new, merged advisory body, to be called the National Economic, Development and Labour Council, would “facilitate the co-ordination and integration of economic, labour and social policies.”

The new entity will be a statutory body and consummate the government’s desire for the “golden triad” of business, labour and government to develop joint strategies.

Meanwhile, the cabinet formally endorsed the formation of the Intergovernmental Forum of members which consists of members of regional and provincial government.

Substantial progress had been made in preparing proclamations to assign powers to the provinces, the statement said.
Directorates will carry out govt labour policy

Provincial directorates would be charged with the administration of labour policy as government wanted to maximise the devolution of power to the provinces. Head office would monitor and evaluate progress, he said.

At the same time, government would establish its new labour department and restructure the old Manpower Department to fit its new needs. Kastner said he expected "litigation to flow" from this exercise as unifying the old bodies from the previous self-governing and national states would not be easy.

Kastner reiterated Labour Minister Tito Mboweni's strong support of tripartism — or input from all social partners including organised labour, business and government — in devising a new labour market policy.

He commended Fedsa's constructive role in tripartite bodies in the past and said he was sure the federation would continue to be an active participant in the new labour council.

Kastner said a new labour policy document would be available for discussion shortly. Such issues as health and safety, vocational guidance and new institutions to implement the policy would be covered as well as legislation.

On the issue of trade union capacity building, Kastner said government was investigating various options, including subsidising worker colleges. He stressed strong leadership was needed in devising future policy and ensuring its implementation.

Kastner challenged delegates to devise some strategy to alleviate the plight of the unemployed as current funds were rapidly being depleted and government would be hard-pressed to improve social security benefits.
Correspondent, Spain — The ANC in exile, with a sense of urgency — and perhaps a hint of desperation — has declared its support for the government's efforts to bring about a new constitution. This move follows a series of articles in the Sunday Times that have highlighted the ANC's failure to address the economic issues facing the country.

The ANC's decision was met with mixed reactions. Some members of the organization welcomed the move as a step in the right direction, while others criticized the party for its lack of concrete action on economic issues.

The ANC has been under pressure to address the economic challenges facing South Africa. The government, on the other hand, has been focusing on constitutional reform and reconciliation.

Johannesburg — Business to cross the Rubicon

Cape Times, Thursday, September 8 1994

The strike by workers at the Rubicon mine, which began on September 1, has raised concerns about the future of the mining industry in South Africa.

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Day of reckoning arrives for SA employers

"The world is going to apply to all who have been in the construction industry for a long time," says Amazon's senior manager of risk, employer responsibility and compliance. He said the company had been monitoring the situation closely and had already taken measures to mitigate potential impacts. He added that the situation was likely to worsen as the industry continued to face challenges. He urged workers to stay informed and take necessary precautions to protect themselves.
What Mbeweni insisted on keeping secret

Despite his wanting to speak 'off the record' there wasn't much to record from Tito Mbeweni's speech in parliament this week, writes Chris Louw.

Labour Minister Tito Mbeweni surprised journalists this week when he insisted that his address to the parliamentary labour select committee was 'off the record'. All parliamentary committees were opened to the media in line with the ANC's policy of transparency.

Mbeweni, speaking before the committee on Tuesday, twice warned media representatives not to report on what he said. "Everything is off the record and I have witnesses to confirm it."

The reason for the sudden secrecy is not clear. In his off-the-record address Mbeweni said he wanted to develop a labour market policy in line with the reconstruction and development programme.

He hinted that a five-year plan — which he emphasised was not based on "Soviet-style" central planning — would be announced in due course. A task group would be appointed to investigate labour relations in foreign countries. The International Labour Organisation was initially approached to help draft new labour legislation. The group would also consider trends in each South African labour market "sector by sector".

Labour legislation, Mbeweni said, couldn't be passed until they returned. However, he said areas where changes were needed were improving the rights of pregnant women in terms of the Basic Conditions of Employment Act.

He also envisaged changes to the Insolvency Act where workers received some compensation when companies were declared insolvent.

Wlcoming the imminent demise of the National Economic Forum and the development of a new National Economic Development and Labour Council, he said it would represent four main interests — finance, trade and industry, labour and the reconstruction and development programme.

This council will meet in plenary session twice a year and will be chaired by deputy president Thabo Mbeki. It will have a secretariat as well. (132)

Referring to strikes, Mbeweni said they had been unremarkable and followed the normal pattern of strikes during wage-bargaining periods — there were only two major strike actions "except for truckers".

Asked by a journalist after the meeting why he had insisted on not being quoted, Mbeweni said the information was "privileged."
Employers denounce 40-hour week plan

BUSINESS is fighting government proposals calling for a reduction in the working week to 40 hours, arguing that it will add considerably to wage bills and lead to more capital intensive production methods.

"A statutory 40-hour week would cause serious harm to our industry," says Adrian du Plessis, industrial relations adviser to the Chamber of Mines.

Gold-mine employees work an 11-shift fortnight, equivalent to between 48 hours and 48 hours a week.

Labour Minister, Tito Mboweni announced last week that the working week would be reduced from 48 to 40 hours.

Employer bodies also slammed the suggestion that hours be determined by government decree, rather than through collective bargaining agreements.

Jan Visser, head of the National Productivity Institute, says shorter hours could lead to higher employment, "which is, perhaps, the underlying message Mr Mboweni wants to convey to Cosatu."

However, if the plan is implemented, it will probably result in many companies making more use of automated production methods, he adds.

Brian Angus, executive director of the Steel Engineering Industries Federation (Seifsa), says the consequences of a shorter week would be serious in terms of costs and more overtime would have to be used to maintain production. Seifsa employees work 44 hours at present and employers have resisted attempts to cut down on time.

Sabb economist Keith Lockwood says any move in this direction would be counterproductive, although it could result in an increase in employment.

He does not believe, however, that a shorter week will have far-reaching effects as many industries are currently working close to these hours.

Large employers such as the motor industry and certain sectors of the clothing industry are currently working 40-hour weeks.
"Give us a share of work"

The government should allocate a percentage of its works contracts to black businesses, top entrepreneur Israel Skosana has told a Cape Town Reconstruction and Development conference.

Mr Skosana, executive director of National Sorghum Breweries — the country's largest black-owned-and-run concern — said black business in South Africa was in "a parlous state".

The government had to take decisive steps to enable black-owned businesses to play a role within the mainstream of the economy, he told the Association for the Advancement of Black Accountants' RDP congress yesterday.

Apart from allocating a certain percentage of tenders to black businesses, the government should set companies affirmative action targets.

For a period companies should be required to appoint and provide upward mobility to black managers.

Cosatu chief warns on belt-tightening

Reports by JOHN VILJOEN
Business Staff

TOP trade unionist Ebrahim Patel has warned politicians against lecturing workers and the black community about restraint and the tightening of belts.

Mr Patel, a Congress of South African Trade Unions executive committee member, also warned the government yesterday not to turn against striking workers and protesting citizens due to fear of delaying the Reconstruction and Development Programme.

The RDP had major potential benefits for organised labour, but there were "dangers and threats" to fulfilling its vision, he told a Cape Town conference.

These threats did not arise from the content of the RDP but from the way it was or was not applied.

The first threat was from some businessmen who used the RDP as a stick against workers, saying they were damaging the programme by striking for a living wage.

The RDP called for a living wage and endorsed the right to strike, Mr Patel told the Association for the Advancement of Black Accountants conference.

Society had "every prospect of falling apart" if these initiatives by some businessmen succeeded in turning workers against the RDP.

The second threat to the RDP was from the government itself. Elements in the bureaucracy could engage in actions to paralyse the government.

If the government failed to address the inequalities of wealth, power, skills and ownership it would be judged harshly.
Striking cleaners
on march

Staff Reporter

HUNDREDS of striking cleaners belonging to the Transport and General Workers' Union staged an illegal march through Cape Town today to support their leaders in wage negotiations.

Before gathering on the Grand Parade with their colleagues, about 50 workers protested in the foyer of the civic centre over the appointment of a new cleaning company there. They left after 30 minutes, scattering rubbish.

The march from the Parade began at 10.30am after worried leaders, unable to prevent the demonstration, asked traffic officers for assistance.

No police were present during the march, which ended at the Berco office cleaning company in Green Point.

Marshalls were chosen to monitor the dancing and singing crowd of about 500, who work at about eight companies.

The strike began on Monday last week and escalated this week.

Many strikers say they earn R641 a month and claim to have had no rise for up to six years.

The union estimates that 10,000 cleaners will soon be on strike in the Western Cape.
Pay clashes worry govt

BLOEMFONTEIN. — The government is concerned about the adversarial approach adopted by labour and management in recent pay talks, Labour Minister Mr Tito Mboweni said yesterday.

The government would try to remedy the situation through the speedy promulgation of new labour relations legislation and the establishment of a statutory National Development and Labour Council, he told the SA Chamber of Business' fifth annual congress.

The council, a 'golden triangle' alliance between business, labour and the government, was expected to be in place before December.

In his address, Sacob president Mr Cedric Savage said management and labour had to have joint goals.

Industrial relations and the role of business in the Reconstruction and Development Programme are likely to be the focus of debate at the congress.
Johannesburg — A statutory body is to be established to bring together economic interest groups in formulating socio-economic policy, Minister of Labour Tito Mboweni said here yesterday.


It would include community development organisations and have four chambers — for the labour market, trade and industry, public finance and monetary policy, and development.

Mr Mboweni also said a draft of the proposed new labour law was expected to be published before the end of the year.

The government would not allow labour repression and "sweat shops" to boost productivity — Sapa
Labour warns on consultation

Own Correspondent

THE federation of SA Labour Unions (Fed-
sal) has urged the government not to be
“afraid to govern”, warning that placing too
much emphasis on consultation could be
counter-productive.

In a submission to the parliamentary
standing committee on the RDP, Fedsal
also called on the government to give more
detail of how it proposed to achieve the
RDP’s goals.

Cosatu, in its submission, urged the
government not to stick to a rigidly ide-
ological commitment to fiscal discipline and
reduced public spending.

“The RDP involves a massive expansion
in welfare and service delivery by govern-
ment. This may lead to increased public
spending and employment in certain areas,
while reducing it drastically in others.”

Cosatu called on the government to give a
clear commitment to closing the public sec-
tor wage gap and replacing it with a sliding-
scale formula which would cut “surer salar-
ies” while improving lower-paid workers’
income.

It welcomed the government’s recogni-
tion of the need for a progressive labour
policy — including an adequate social se-
curity safety net, the right to strike and the
right to a living wage — but felt human
resource development was neglected.

FAMILIAR SIGHT ... Minibus taxis were back in Strand Street yesterday following the shooting of 10 people at the new station deck taxi rank on Saturday morning. Drivers said they were concerned about the safety of their passengers and would not go back to the station deck until Codeta and Cata had “sorted things out”. However, traffic officers moved them back to the station deck yesterday afternoon and placed drums along Strand Street to prevent stopping.

Picture: BENNY GOOL
Govt, hands off in labour disputes

The government has intervened in labour disputes.

Cape Times

Andys

Safari Suits

Mans Shop
Possible end to Industrial Court ‘demotivates staff’

PROPOSED changes to labour law which included phasing out the Industrial Court in favour of a multitracked system for dealing with industrial disputes, did little for staff motivation, Industrial Court president Adolph Landman said yesterday.

There is widespread speculation, with some foundation, that the Industrial Court will be replaced by two new institutions — compulsory conciliation for all disputes and a labour court on a par with the Supreme Court and staffed by Supreme Court judges,” Landman said.

Landman, who was appointed to his post 18 months ago and who has been instrumental in cutting the waiting period for cases to be heard from an average 10 months to five, described staff morale as very low.

“We are on the horns of a dilemma. We are probably going to be phased out, but what do we do in the meantime?” Landman asked.

The existing case load would keep the court going for about 10 months at the current rate of hearing about 500 cases a month.

The outflow of cases had exceeded the inflow of new cases since February and the court was making significant inroads into its backlog.

In September, the four regional divisions of the court handled 624 cases, leaving 5,033 on hand.

The court handled about 500 cases a month and was working under intense pressure, Landman said.

Its aim was to reduce the waiting period in the FWV from five months to about three months. This target had been reached in Cape Town and the planned three new appointments to the Durban court would help reduce the load there.

Only about 0.5% to 1% of cases handled fell under the Agricultural, Public Service or Education Labour Acts as this side had yet to take off.

The Pretoria court had been expanded by an additional 11 courts in the Paulshof Building, bringing to 21 the number of courts in the area. Plans were still afoot to establish courts in Johannesburg and Landman was looking for suitable premises.

The Industrial Court recently advertised for 12 new posts and had received 65 applications which were being sorted through.

Currently about 20% of presiding officers were black or female and there were plans to increase the representativeness of officers.

But the freeze on public service appointments meant replacements for the eight recent resignations from administrative staff could not be found, placing an additional load on personnel. He attributed the resignations to insecurity as a result of the possible phasing out of the Court.

He said some delays were caused by the apparent inability of unions to find and pay for legal representation.

He anguished over Numsa in the Eastern Cape.
Mixed response to shorter week

LABOUR Minister Tito Mboweni’s confirmation in Parliament that reducing the working week to a maximum of 40 hours was being considered received mixed responses, ranging from whole-hearted support to warnings of the inflationary effect of such a move.

Cosatu spokesman Neil Coleman said amending SA legislation to bring it in line with international norms was overdue and should be expedited and implemented immediately. “Basic labour standards and conditions of employment are not something that should be negotiated industry by industry.”

“Government must set the baseline firmly and then parties will negotiate within that framework,” Gengold chairman Gary Maude believed mining should be treated as a special case because of the long travelling time required between workers leaving the surface and reaching the stopes. This could take up to four hours a day, and unions and management had negotiated methods to tackle the matter.

Coleman said reducing the working week would not only improve working conditions of those currently in employment, but would help alleviate unemployment.

This was disputed by FSA-Contact division head Jan Steer, who said experience abroad had “shown that reducing the working week tends to result in existing employees working more overtime because overtime pay, being a variable cost, does not impact as dramatically on the total wage bill as would employing additional staff.”

Industrial relations consultant Gavin Brown felt business would be forced to employ more casual and part-time labour and so increase employment of workers in these categories rather than offering more full-time work.

Coleman said large portions of the work force were already covered by legislation which stipulated a 40-hour working week. Uniformity was now required. “Cosatu doesn’t know why business is so excited by this as it has been under discussion for some time,” he said.

However, Business SA spokesman Bokkie Botha said business had never been consulted about this issue although he was sure it would be raised soon. “The business community believes working hours are most appropriately set at the time of collective bargaining.”

Employers were unanimous in their concern about the cost implications of reducing the maximum working week by 15% from the current 46 hours. Brown said employers would need clarity on whether salaries would be reduced or remain the same for fewer hours’ work.

Existing employment contracts would have to change and the “cost implications are horrendous” if employers were expected to fork out the same package, Brown said.

Botha agreed that there would be significant cost implications, but said he was reassured by Mboweni’s statement that his ministry would discuss the issue with the social partners before a decision was taken.

Steer warned that it would be an inflationary step if there was no constant rise in productivity to make up for the lost hours.
Proposal to include community in council

LEGISLATION was tabled in Parliament yesterday proposing the formation of the National Economic, Development and Labour Council, which will add representatives of community organisations to the “golden triad” of business, labour and government.

The legislation merges the National Manpower Commission with the National Economic Forum and will include members who represent community and development interests.
Plan urged to stem shopfloor drain

COMPANIES should release resources for shop steward training to halt the flow of key personnel away from the shopfloor into management, National Union of Metalworkers of SA negotiations co-ordinator Gaynor Hartford said yesterday.

Speaking at a conference on human resource policy, Hartford said business must appreciate the role shop stewards played in the management-labour interface.

The loss of strong shopfloor leadership usually meant agreements with management were not well negotiated and union members were reluctant to adhere to their terms. But there was a fine line between enhancing the career paths of shop stewards and co-opting them, Hartford warned.

Unfortunately, stewards had not been given the opportunity to improve their skills and develop careers, but this could be rectified, Hartford suggested.

Unions were exploring the possibility of developing career paths within the labour movement and were developing proposals for management participation.

Wits University's industrial strategy project co-ordinator Avril Joffe urged em-
RDP payouts ‘not enough’

Own Correspondent

JOHannesburg. — Companies which believed redirecting funds from corporate social responsibility programmes to a Reconstruction and Development Programme fund was sufficient to help transform SA should think again, Cosatu negotiators co-ordinator Mr Jeyendran Naidoo said yesterday.

Speaking at the RDP summit in Midrand, Mr Naidoo said companies should formulate their contribution in terms of a basic tenet of the RDP: helping to grow the economy.

SA industry, especially in manufacturing, was inefficient and needed to be restructured.

‘Involve labour in decisions’

Mr Naidoo said that this process should be initiated with the full participation of labour which should be involved in the decision-making processes of companies.

Full information disclosure should be introduced so labour could make informed decisions. This aspect should be regulated by law, Mr Naidoo suggested.

He stressed business could not introduce co-determination in a paternalistic manner, but should envisage the process as harnessing the skills and experience of workers for the benefit of the economy.

“It’s not an act of charity, it’s an act of survival,”

Mr Naidoo said labour’s vision of the new SA was to have a society with full employment in which living standards were high enough to ensure workers had leisure time and sufficient income to buy some non-necessities.

A constraint was the growing unemployment level which needed to be urgently addressed by the creation of permanent jobs.
King report calls for workers to have bigger say

Own Correspondent

JOHANNESBURG. The King report on corporate governance has called on business to improve disclosure and allow worker participation in corporate affairs.

The report, published yesterday, suggested that its recommendations should not be legally enforced, but should rather rely on peer pressure.

The Institute of Directors of Southern Africa initiated the report, which has provided a framework intended to bring SA business practices into line with the best of other developed countries.

The report, aimed to provide a voluntary code of corporate practices and conduct for what it described as "affected businesses," envisaged participation of public entities, control boards and co-operatives, banks, financial and insurance institutions and large unlisted public companies which are not owner managed.

Labour

It has three main threads: improved disclosure, affirmative action and directors' responsibilities. It suggested that its proposals should be implemented in July 1995.

Presenting the report yesterday, committee chairman Mervyn King said labour's role in corporate governance had been hotly debated.

Cosatu executive committee and King committee member Ebrahim Patel did not endorse the final draft of the report, which recommended that SA businesses develop individual systems aimed at allowing worker participation in corporate governance.

The section that Patel disagreed with would result in the "effective sharing of relevant information, effective consultation by management with the workforce and speedy identification of conflict and its effective resolution," the report, itself, said.

Deloitte Touche consultant Pat Simt warned that the report would inevitably lead to fundamental changes in the constitution and function of companies' boards of directors and directors' responsibilities.
Cosatu plans to get tough with employers in new year

□ ‘Watershed year’ warning

Some of this resistance was unconscious and some deliberate.

"1995 will be a watershed year for workers"

"It is a year of numerous opportunities, a year in which workers will expect to see tangible results after the years of struggle against oppression and exploitation."

Mr Shilowa said Cosatu would set up RDP councils in the workplace and communities.

The union movement would play a "critical role" in transformation of the public service.

Cosatu would monitor government budgeting to ensure it shifted to a zero-based method.

"Cosatu will argue for a more coherent and scientific approach to the reorganisation of public sector personnel."

"We reject the current approach which seems to suggest that large cut-backs of personnel in and of itself is a desirable objective, and that a mathematical percentage-based formula can be used to achieve this."

While Cosatu would support elimination of waste, successful implementation of the RDP would need more workers in certain areas.

The federation would pursue restructuring the tax system "to a greater extent than the Katz Commission has been able to do."

Cosatu wanted "a progressive and fair taxation system, which lifts the unfair burden off the shoulders of working people, and induces business to invest in productive activity."

The federation would campaign, as it had done with the SA Broadcasting Corporation, for the transformation and democratisation of all publicly-funded bodies, including parastatals.

"In particular, we want to destroy the myth that the Reserve Bank is somehow above society, and operates as an 'independent' institution."
NEWS FOCUS

Cosatu pledge to monitor reforms

ERICA JANKOWITZ

Next year would be a watershed for workers and the SA labour movement: would expect tangible social and economic changes and democratisation of workplaces, Cosatu general secretary Sam Shilowa said yesterday.

Labelled 1995 as the year of reconstruction and development, Shilowa warned government that Cosatu would monitor its progress against the stated aims of the reconstruction and development programme (RDP). The "many enemies" of the programme would have to be conquered as its successful implementation was dependent on the participation of everyone in a massive national effort to combat poverty.

Shilowa said government would enjoy the support of people only if democracy demonstrated its ability to change their everyday lives. Crime would be successfully combated only if "the social conditions which breed these evils begin to be successfully tackled".

The RDP would have positive spinoffs in the form of job creation and, especially, the unleashing of the country's true human resource potential. Shilowa emphasised that the RDP envisaged skills development and training with this goal in mind.

Social discrimination and inequalities inherited from the previous order would have to be eradicated. "Cosatu will focus in 1996 on challenging the vestiges of apartheid in its economic level. This will necessitate a focus on rural development, affirmative action, anti-trust policies, human resource development and democratisation of economic decision-making."

What was described as tackling "the apartheid wage gap" would become the union movement's top priority. "Our wages and salaries be negotiated. At industrial level, centralised bargaining would be introduced, complemented by joint decision-making at shopfloor level.

To ensure workplace forums were not just consultative in nature, employers would need a "radical rethink" on managerial prerogative.

Redrafted labour legislation should provide for centralised bargaining, basic conditions and minimum wages, a maximum 40-hour working week, a full right to strike and picket with protection from dismissal and outlawing the employment of strike breakers, disclosure of information, and compelling employers to negotiate all aspects of retrenchment.

Shilowa said Cosatu would push for the restructuring of labour market institutions such as the wage board, unemployment insurance board and the Industrial Court. The federation was determined to remove the lockout clause from the constitution and would vigorously oppose any attempt to introduce federalism.

Recognising certain organisational weaknesses, Shilowa said Cosatu was determined to open membership to all categories of workers by recruiting white-collar and professional members. Previously disorganised sectors such as agriculture, construction and the public service would also be targeted.

"This back to basics' thrust will not involve a retreat from our broader role as a trade union movement. We will continue to strive to advance the interests of workers and poor people as a whole, but from a stronger, more mobilised organisational base.

For the public service, Shilowa restated Cosatu's aims to introduce a coherent grading and training structure linked to wages, close the wage gap, create a culture of accountability and implement affirmative action action.
GOVT LABOUR CLAUSE SCARES OFF INVESTORS

BLOEMFONTEIN — Some countries have refused to sign trade pacts with SA because government insists on a clause refusing to buy certain goods where labour has been grossly exploited, says Trade and Industry Minister Trevor Manuel.

In a report circulated to conference delegates yesterday, he said his department was discussing among a series of new trade agreements. "In some instances we have been unable to secure co-operation from trading partners because we seek to include a clause that would allow us to refuse to purchase goods where labour has been grossly exploited in the country of origin," Manuel said. (13L)

His stand is likely to have serious implications for the R23bn Taiwanese proposal to take over Mossel and upgrade SA's petrochemical industries.

The Taiwanese investors want a "no trade union activity" clause in their agreement, as well as a free port at Mossel Bay or Richards Bay.

Manuel said his department had established 54 foreign offices to try to secure markets for SA and had engaged in "extensive discussions with prospective investors from a number of countries.

"Our focus is on direct investment in order to create jobs and new production facilities."
INDUSTRIAL RELATIONS - GENERAL

1995

OCT. — DEC.
The ongoing public sector strikes have raised a new contradiction between government's commitment to extending labour rights to all workers as embodied in the new Labour Relations Act and its role as employer of hundreds of thousands of aggressively and increasingly militant employees.

It has handled this contradiction poorly, and its responses have been aggrieved. These strikes are landmark events not because of the numbers involved, which for the time being are not large, but because of the questionable tactics of workers that have been sensationalized in the media, but because they are the first test of government's new approach to industrial relations.

The new labour law establishes an extremely advanced system that facilitates workers' collective organization. It expands joint decision-making and provides a new avenue to dispute resolution emphasizing mediation and arbitration.

The system provides safeguards, however, on a mature industrial relations system with strong, representative and accountable organizations on both sides. Effective organization in these sectors will be built only through a sustained period of experimentation, conflict, and — to avoid an unfavorable word — struggle. These sectors are at least 15 years behind manufacturing and the mines where workers and employers have developed sophisticated organizations.

Such struggle is not only normal, but healthy. Industrial relations are essential to the development of sound labour relations in the public sector. It is also understood by some government officials.

As employers — rather than as labour administrators — they have acted as if public sector labour relations can be conducted as peaceable technical affairs in national forums between senior representatives of government and labour. When nurses disrupted the smooth running of the hospital council in the public sector, government officials responded in ways that were reminiscent of their public service predecessors: they hastened to brand the strikes illegal and threatened disciplinary action against those in violation.

They ignored the organization on which this system depends and which is essential to the field of industrial relations: the collective. The techniques of collective bargaining are not only essential to the functioning of this system but are often necessary to maintain the stability of the system itself. The government's action in this regard is not just illegal, but in many cases, is directly related to altering their circumstances.

With the right to strike, with profound constraints on collective bargaining, and with little access to independent trade union organization, black public sector workers historically could do little to alter their circumstances. Ultimately their conditions of service were decided in bureaucratic forums dominated by white government officials and the white leaders of staff associations.

With a few notable exceptions, nurses remain outside proper trade unions in which they have power to act. And discipline — their leaders. It is not surprising that, despite the best efforts, strikes have been undertaken. The strategy of gobierno has, of course, contributed to this situation.

The government's strategy is clearly pointed out. It is based on the hope that strikes are the legacy of the past. Workers find themselves stranded in an apartheid-era grading system that excluded them from the white elite through wage differentials and promotion procedures.

If government has successfully identified the historical causes of the strikes, it has not responded creatively. Nurses have been told that no wage increase is possible before 1986, and to be patient while a comprehensive health restructuring is undertaken. This unpalatable mixture of deference and division, government has added the threat of coercion: the strike is illegal and will be met with stern measures.

These responses are seriously flawed on principled and practical grounds. Although their actions are illegal under the current act, the legal status of the nurses' action is difficult to define under the new Act. Strikes in essential services are prohibited, but the definition of "essential services" is not clear.

And it is unclear that all nurses will fall into the category. More practically, the nurses have power because they cannot easily be replaced. Dismissal ultimatums have been shown to be unenforceable. These strategies will not solve the problem, but they do make the strikes tests of government credibility and competence.

Government can craft plans for reconstructing the health services, but even good plans from well-meaning administrators will not work so long as legitimate representatives of relevant parties neither understand nor participate in the process. Joint decision-making, as provided in the Labour Relations Act, and democracies more generally mean that citizens can have a share in the decisions that affect them.

But for democratic forums to function effectively, individuals and groups must speak authoritatively and can ensure that their constituencies abide by decisions. However, while organisation is necessary and possible, it is time-consuming, messy and inevitably conflictual. Here both sides need to put their heads together. The government should make immediate secondments of the best and brightest industrial relations minds in the private sector.

More immediately, public sector workers must evaluate themselves of the existing — and forthcoming — legal opportunities afforded them for union organization and democratic action.

There are hopeful signs that the nurses are developing sophisticated strategies for pursuing their grievances.

They are also making serious efforts towards establishing proper union structures.

For its part, government can contribute to a resolution of the disputes by engaging the workers in a spirit of good faith and in a manner that is respectful and informed in the negotiations. The ANC's notable skills at reconciliation should be deployed in a search for constructive compromises. They should refrain from demonizing the workers, and they should heed the lessons of necessary processes in the development of industrial relations. Government, if it wishes to take advantage of this possibility, will inflame an already sensitive situation while undermining its legitimacy among workers and members.

Without any doubts about its competence, disciplinary action and disclaimers will encourage further strikes and political action, making further reconciliation — which must inevitably be complex — infinitely more difficult.
Nafcoc remains opposed to Parsons’s role at Nedlac

By Fikile Mashilo

Nafcoc remains firmly opposed to Raymond Parsons being the convener of the business caucus of the National Economic Development and Labour Council (Nedlac) even though he has effectively assumed the position.

And, Joe Hlongwane, the president of Nafcoc, is adamant that another convener must be chosen to replace Parsons, whom Nafcoc rejects for allegedly having no record of supporting black empowerment.

Hlongwane said he and Dave Brink, the president of Business South Africa (BSA), held discussions about the matter and expected to reach agreement soon.

Meanwhile, Nafcoc still recognised Bobby Godsell, whom Parsons replaced, as the convener. Brink blamed his and Hlongwane’s tight schedule for the delay in resolving the matter.

Apology

He said he had already apologised to Nafcoc for not consulting it before BSA appointed Parsons.

Nafcoc, which has six of the 18 seats in Nedlac’s business caucus, sees itself as the true champion of small business and black empowerment in Nedlac.

Brink questioned the capacity of Nafcoc to provide a suitable alternative to Parsons.

"At the moment the capacity to do the work lies with BSA and its affiliates. The ability of Nafcoc to deliver is somewhat limited."

Brink defended Parsons’ effective assumption of the position vacated by Godsell because of work commitments at Anglo-American.

Said Brink: "I, and certainly my organisation, would not allow everything to grind to a halt because Nafcoc is upset with Parsons."

“We have a lot of work to do. There is no reason why the work of Nedlac should stop.”

Brink expressed a desire to meet Hlongwane soon to resolve the matter. He said it was possible BSA and Nafcoc could share the convener’ship.
Delays infuriate Nedlac partners

GOVERNMENT’s partners at the tripartite National Economic, Development and Labour Council (Nedlac) have expressed growing concern at the delays in unveiling proposals on supply-side measures for industry.

An item on this subject has been sitting on the agenda of Nedlac’s trade and industry chamber for more than two months.

Sources close to Nedlac said business partners in the chamber were "angry" over the continued delay by government in tabling these packages, with state representatives asking for more time to canvass support among key economic development departments such as the finance and trade and industry departments.

Asked to comment, a Business SA source said the matter would probably be discussed by some Business SA structures this week.

Labour spokesman Enoch Godongwane, National Union of Metal Workers of SA (Numsa) secretary-general, said the anger was justifiable. "The delay is not acceptable," he said. Numsa had always campaigned for a comprehensive package of industrial policy measures, including supply-side measures.

He disagreed with the Board on Tariffs and Trade’s view that industrial policy was about the acceleration of tariff reduction. "Our failure to formulate supply-side measures will be critical in certain industries, such as clothing and textiles."

This is the first time that government’s partners at Nedlac have spoken out in public against the delays.

Trade and industry department chief director for industry, technology and strategy Alan Hirsch has emphasized the need for a comprehensive package of supply-side measures.

Other Nedlac sources speculate that lack of finance might be the main cause for the delay.

The state saved R88,9m from GaaS, which swallows a huge chunk of the trade and industry’s shrinking budget.

GaaS is to be terminated at the end of 1997.

Hirsch has said the measures, which will assist in training, human resources development, technology enhancement and investment, will be financed from GaaS savings and finance facilities of parastatal Industrial Development Corporation.
Inefficient labour market ‘holds growth to ransom’

DEALING with the problem of the poor performance of the labour market was one of the most serious challenges facing SA today, the SA Chamber of Business (Sacob) said yesterday.

In its submission to the Labour Market Commission, Sacob said the labour market’s poor performance over recent years had caused the economic marginalisation of an increasing proportion of the population and was an important deterrent to economic growth.

The commission was appointed earlier this year as part of Labour Minister Tito Mboweni’s five-year programme of action to address issues of job creation and wage determination.

Sacob said an efficient labour market would contribute significantly to increased competitiveness, as well as to high growth and high levels of job creation.

Sacob favoured “the most flexible employment practices and wage structures possible, subject to the protection of basic human rights” and had serious doubts about the wisdom of a national minimum wage and a national income policy in the SA context.

While it recognised the need for a social security net, Sacob said the structure of such programmes should be aimed at “the protection of the individual rather than at protection of the job”.

However, labour market policy was only one component of the measures available to government to increase growth and employment levels.

“Strict monetary policy, disciplined fiscal policy and a liberal trade policy are equally important.”

Clarity on the respective roles of the National Economic, Development and Labour Council (Nedlac) and Parliament would have to be obtained. It said Nedlac should not be the sole method of interaction between interest groups and government. — Sapa.
Union’s move could hit chemicals accord

Renee Grawitz

A PARALLEL initiative started by the SA Chemical Workers' Union (Sacwa) could jeopardise the agreement reached by the Chemical Workers' Industrial Union and employers to establish a central forum in the chemical industry.

Industry sources have indicated that Sacwa, an affiliate of the National Council of Trade Unions (Nactu), has started its own parallel initiative and has requested a meeting with all employers and unions in the chemical industry.

The Chemical Workers' Industrial Union's national collective bargaining co-ordinator Chris Leewu said Sacwa had refused to take part in discussions with his and other unions on the move towards centralised bargaining in the industry until the labour minister had established an industrial council.

CWIU and employer representatives met on Friday to discuss the tasks to be undertaken by the joint employer-union national working group which, according to the agreement, must define the various sectors, draft a constitution and determine levels of bargaining and what issues should be discussed at which level.

The employers, however, said before the working group could meet, the union had to try to get the other unions on board.

Leewu said a number of meetings had taken place with other unions operating in the industry including the Mineworkers' Union and Yeber en Staal unions, and further meetings were planned.

He said the union and chemical employers could be heading for “bigger battles” on the establishment of the national and sectoral forums in the industry after a number of areas of disagreement were noted. These related to the constitution and structure of the national and sectoral structures.

Leewu said disagreement centred on whether the constitution should apply to the national and sectoral forums or whether each structure should be governed by a separate constitution.

He said the employers opted for separate constitutions, administration and financial arrangements for each forum, while the union wanted one constitution covering all the forums.

An employer spokesman said the employers' position was not a mandated one, and formed part of initial discussions.
Shilowa ruffles Sacob’s feathers

BY SHAIDLEY NASH

South Africans were labouring under a state of false consensus on economic issues, Sam Shilowa, the general secretary of Cosatu, declared in a speech which ruffled feathers at the SA Chamber of Business convention yesterday.

The speech, which appeared to be aimed at winding up big business and nipping at the heels of the government, was made to about 300 business delegates.

The audience, including representatives from Egypt, Sweden, Japan and other African states, was told labour and business were “working against each other.”

Shilowa said: “The stakeholders in the economy, everybody.

STRAIGHT TALK Cosatu’s general secretary, Sam Shilowa

we have to move away from the false consensus that exists in our country I say false consensus in the sense that the Nedlac founding document speaks of economic growth, jobs and equity But the reality is we have yet to agree on a growth strategy as a country.”

He said that while the government, organised business and labour agreed on the need for sustained economic growth, global competitiveness and redressing apartheid imbalances, they differed on how this should happen.

Shilowa also warned that the three groups were on a collision course over opposition to Cosatu’s request for a social clause in the constitution to guarantee workers certain rights.

He said Cosatu wanted entrenched rights of freedom of association, collective bargaining and the prohibition of child labour.

DILBERT

By Scott Adams
'Business requires flexibility'

BY ROY COKAYNE

The Afrikaanse Handelsinstituut (AHI) has warned the Labour Market Commission against introducing mechanisms that will infringe on the flexibility of the labour-market system or over-regulate it.

The AHI stressed that introducing such mechanisms would "make it impossible for the South African business sector to act quickly and be effective and efficient nationally and internationally."

The AHI said the business sector believed that the government should provide an environment where business could conduct its operations to become, and sustain, an internationally competitive base, which would provide long-term economic growth and job creation.

Its submission to the commission focused on the development of an institutional framework for integrating the dual requirements of rapid and sustainable economic and employment growth, and raising average living standards.

- The role of national economic policy and institutions in improving productivity;
- Addressing the negative social implications associated with economic restructuring and improving productivity;
- Mechanisms aimed at redressing discrimination in the labour market;
- An appropriate policy framework for dealing with access to the South African labour market by non-South African nationals.
Start correcting labour policies with statistics

Jeremy Baskin

while the department reported a decline in strikes to 0,8-million days during the same period, I am more inclined to trust the Levy data, but have no scientific basis for doing so.

These two examples point to an underlying problem. How much do we really know about the labour market? Does anyone know what share of “wages” goes to senior management, middle management, skilled and unskilled workers? And have labour productivity figures been unbridled along these lines?

Is the best estimate of unemployment the Development Bank figure (50%) or the World Bank/SAs Labour and Development Research Unit survey (32%)? No one agrees what percentage of workers are unionised, nor is there a measure of bargaining coverage, a crucial indicator of how many workers are affected by union negotiations.

One reads of workers’ wages rising unrealistically, but what little evidence exists suggests that during the past decade wages have barely kept pace with inflation.

Despite repeated arguments that small business is hamstringed by labour regulations, the evidence presented is almost always anecdotal; in fact one World Bank survey shows this to be a non-issue, and what figures exist show that industrial councils grant thousands of exemptions a year.

Some of the debates reflect genuine differences of opinion as to the appropriate mix between market and regulation, but debate is made substantially poorer by the quality of data used.

The new labour law brings all employees into its ambit and thus should improve some of the figures. However, the Labour Relations Act pays little attention to the type and quality of information needed for good decision-making, and there is little scope for combining industrial relations, indicators and broader economic data.

It is surely possible to integrate the information that can be gathered from various sources—Unemployment Insurance Fund, Workmen’s Compensation Act data, industrial councils, household surveys, manufacturing censuses, and the work of private agencies such as the Breakwater Monitor—and combine them in a coherent, internationally comparable way.

This need not mean placing unduly onerous provisions on employers. The US labour department provides comprehensive, regular information on the US labour market and statistical offices in other countries do the same.

If restructuring our labour market is a serious concern, then the Central Statistical Service or the labour department needs to establish a dedicated statistical unit.

Baskin is director of Cosatu’s National and Economic Development Institute.
Nedlac unveils a working strategy

John Dladlu 80 19/10/95

THE National Economic Development and Labour Council (Nedlac) released its operating strategy yesterday, calling for a stronger spirit of tripartism among government, business and labour in transforming SA society.

The document — drawn up by Nedlac’s secretariat — sought to create a coherent framework for effective agreement-making within the tripartite statutory body, its executive director Jayendra Naidoo told a news briefing.

The framework would allow the body, set up to build consensus on key socioeconomic policy, to be better equipped to cope with the increased volume of debating policies to transform the SA economy and society.

The release of the paper comes months before the start of what is expected to be a busy year for SA’s legislators in making laws that transform society.

The 14-page document is still to be discussed thoroughly by Nedlac partners.

The document stresses that “there is no other alternative” open to SA except to seek a meaningful partnership.

Naidoo denied claims that the discussion paper was prompted by the failure of tripartism since Nedlac’s inception last February.

“There is no crisis in Nedlac... the crisis is in society,” he said, referring to a need for policies to transform SA.

The paper noted, “We have reached a stage wherein the leadership of each constituency is willing to consider short-term trade-offs, and mobilising collective resources to create a long-term outcome which will deliver jobs and growth and uplift the living standards of all.”

In an apparent bid to underplay the expectations that might be raised by the release of the paper, Naidoo denied suggestions that the document sought to carve a social pact along the German or Australian lines to create economic growth.

The document outlined key problem areas in SA — although it carefully avoided giving firm answers to these.

The problem areas include unemployment — currently between 30% and 40% — low savings and investment, poor access to basic services and infrastructure, and ebbing productivity.

In a section dealing with the proposed framework for addressing the problems, the document says the main objectives should be a strategy for growth and development — at levels substantially higher than 5% — to attract new job-creation investment, improve social incomes and equity as well as increase productivity.

Sapa reports the document did not deal with the relationship between Nedlac and Parliament.

Naidoo said this would be the basis of a separate document to be delivered at a Nedlac executive council meeting on November 30.

The issue of competition policy would be left for discussion in the trade and industry chamber of Nedlac, he said.

Constituency meetings would be held between November and January. At these meetings, said Naidoo, the constituencies would develop written inputs for discussion prior to a meeting scheduled for early next year.
Cut spending on defence, Nedlac urges government

JOHANNESBURG. — The National Economic Development and Labour Council (Nedlac) this week urged the government to cut its spending on defence, reduce the number of embassies and re-assess the size of government.

Nedlac, a statutory policy-making think-tank which groups government, business and labour, also told the government to level the playing fields to allow local companies to compete in international markets by lowering the price of raw materials.

"The pattern of government expenditure must be urgently reversed. Hard decisions must be taken," Nedlac said in a discussion document on a social partnership framework to guide South Africa towards improving its economy.

The document is expected to be adopted early next year after further debate.

Nedlac said there was tension between the strategy of increasing government spending on infrastructure and services on one hand and fiscal discipline on the other.

"Unless the resources are found through re-prioritising expenditure or raising additional income it has to be accepted that delivery will be limited.

"There is a case for reduction in government spending in defence, reducing the number of embassies, even reconsidering the size of parliament, senate, provincial governments.

"It is also necessary to consider the position of civil servants in the former homelands who appear to be redundant."

Nedlac said overall strategy should be defined to smooth the opening of South Africa’s markets.

"Measures must be taken to level the playing fields, so that local companies can obtain their input of materials at least at the same cost as foreign manufacturers.

"Supporting supply-side measures should also be put in place," Nedlac said. — Reuter.
Vague treaty with unions unlikely to stimulate growth

IN the early 1990s the German government sought a social pact with the trade unions and business to absorb some of the huge costs of unification.

The main aim of the pact was to convince unions to accept lower wage increases in return for job security and longer-term "social gains".

This week South Africa attempted to sit out on a similar course, with the launch of a Nedlac discussion document "on a framework for social partnership and agreement-making in Nedlac".

The premise of the document is that a social partnership between government, labour and business is essential "to address the challenges of unemployment and poverty, as well as low productivity, low economic growth and low rates of investment," says Jayendra Naidoo, Nedlac's executive director.

He identifies key problem areas as being the 40% unemployment rate, low savings and investments, poor access to basic services and low productivity.

Nedlac's initiative is laudable but there it begins several questions.

Nedlac itself was meant as a forum to achieve consensus. Why create an initiative to bolster it?

Because, says Mr Naidoo, each constituency in Nedlac "is now willing to consider the possibility of making short-term trade-offs to create a longer-term outcome".

To date, government's search for a winning economic formula has come to nought. A Nedlac attempt to forge a social partnership that takes on this challenge could prove another failure, writes SVEN LUNSCH

ST(CT) 22/10/95

This is doubtful judging from the lack of consensus that appears to emerge from the various chambers within Nedlac.

Even the Labour Relations Act, says the Nedlac document, while making industrial relations more stable, "does not resolve the growing conflict between workers and employers regarding job security and real wage gains, versus productivity.''

But it is precisely issues such as the inflexible labour market, lack of competitiveness in industry and continued high tariffs that need to be addressed to get the economy on a sustainable growth path.

These issues are too close to the bone for the main parties at Nedlac — big business and organised labour — to be overcome by a vague social pact. Instead, the issues should be examined by government acting in the interests of all South Africans.

For example, the forthcoming hearings of the Labour Market Commission provide Labour Minister Tito Mboweni with an opportunity to ease some of the constraints imposed on small business in particular by rigid labour market rules. Issues such as a compulsory minimum wage and extension of labour agreements to non-parties are at the heart of the 40% unemployment rate.

The Afrikaanse Handelsmagazine this week called on the commission to introduce a labour market dispensation that would ensure maximum flexibility, self-regulation and applicable international labour standards.

Despite its shortcomings, the Nedlac document provides new ideas on collective bargaining.

These include:

- Complementing a bargained wage with a "social wage" which would measure the long-term improvement in income as a result of short-term trade-offs.
- Linking wage increases to inflation, inflation control, skills gains and the establishment of improved social benefits provided by the state.
- These factors, says the document, could form part of an agreed national framework for collective bargaining in industry level negotiations.

Optimist Jayendra Naidoo of Nedlac, seeking short-term gains from long-term trade-offs.
'Management and labour need to be partners'

BY FRANCOISE BOTHA

The challenge to create a strong economy could be achieved by a virtual partnership between labour and management, said Bonguila Khumalo, the director of Escom.

Speaking in a panel discussion at the Institute of Personnel Management’s annual convention in Johannesburg yesterday, Khumalo said that the time had come to move away from the approach of management trying to destroy union leadership and union leadership trying to bring management to its knees.

In response, James Mdlalose, the president of the National Council of Trade Unions, said management should start recognising workers’ importance in the success of building and developing companies.

“We want our companies to survive international competition. We should find a way that we can devote much more to the success of the company which we can do if management starts developing the people on the shop floor,” he said.

Mdlalose said management should realise that the workers had a role to play in the company’s success and, in so doing, should accept them as social partners.

“If the company persists, the workers will have nothing. The shift must not be merely to satisfy management. It must benefit the workers while moving towards the ultimate goal of profit-sharing,” he said.

He admitted that unions no longer saw profit sharing as a sellout. But this was only the case while labour was accepted as an integral part of the organisation, he said.

“We must have positive participation on the factory floor, which will mean that we can build and make companies succeed.

“Then we can share in the ultimate gains in the organisation.”
Nedlac must serve worker — Shilowa

Renee Gravitzky

COSATU's participation in the National Economic Development and "Labour Council (Nedlac) would be reviewed if it became apparent that the agenda of the working class was not being advanced, Cosatu general secretary Sam Shilowa said yesterday.

Speaking after a two-day strategy meeting held by the federation's central executive committee, Shilowa said this did not imply that Cosatu would withdraw from Nedlac.

He said that if Cosatu's participation within Nedlac advanced the interests of employers, and if the process was driven "by other sides in Nedlac", then "we have no business being in Nedlac".

He said it was agreed at the strategy workshop that participation in Nedlac would be under constant scrutiny.

Shilowa said the objective of the strategy meeting — which took place against a backdrop of job losses coupled with little prospect of the unemployed finding jobs — was to address crucial issues around the political, social and economic transformation of the country.

Discussion, he said, had revolved around identifying Nedlac's priorities, which should include job creation, job preservation and the adoption of a social clause. Cosatu said these priorities affected: the implementation of the GATT agreement and the "dogmatic adherence to trade liberalisation"; how the 1996 Budget was allocated to various departments; the lack of reinvestment by SA companies in the country; and the high level of investment in capital as opposed to labour.

Shilowa said it was not acceptable for government and business to state that they could not provide for blacks or for the country as a whole because they were going to run into huge debts.

Labour, he said, remained firm on the adoption of a social clause within international trade agreements and would convey its rejection of government's and business's position today at Nedlac. He said that if negotiations on this issue failed, "we have the power of workers, and we will use it".

The strategy meeting also addressed the way forward for the restructuring of the public sector, the restructuring of state assets, the deepening of democracy and the accountability of political parties aside from the ANC.
Union leader's role on board is unclear

Renee Gwatrtzky

THE appointment of NUM assistant general secretary Gwede Mantashe to the Samancor board as a non-executive director could be the beginning of a new trend in more co-operative labour relations. But there is, at this stage, very little consensus on the role of a union official on a private sector corporate board.

Not only do Mantashe and Samancor appear to have different expectations of the role labour movement members on the board, the emergence of a new trend appears to exist as much as to whether the appointment represents an advance or a regression.

Will this become a trend? Says Mantashe, "We could see this trend more in African-dominated companies because there is a real commitment to making the new democracy in our country work. We will see a lot of resistance in liberal companies like Anglo American where they have an obsession about management prerogative and keeping unions out of the executive rooms as far as possible."

Anglo's gold division head Bobby Godsell says Anglo, including its gold mining interests, is carefully pursuing more participative relationships with labour. He said board membership - although not excluded as a possibility - was not the only option in pursuance of this objective.

National Economic Development and Labour Council (Nedlac) executive director Jayendra Naidoo said earlier this week at the Institute for Personnel Management conference that, in an attempt to build a social partnership between the main stakeholders, a key aspect was the extent to which worker share ownership and participation in corporate boards was promoted.

The King report on corporate governance, released in November 1994, states that a non-executive director should be independent of the company and, if utilized in the right way and at the right time, that he or she could have a powerfully beneficial effect on the company. The report also asks that non-executive directors are there to ensure accountability and 'to ensure that power does not corrupt absolutely'.

Mantashe sees his primary role as representing the interest of labour at Samancor, not the interests of shareholders. "My performance," he says, "will be measured according to my impact on wages because affecting labour and the broader running of the company which ultimately has an impact on wages. He says he will not participate in board discussions where, for example, mandates on wage negotiations with unions are discussed. This would represent a conflict of interest. If a dispute exists on wages, I must be able to organise a strike as a trade unionist."

Executive chairman Mho Salomon says Mantashe will be a director in the "full sense of the word" and will be involved in decisions relating to "governance and future direction of the company."

He says there is more to running a business than dealing with wage negotiations and wage-related issues, which will now be addressed on a board subcommittee. It was agreed between the board members and Mantashe that he will not participate in the remuneration committee, which will take over wage policy for this sphere.

Salomon says this was done in recognition of the potential conflict that could exist with Mantashe being a union leader and a board member.

Mantashe was appointed in his individual capacity in line with the Companies Act and "is not an organisation representative," says Salomon.

He will not elaborate completely on how Mantashe was selected, but says the appointment followed lengthy discussions with different groups, and that he values and respects Mantashe's views.

Fourteen unions operate within Samancor, with the NUM and Numsa being the largest.

Mantashe says the decision by the NUM to approve his appointment followed Samancor giving shares to workers. He says these shares were accepted on condition Samancor followed democratic structures throughout the organisation "so that workers can influence decision-making in the organisation in a meaningful way."

New structures, established at all levels of the organisation, contribute towards democratising the workplace, he says.

Mantashe says that at the time of the share issue the union argued that workers should receive no more than the 1% of the company's share capital offered to them, the exercise would have no real impact. He says his appointment to the board is a step towards labour achieving more meaningful influence over the business's management.

"Our ultimate goal is not the appointment of an individual to the board, but to have seats allocated for labour representation."

Salomon says the move is an attempt to provide for broader representation of stakeholders and implies greater participation in decision-making. He says the appointment will result in improved communication and participation, crucial in ensuring that employees understand the environment in which they work.

"Since the election, the labour movement has called for the 'democratisation of the workplace' and a greater level of worker involvement in decision-making. Mantashe says this can be achieved "only if trade unions have access to decision-making power."

There appears to be some subtle differences of opinion within the labour movement on the appointment of labour representatives to company boards. Cosatu general secretary Sam Shilowa says the union movement has demanded representatives on corporate boards, therefore there is no opposition in principle. However, the test will be how that representation advances the interests of labour.

Shilowa says if there is one labour representative on a board of 20 business representatives, it would have to be decided if this advanced labour's interests. If the board included interest groups besides business, one would be able to participate more freely.
Mboweni: No evidence of labour row

LABOUR Muster Tito Mboweni has challenged the accuracy of the article "Mboweni, commission in bid to head off labour row" (Business Day, October 23) Business Day said attempts were being made to head off a row between labour market commission members and Mboweni over his remarks at a Centre for Policy Studies seminar.

Though some commissioners have privately expressed concern to Business Day that Mboweni's remarks had pre-empted the commission's report, Mboweni says they had not done so to him and there was therefore no row.

Business Day has no evidence that a row has taken place and regrets any inaccuracies. Mboweni was reported as saying that preliminary research by a US economist for the commission had found that if productivity gains were swallowed up entirely by increased wages, this would limit the economy's job creating capacity. He did not refer to "union-negotiated wages" in this context as Business Day indicated.
Labour peace ‘up to unions and business’

Renee Grawitzky

THE new Labour Relations Act provides the necessary framework for the resolution of disputes, but the promotion of labour peace can only be achieved if both labour and business desire it.

Speaking at Andrew Levy & Associates' industrial relations seminar on "living with the Act", Andrew Levy said that one of the main strengths of the Act was the complete overhaul of dispute resolution procedures.

He said the Act did not represent radical changes, but was rather a blend of both the "old and the new", with the introduction of workplace forums being the most revolutionary inclusion.

He said one of the criticisms of the Act was that it was particularly labour-, or more precisely "union-friendly," just as the apartheid government was more white-friendly. He said that instead of dwelling on this aspect, industrial relations practitioners should rather direct their energies towards gaining a better understanding and interpretation of the Act.

Performing arts council budgets cut to make grants

THE arts, culture, science and technology ministry has redeployed funds and awarded grants to 10 cultural organisations.

The organisations are the Congress of SA Writers, Newtown Film and Television School, African Cultural Heritage Trust, Fuba Academy, Cape Town Community Arts Project, the Arts and Culture Management Programme in Johannesburg, the National Literacy Project, Ikapa Arts Trust, the SA Film Festival and the SA International Film Festival.

The ministry said the grants had been made possible, in part, by 15% cuts in the performing arts councils' budgets.

The awards were made to ensure a more representative spectrum of arts and artists would benefit from available aid.

New applications could be considered only next April because this year's budget had been "exhausted", the ministry said.

The criteria for the funding of arts and culture projects had been redefined in accordance with the reconstruction and development programme.

The department's chief priority was to fund projects which would enable the ministry to achieve its mission of enhancing the quality of life of all South Africans.
Employees want say over changes

Greta Steyn

LABOUR wants employers to be forced by law to have detailed discussions with their employees whenever "significant business changes" are planned, according to a proposal tabled at the National Economic, Development and Labour Council (Nedlac).

The detailed proposal for information-sharing forms part of the "social plan" Act labour hopes will be drawn up after discussions in Nedlac's trade and industry chamber. However, the proposal met immediate resistance from business, who felt that it should be discussed in the labour chamber.

A final decision has not yet been taken on the appropriate chamber for the debate.

Business has objected to the plan because it meets the establishment of financial reserves to compensate workers suffering as a result of industrial restructuring, and also because of the "cumbersome" requirement to discuss planned changes with employees.

A source said that if the information-sharing and consultation proposals were implemented, the result would be harmful delays in industrial restructuring.

Labour says in its submission that information-sharing on major changes should occur in companies with more than 50 employees, along the lines of the German model which defines major changes as "any alteration which may entail substantial prejudice to workers". These include scaling down operations; transfers of departments; mergers; changes in the organisation, purpose or plant of the business; and introducing new work methods and production processes. The final decision, however, still rests with the employer.

The letter of the (German) law does not allow the works council to determine the content of any change that the employer plans—but the works council can use certain tactics under the law to influence the situation," it says.

Employers have to supply workers with "extensive" information on changes, including the likely effects on the workforce. Employees can apply to include a neutral expert in discussions at the information stage. In consultations, workers' proposed alternatives must be discussed in depth. "The employer must try to reach an agreement," it says.

Mediation can take place if an agreement cannot be reached, and if that fails, conciliation can be tried. If all attempts at reaching agreement have failed, the employer can implement the measure as originally planned.
No solution to Nedlac dispute

BY BRUCE CAMERON

Warmsaths — Raymond Parsons' position as convener of the business caucus of the National Economic Development and Labour Council (Nedlac) remains unresolved.

This follows lengthy talks on Monday night between Business South Africa (BSA) and the National African Federated Chambers of Commerce (Nafcc).

Joe Hlongwane, the president of Nafcc, said after the meeting that his organisation had not been consulted and had not approved Parsons, who is director-general of the South African Chamber of Business, as far as Nafcc was concerned.

Meanwhile, major concerns were voiced yesterday about the speed, intentions and results of the re-organisation of state assets at the Warmsaths boardroom of key players in the debate.

Representatives of parastatals, organised labour, politicians and the private sector expressed widely ranging views not only about the wisdom of privatisation but also about timetables in re-organisation, the position of labour and who should be responsible for the process.
‘Community partnerships needed’

Nomavenda Mathiane

“BUSINESS and non-governmental organisations would have to find common ground for community, government and business partnerships to succeed, a workshop on education, crime and social investment heard recently.

The workshop in Johannesburg was attended by international business and education experts under the auspices of The Prince of Wales Business Leaders’ Forum, an international forum promoting better co-operation between government and non-governmental organisations.

Corporate and non-governmental organisation representatives criticised one another when giving reasons why SA partnerships were not doing well. Some non-governmental organisation representatives claimed there were no partnerships but that business was dictating to poor communities.

They complained of frustration in getting funds from business and how they had to compete with government for money.

They also said company mission statements professed to be about development but they were more concerned about the profits arising out of the visibility they got because of the perception they were working with communities.

Some corporate social responsibility representatives said company directors were playing games and were rendering them ineffective by dealing directly with government officials who decided where the money was to go. “What do you do when your director informs you he was with Minister without Portfolio Jay Naidoo last night?” asked a delegate.

Corporate Social Investment consultant Mabel Rantla called for a “paradigm shift” from companies and non-governmental organisations. Non-governmental organisations had to move away from the idea that they had the power to decide on issues simply because they represented communities, while corporations should not think because they had large resources, they could make decisions for a community.

A UK education specialist, Ian Pearce, stressed the need for business to invest in developing local people because the future of businesses depended on the communities they served.
Numsa wants privatisation debate slowed

By Fiona Leney

Johannesburg — A leading trade union leader informed the government yesterday that organised labour was prepared for serious confrontation if the pace of the privatisation debate quickened.

Enoch Godongwana, Numsa's general secretary, said at a labour conference on the new Labour Relations Act that unions were turning their focus to broader socio-economic issues.

The act had removed many areas of conflict which had previously triggered industrial unrest. "The codification of union rights means there will be fewer strikes on those issues," he said.

"Action is more likely to be taken on broader issues. Strikes will be the last resort, but they will come if the government does not listen to us," he added.

He defended public workers' record of industrial unrest, saying that taking to the streets was often the only way to put over demands in a sector with poorly organised labour relations.

He tempered his comments with a guarded criticism of the nurses' strike in September, however. "The nurses' strike was genuine, but such action hurts the poor, it is our people who suffer. Politically it hurts us. We must use that weapon very carefully."

His remarks triggered a clause in the act limiting the right of workers in essential services to strike. "This limitation is internationally recognised. After all, both sides lose in a strike," he said.

Godongwana said centralising union negotiations would contribute towards fewer, but more widespread, stoppages.

The new act, which simplified and clarified many aspects of labour relations, including dispute and disciplinary procedures, should materially improve labour relations, said Bokkie Botha, of the Business South Africa group.

"This is about a new start in labour relations in South Africa," said Botha, speaking about the act's implications for small and medium businesses.

"We are still poorly placed to take on massive growth in South Africa," he said. "He said that the act would benefit small and medium enterprises in several ways.

First, it was drafted in clear and easily accessible language, for all to consult.

Second, it simplified dispute settlement procedures, shortened resolution times, and thereby cut costs.

Third, small companies would have special representation on the central negotiating councils set up by the act. This would not, however, mean special, anti-competitive concessions, as they would only make small companies uncompetitive in the long run, said Botha.
Unionist on board

Trade unionist Gwede Mantashe speaks to Karen Harverson about his appointment to the Samancor board.

For the first time in South Africa’s turbulent management-worker relationship, a trade unionist has been appointed to the board of directors of a major listed company.

Ferro alloy producer Samancor has appointed 45-year old Gwede Mantashe, assistant general secretary of the National Union of Mineworkers (NUM) to its board, signalling perhaps the new direction to be taken in future by big companies.

Mantashe, born and bred in the former Transkei, describes himself as a trade unionist “through and through” first becoming involved in the union movement in the early Eighties.

He says the appointment is an experiment which if successful could point the direction of future industrial relations in the country. “The implications are clear — for the first time — labour has access to decision making structures and can influence changes before they reach the implementation stage.”

Sensitive to any criticism that his position as a defender of union rights may be compromised by his new position, Mantashe is quick to point out that he will stay on the board only if it has clear benefits for labour not himself. “The money paid to board members doesn’t come to me, it goes to the union. I see myself not as an individual but representing a collective viewpoint.”

Mantashe feels that bringing unions to board level is part of the process of democratising the private sector in the same way as it is important to democratis national utilities holder representation of the board.

“To say, not that Mantashe sits on the board, but that organised labour has, say three seats on the board and various communities in which certain mines are situated also have seats. This will enable those communities to raise issues at board level which directly affect them, such as the environmental implications of an open cast chrome mine in their particular area, “ says Mantashe.

He says the problem with negotiating these kinds of issues in collective bargaining structures is that by the time negotiations begin, the decision is already concrete.

Mantashe joined NUM in 1983, listing his greatest achievement as his appointment to assistant general secretary last year.

While reluctant to discuss his qualifications, “I think it’s an artificial status in society.” Mantashe holds a diploma in accountancy and feels confident that he can hold his own in financial issues discussed at board level. “In my position at NUM, I constantly deal with the financial statements and reports of big companies including Samancor’s — so I think not a financial guru — I do understand financial matters.”

He thinks Samancor’s decision to appoint a unionist to board level may soon be the norm in a couple of years. “I think it will happen first in the Afrikaner companies because they are committed to the national interest of South Africa and last in the big liberal companies such as Anglo American.

He advises young people to “join unions as when you act collectively you have optimal power.” He warns against individual fulfilment which he says “breeds elitist groupings in society.”

Ever the unionist, Mantashe lists scabs — people who replace striking workers — as his greatest dislike.

Gwede Mantashe: I see myself not as an individual but representing a collective viewpoint.

“This step brings unions closer to the co-determination stage which is necessary to bring about a socio-democratic economy,” he says, adding that it is in no way the final stage of development.

The next step for Samancor, he says, is to start defining the stakeholder representation of the board.
Social strategy needed to pull SA together

Karen Herverson

South Africa does not have the luxury of time to plan for the transformation of its economy. All players at national, sectoral, company and community level need to co-operate in a joint strategy to achieve this second miracle.

"There is no alternative open to South Africa except to seek a meaningful social partnership. It is our view that we have reached a moment wherein the leadership of each constituency is willing to consider the possibility of making short-term trade-offs and of mobilising their collective resources to create a longer-term outcome which will deliver employment, economic growth, and uplift the living standards of all," said National Economic Development and Labour Council (Nedlac) executive director Jayendra Naidoo, speaking at the 39th annual convention of the Institute of Personnel Management held this week.

Naidoo said a formal discussion on such a contract was under way at Nedlac and initial conclusions would be made in the first quarter of 1996.

"The key elements of the contract should include wage and income investment and job creation, re-prioritising government expenditure and a strategy for the successful restructuring of South African industry. While the new labour law will do much to stabilise industrial relations, the growing conflict between workers and employers regarding job security and real wage gains versus productivity was still unresolved," said Naidoo.

He suggested that a creative approach be adopted whereby wage increases are related to inflation, and inflation control to skills gains, and to establishing a floor of improved social benefits which are provided by the state.

As an example, he said Scandinavian governments have kept prices and inflation under control in exchange for economically and socially sound wage policies implemented by unions and employers.

"The Australian government and unions likewise linked the social wage, wage restraint and investment policies in relation to each other," said Naidoo.

On investment, Naidoo said a strategy for economic growth and investment was needed which defi-
Jobs are crucial, Nedlac tells conference

Renee Grawitzky

THE Social and Economic Council (SEC), Nedlac's counterpart in the Netherlands, was undergoing changes forced upon it by shifts in the sociopolitical and economic environment, SEC general secretary Ronald Gerrtse said in Kempton Park yesterday.

Speaking at a bilateral conference on multiparty democracy, hosted by the Dutch Foundation for the New SA, in the World Trade Centre, Gerrtse said the council was established after the war in an atmosphere of rebuilding the country.

The council was comprised of representatives of labour, employers and independent experts, mainly academics who were supposed to be non-partisan. He said the council acted as an adviser to the government, but there was no guarantee the government would accept the positions put forward.

The council induced labour and business to compromise on certain issues in order to provide a united front to government on issues referred to it.

Nedlac executive director Jayendra Naadoo said that, unlike the SEC, Nedlac was an "agreement-making body", not an advisory one. Government was one of the social partners and was represented on it.

Nedlac was a highly structured institution for the formation of a social partnership. He said major debates revolved around the rebuilding of the country.

Trade-offs between the parties were crucial to creating growth that absorbed unemployment.

Anglo American spokesman Stephen Malherbe, speaking for business, said the central political and economic challenge facing SA was alleviation of poverty and unemployment. Between 1975 and 1991 the average annual income of the poorest 40% of black families dropped by 41%. The only hope for the poor was job creation.
Nedlac set to consider growth 'social accord'

John Dludlu

THE National Economic, Development and Labour Council will table a proposal today at its executive council meeting, which could lead to a social accord on growth and development.

This emerged at yesterday's news briefing by executive director Jayendra Naidoo ahead of today's meeting of Nedlac's executive council.

Naidoo said the executive council — Nedlac's highest decision-making structure — would have to decide on the process of developing the document further, including a timetable.

'The recommendation on which the council had to decide was based on a Nedlac discussion document, calling for a social partnership among its key constituencies — labour, business and government. Since unveiling the document last month, Nedlac has stressed that the paper is not aimed at forging a binding accord, such as providing for wage restraints, as practised elsewhere.

The recommendation represented the strongest signal that the country could be moving towards a social accord on growth and development.

The paper, titled "Discussion document on a framework for partnership and agreement-making in Nedlac," outlines key problem areas in SA — including unemployment, low savings and investment and poor access to basic services. It calls for a strategy for growth and development to attract new investments and create substantial numbers of new jobs.

The council would look at the proposal for a national investment promotion agency, Naidoo said.

Other issues to be considered by the council, which meets once in three months, includes a report on the technical and marketing support for small firms and a status report on the proposed re-organisation of state assets.
Nedlac told to find cheaper premises

John Dlodlu

LABOUR Minister Tito Mboweni asked the National Economic, Development and Labour Council yesterday to move out of its expensive headquarters in Auckland Park and find affordable premises, pending budgetary cuts for the organisation. He made this call at the fourth sitting of the executive council, which is Nedlac's highest decision-making structure.

He said his department was facing budgetary cuts and Nedlac should brace itself for a similar fate.

According to a budget proposal for next year tabled before the council, rent and electricity at the present premises would cost R396 000 — a jump from this year's R200 000.

Meanwhile eNet reports that mineral and energy affairs director-general Piet Hugo said the Cabinet has approved the Mine Health and Safety Bill, aimed at reducing the unacceptably high death rate on the mines.
Changing the face of SA labour

Labour Relations Act is only the beginning of the road for Nedlac

By Abdiil Millali
Labour Reporter

The Tent of the National Economic Development and Labour Council (Nedlac), the mixed body of SA's labour relations, in Johannesburg.

Apart from successfully instituting the drafting and passing of the new Labour Relations Act, one of the most crucial pieces of legislation to be passed in the past quarter of a century, Nedlac still faces the challenge of implementing it.

Nedlac spokesperson Mr Lorna Sanyman told Sowetan that the intention was to address all outstanding issues in the Act's implementation, which will begin next month.

He said Nedlac will have to draft codes of practice on bargaining documents, based on operational requirements and agreements for closed shop arrangements.

A sub-committee of two delegates per constituency (comprising business, labour and government) will begin drafting these codes and will table its first report in December.

It also has to determine criteria for the demarcation of sectors and areas, and formalise demarcation of sectors and areas for statutory councils.

A group of three delegates per constituency will receive the different concerns raised since the beginning of the year during the Labour Market Commission discussions.

Nedlac will have to nominate an independent chairman and three representatives from labour, business and government for the governing body of the Commission for Constitution, Mediation and Arbitration.

The selection of the three nominees and the forward plan to be given to the Labour Market Commission will be discussed.

Sanyman said the work on the Act that remained to be done was crucial to its successful implementation, and so was ensuring that its users on the shopfloor understood its content and applications.

He said government, labour and business were already planning a variety of education programmes and campaigns to popularise the Act.

"The Labour Market Chamber sees its role as that of supporting these programmes and synchronising various activities to avoid duplication," said Sanyman.

Wage Board

Nedlac also reiterated the composition and work programme of the Wage Board, concerned with investigating wages and conditions of employment, an area which needs immediate attention.

Sanyman said the Government negotiators within Nedlac have undertaken to table recommendations on these issues.

The Labour Market Commission has already verbally reported to the Labour Market Chamber on the progress it made on the issue of minimum wages.

Nedlac's Personnel Council met yesterday to reflect.

"The Labour Market Chamber sees its role as that of supporting these programmes and synchronising the various initiatives to avoid duplication."
Media ordered to leave Nedlac meeting

The first attempt at transparency by the National Economic Development and Labour Council (Nedlac) faltered when it twice ordered the media out of its executive council meeting yesterday.

Nedlac has already been criticised for a lack of openness in its deliberations. The evictions were requested by government representatives in the tripartite body after Trade and Industry Minister Trevor Manuel said debate on state assets and competition and procurement policies would be “contentious.”

Labour Reporter
Cosatu ‘no’ to scab use

Unions call for Government to punish companies that use scab labour

By Sy Zwane
KwaZulu-Natal Bureau

The Congress of South African Trade Unions is to call on the Government not to grant public tenders to any company that employs scab labour.

Addressing the federation’s 10th anniversary celebration at Kings Park Stadium in Durban at the weekend, Cosatu general secretary Mr Sam Shilowa said if the draft constitution prevented the Government from doing this, then that provision must be changed.

The demand would form part of the union’s “massive campaign” next year to win demands for a 40-hour week, minimum wage and other demands around the Basic Conditions of Employment Act and the Wage Act.

Shilowa said the inclusion of a provision on scab labour in the Labour Relations Bill, which is expected to be passed next year, did not mean that Cosatu had been defeated.

He said they had retreated temporarily to gather more strength. “We will fight it on the shop floor, industry level and if need be, back at Nedlac.”

Shilowa said they would also fight the dismissal of workers who tested HIV-positive or those who had AIDS.

A draft code of conduct relating to AIDS would also be placed on the National Economic Development and Labour Council.

“A worker with AIDS is still a worker. A Cosatu member with AIDS is still a member,” he said.

The celebration, attended by senior ANC and SACP members attracted only 10,000 people, far below the expected 80,000.

Those who attended enjoyed music from Boom Shaka, Phuzekhemisi and other artists.

Deputy President Thabo Mbeki, Minister without Portfolio Jay Naidoo, and SA Communist Party leader Charles Ngakula addressed the crowd.

Among dignitaries attending the celebration were Safety and Security Minister Sydney Mufamadi, Public Works Minister Jeff Radebe and Northern Cape premier Mamme Dipico.

Cosatu was formed in 1985 by 33 unions representing 40,000 members.

Since then its membership has grown to 1,6 million in sectors ranging from mining, steel and metal to municipal and food workers.

President Nelson Mandela was to have addressed the gathering but withdrew on the instructions of his doctor who ordered him to rest for four days because of an inflamed shoulder.
Government could be heading for sell-off

The Government was heading for a showdown with the labour movement over a decision to sell off key utilities, financial analysts said yesterday.

Organised labour had threatened strike action as it strongly opposed the Government's plan to dispose of assets.

Sapa reports that the Federation of South African Labour Unions said the plan, announced by Deputy President Thabo Mbeki on Thursday, made a mockery of consultation and went against an understanding between the Government and labour.

"We need not remind the Government of the effect of a strike recently by just one of our affiliates," said Fedsa general secretary Danhujaer van der Merwe.

The South African Railway and Harbour Workers' Union (Sarhwu) warned that strikes could be used to fight privatisation, which it said would not advance the Reconstruction and Development Programme or black empowerment.

The Government had betrayed workers, Sarhwu president Hymo Ndhuma said.

"We will take all possible measures to defend our members," Ndhuma said.

The analysis said the privatisation drive could be the most telling test yet of the ANC's alliance with the Congress of South African Trade Unions.

Econometrix analyst Tony Twine said: "This relatively unimportant set of proposals could become a major football field for a tussle between the ANC and Cosatu."

Mbeki said on Thursday the Cabinet had recommended that strategic equity partners should be sought for telecommunications utility Telkom, South African Airways and the Ports Company, in which state involvement was considered strategic.

Non-strategic investments had been recommended for outright sale.

Cosatu said the Cabinet recommendations violated agreements to consult labour before making decisions.

The labour federation added: "The decisions which have been made are piecemeal and appear to be more motivated by business imperatives than by the desire to serve the needs of the people."

The public perception would be created that the Government had taken a decision without consultation and therefore was following a predetermined agenda," a spokesman said.

Some analysts said the Government appeared to have decided to plough ahead with the sale of state assets - many of which were loss-makers or produced only marginal profits - to raise funds for its ambitious social spending goals.

The "soft" targets identified by Mbeki for outright sale could be the thin end of the wedge before the state moved on to the more politically sensitive assets, they said.

Cosatu's argument that large-scale job losses could follow privatisation was probably wide of the mark.

Twine commented: "In private hands, output at these units may increase, in turn requiring higher levels of employment down the line. They might have short-term negative implications for labour but they will become assets with growing output."

The South African Chamber of Business called the Cabinet decisions "a positive and pragmatic step."

Fedsa, Cosatu and the National Council of Trade Unions are to meet Public Enterprises Minister Stella Sigane on Monday to discuss the Government's plans for state assets.

Cosatu spokesman Nowetu Mpoeli said her union federation, which opposed the restructur- ing of state assets, would attempt to persuade the Government to change its mind

- Reuters
Business unites to challenge labour and government

Simon Segal

Leslie Boyd, new chairman of Business South Africa (BSA), is used to the trenches of business politics. It was he who played no small part in the merger between the then Association of Commerce (Assocom) and the Federated Chamber of Industries (FCI) to form the South African Chamber of Business (Sacomb).

Boyd, also deputy chairman of Anglo American, would like to see this go further. "Unity among the four-general business bodies — Sacomb, Afrikanse Handelsinstituut and black business groups the National African Federated Chamber of Commerce (Nafoc) and the Foundation for African Business and Consumer Services (Fabcos) — is the ideal. But divisions are deep-rooted in differences over language, race and culture. It is also a question of holding on to empires."

As an umbrella body of 18 business organisations — boycotting Nafoc is the notable exception — the BSA is obviously a forum where such unity can be enhanced.

Can there be such a thing as a single business voice? The BSA itself and its predecessor the South African Employers Consultative Committee on Labour Affairs (Sacola) often find it more difficult to clear its mandate among members than negotiate its mandate with government and labour. Boyd is impressed at the present cohesiveness of the business lobby.

Leslie Boyd: "We must compete more with labour"

"It is remarkably unified at the moment. Witness our unity over labour legislation, in particular the issue of centralised bargaining."

He ascribes this to government's shift to the left. "In most parts of the world, business is to the right of government. In South Africa this was not the case under the previous government. Now, a more left-leaning government of National Unity has united business except for Nafoc, which is closer to the African National Congress. Hopefully, we can work with Nafoc and achieve de facto unity, if not de jure unity."

Has business lost its influence under this new government? "Not really. But we must compete against the public sector."

Labor Business has been consistent: it can operate anywhere as long as policies are known and there is certainty."

Boyd has other priorities for the BSA. "As business' voice in the National Economic, Development and Labour Council, our immediate efforts will be on influencing competition legislation and developing a social accord. Our overall priority is to ensure sound economic policies based on free-market principles.

He is encouraged that government "has done nothing wrong" in its economic policies so far. "The problem is that government has not been quick enough to improve the investment climate in South Africa. There is very little foreign investment in bricks and mortar."

As for the BSA, its executive committee changed in October. A distinction is now made between the multi- and uni-sectoral member bodies. The new executive comprises the chairman, a vice chairman and four members elected by the multisectoral members.

A new three-person finance committee reports to the executive. It is responsible for managing and administering the BSA budget which is funded from membership fees. The BSA employs only five full-time officials. Boyd does not anticipate an expansion "Members have their own secretariats and structures."

BSA's five standing committees remain — social policy, economic policy, development, housing and education. Etc.
Nedlac opting for
‘sseries’ of changes

John Diudlu

SEVERAL all-embracing deals covering issues such as employment, productivity and training
were in the offing at the National Economic, Development and Labour Council (Nedlac) executive
director Jayendra Naidoo and at the weekend.

Naidoo said the statutory organisation — which replaced the
now defunct National Manpower Commission and the National
Economic Forum — was not going for one “hallelujah” accord, but a
series of processes.

The successful conclusion of talks on the Labour Relations Act,
and the agreement on the establishment of an investment promotion
agency were among the key achievements of Nedlac since its
inception last February. It had also achieved other agreements, in-
cluding mechanisms to finance training and International La-
bour Organisation conventions.

On the list of regrets, Naidoo mentioned the rushed manner in
which Nedlac had approached ne-
gotiations on the Labour Rela-
tions Act. “This was very bruising for parties and institutions... We
did not have time to take a stra-
tegic view in the issue... We've
learned a lot on the process side of things since then.”

Naidoo, a former trade unionist, admitted that Nedlac's experi-
ments with transparency had had modest successes.

Last month Nedlac tried to open its executive council meeting to
the Press but the initiative was scuttled by objections from con-
stituencies — notably government — that certain parts of the pro-
ceedings be closed to the press.

Nedlac's four negotiating chambers were busy prioritising
their work programmes to cope with the expected volumes of leg-
sislation from parliament on SA's transformation.

Even the development cham-
ber, which has been seen by cynics
as Nedlac's problem child, was on
better footing. “Parties (which in-
clude youth, women, disabled and
community groups) and work pro-
gramme look more coherent now.”

On concerns about the commit-
ment of Nedlac constituencies to
the social partnership, he said:
"Parties have in the past months
developed much understanding of
one another. But the partnership
is not a love affair," he said, re-
ferring to frequent wrangles.

But the real test of the commit-
ment would be whether differences were allowed to develop into
"visible and sustainable conflicts" in coming months.

In his personal view, Naidoo
said a complementary relation-
ship with parliament was a prior-
ity. Thus, however, still has to be
defined.
COSATU AND THE ECONOMY

Waging war on growth

With a membership of 1.6m — out of an estimated economically active population of 14.5m — Cosatu is holding the country to ransom. It’s difficult to see how its behaviour differs materially from that of the National Party, which was returned to power in 1989 by about 1.6 million people — out of a total of 20.9m adults of voting age.

The proportions differ but the principle is the same — a minority is hijacking the rest of the country on a road to nowhere.

Like the previous governments elected by a white minority, the government of F W de Klerk distorts the country’s future to the detriment of other South Africans. Cosatu, among others, was outraged that a minority should hold this power and wield it so unscrupulously. Now it is preparing to sabotage the economy — in the interests of its relatively small base.

In recent months, it has threatened to destabilise the country over a number of issues, including a minimum wage, the insertion of a social clause in foreign trade agreements and proposals to restructure state assets. The trade union movement, of course, is entitled to lobby for its membership. But it is not entitled to claim it is acting in the interests of equity.

The organisation’s roots in apartheid SA, where it represented the underdog, are obscuring the present reality. Now the people on the other side of the divide are not an unrepresentative government or powerful business interests.

It is opposed by its social partner, the ANC in government. And if it gets its way, the victims of its actions will be:

☐ The unemployed, whose prospects of employment recede as ever-higher minimum wage barriers are put in place at the bottom rung of the employment ladder.
☐ Workers in other countries, whose only comparative advantage is their willingness to work for less money than Cosatu members earn. If a social clause were to be inserted in all trade agreements with other countries (see page 21), they would not be allowed to sell the skills they have on the local market, and
☐ The economy and every person dependent on it — including, in the long term, Cosatu’s own members.

That is why government — which is ac-

countable to all South Africans, including the unemployed — is distancing itself from Cosatu’s determined short-termism.

There is no possibility of the three main stakeholders in the economy — government, labour and business — achieving a social accord if the labour component meets each concession with a further demand. An example is the latest round of wage negotiations between the Steel and Engineering Federation and the National Union of Metalworkers, a Cosatu affiliate.

Federation economist Michael McDonald explains: “At present, wages paid to unskilled workers cannot be less than 45% of the minimum artisan rate. As it turns out, skilled workers are usually paid considerably more than the artisan’s minimum because of the skills shortage. The union now wants the minimum for unskilled workers to be not less than 60% of the average actual artisan wage. This will increase the minimum wage for unskilled workers by 123%.”

If employers are not allowed to pay more for work that is more valuable than they pay for work that is less valuable, they will eventually go out of business or relocate to neighbouring countries (which is why Cosatu is so keen on the social clause in trade pacts), destroying jobs in the process.

A deadlock is threatening the steel industry over this issue, and serious damage may be inflicted on a major sector of the economy if the union comes on strike.

As to a social clause in trade agreements, even communist Cuba — which has signed all 11 of the existing International Labour Organisation’s conventions covering the social clause — is not prepared to accept it.

SA foreign trade relations chief director Faziel Ismail explains: “Some developed countries, led by the US, have been pressing for a social clause to be included in trade agreements. But developing countries, as a whole, have objected because they believe the motivation of the developed countries is protectionist. They suggest this is an issue best discussed at the International Labour Organisation.”

The latest issue on which Cosatu is flexing its muscles is the restructuring of State assets. It is threatening to provoke a mass confrontation with government and is calling for a one-day strike on January 16.

Its terms for co-operation on restructuring are the guarantee of existing jobs and of certain services to the community. This sounds reasonable enough, but it would preclude successful privatisation.

And there is a high price to be paid for not privatising, says Standard Bank group economist Nico Czyponka.

We will miss the opportunity of:
☐ Streamlining essential services to make them more productive.
☐ Broadening ownership within the economy, empowering blacks in the process.
☐ Creating a platform for foreign investment.
☐ Reducing the cost of State debt (accumulated over many years by the previous government).

The amount allocated to interest payments is budgeted at R28,4bn for 1995-1996. This accounts for almost the entire shortfall between government revenue and expenditure in the fiscal year. If any portion of this debt is reduced, the future borrowing requirement of government will fall — and capital market rates along with it. Thus the positive effects of putting the proceeds of privatisation into debt redemption will be multiplied many times, due to the compounded effect of lower interest rates.

It’s true that jobs are generally lost in privatisation exercises, but new ones are quickly created if the climate for investment is right. That, of course, is impossible with Cosatu on a power binge — so it may well end up getting the worst of both worlds.

Czyponka puts the privatisation confrontation in perspective: “To some extent,
the issue is jobs. But it has also arisen because Sam Shilowa has not given up the old idea of the new government holding on to the 'commanding heights' of the economy in order to fundamentally change it.

"Cosatu knows it has lost ground. For instance, some government departments have already started contracting out certain services for cost and efficiency reasons Cosatu is furious about this."

Government and Cosatu are locked in a battle of wills, says Czypionka. The outcome could decide the course of growth for decades to come.
Nedlac ready for action after surviving the year's crises

JAYENDRA NAIDOO 8.0 28/12/95

In the 10 months since it was launched on February 19, the National Economic Development and Labour Council (Nedlac) has established an efficient infrastructure, survived several life-threatening crises and produced some key agreements. But more important is the fact that on the ground substantial agreements were signed in the first tripartite agreement, which has shown serious discussion between government and civil society. The Congress of South African Trade Unions (Cosatu), the South African Union (Numsa) and the National Council of Trade Unions (Nactu) agreed on amendments to the Labour Relations Act, and the Labour Ministry carried it to the voting house.

Nedlac's establishment witnessed a phase of experimentation over mechanisms for interactions between government and civil society. It was the first tripartite agreement, which has shown serious discussion between government and civil society.

With Finance Minister Derek Key promoting the notion of the "good" tripartite relationship, the Labour Forum was established in 1992. Thereafter, an explosion of tripartite agreements took place. They are significant, as they bring consensus on issues such as housing, drought, the local government, the VAT system, and local and regional economic development.

Nedlac is on an international tradition of institutionalized cooperation between government and economic stakeholders. However, it is unique in some very important ways. It is the most representative policy-making body SA has yet had, inclusively bringing together the community and the traditional golden triangle components. It is an agreement-making body, not an advisory body, requiring of representatives of experts and serving as an instrument for continued "accord-making." Nedlac has a broad scope of activity, covering all relevant aspects of social and economic policy-making. It is also required to consider all labour and other "significant" legislation before it is tabled in Parliament.

Ultimately, the constituencies are challenged to build a work and to produce agreements which can be acted on to improve the country's prospects and quality of life. It is the ability of the representatives to bring realistic mandates to the table in the best interests of their constituencies and to deliver their constituencies that will lead to Nedlac's success. Agreement-making is not a charitable exercise. Each side must test a possible agreement against what their constituencies think is in their best interests. Agreement-making will have the will of each party to see win-win outcomes that ensure the development of solutions and agreements-making.

The list of formal agreements that have been signed is now significant. Of the 13 agreements, followed by agreements on international Labour Organisation conventions on freedom of association, the right to organize and bargain collectively, on forced or compulsory labour, on the abolition of forced labour, and on discrimination in respect of employment and occupation, Nedlac has reached an agreement on the establishment of an investment mechanism for the promotion of direct investment, the creation of a competitiveness fund to enhance technical and marketing support for small and medium-sized enterprises, and hopefully that process will be back on track soon.

To develop a strategic focus, a two-track process is essential to identify the core "accord-type" issues for rapid agreement, and deal with these in a timely manner for presentation of draft agreements to the executive council. This should encourage speedier negotiations and strategic trade-offs and make the process more manageable for the social partners.

The capacity and participation of each constituency is most important, and much still needs to be done. However, despite several heart-stopping moments during the negotiations, the position is relatively promising. The business constituency has been the most difficult, with most of the agreements being signed after the launch of Nedlac, has reached a reasonable point of cohesion and understanding between Business SA and Nactu. Nedlac and Cosatu have been far more productive than expected.

Labour unity is strong. The whole of the Labour Relations Bill process has been focused on creating a stable mechanism to link civil society, organised labour and government. After almost a year of negotiations, substantial progress has been made on important issues between government and civil society. The agreements that have been signed are significant.

Nedlac is the executive director of Nedlac.
INDUSTRIAL RELATIONS - GENERAL

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By Order.
Business names its labour policy team

BUSINESS SA's selection of six representatives to the labour policy chamber of the National Economic, Development and Labour Council (Nedlac) had been finalised, BSA social policy convener Bokkie Botha said yesterday.

They were Botha, Chamber of Mines chief negotiator Adrian du Plessis, Sefisa executive director Brian Angus, Transnet human resources director Vic van Vuuren, the SA Agricultural Union's Kobus Kleinhaus and Pieter Rautenbach from Durban.

The business delegation was the first to be finalised. Organised labour has yet to name its six representatives.

Botha said details of Nedlac's structure and schedule had yet to be finalised. It would be a complex body with four chambers and numerous committees often overlapping in function. Combining resources and scheduling work would be discussed when the body convened next month.

Issues under discussion by the National Manpower Commission would be transferred to Nedlac's agenda as the commission closed. The most important would be labour market policy, including the re-drafted Labour Relations Act, scheduled for release early next month.

Affirmative action policy would also feature, although Labour Minister Tito Mboweni had indicated different pieces of legislation would be used to ensure equal employment opportunities.

"Nedlac has to look at all things affecting the world of work," Botha said.
Labour standards call rejected

NEW DELHI — A group of 82 developing countries yesterday unanimously rejected calls by rich nations to link strict labour standards to international trade.

The fifth conference of labour ministers of non-aligned and other developing countries adopted a declaration at the end of a five-day meeting calling the proposed linkage totally unacceptable.

A group of industrialised countries led by the US and France had proposed that the World Trade Organisation adopt a clause tying trade benefits to a country’s willingness to enforce labour standards. The campaign has focused largely on eradicating child labour, widespread in many developing countries but denounced by rich nations as immoral and amounting to an unfair trade advantage.

Indian Commerce Minister Pranab Mukherjee told the conference that the linkage, between trade and labour standards would amount to a new form of protectionism aimed at lowering exports from developing countries.

“We are deeply concerned about... the efforts at seeking to establish linkage between international trade and enforcement of labour standards through the imposition of the social clause,” the declaration said.

“We wish to reaffirm the position we took in our fourth conference at Tunis, that the social clause is totally unacceptable,” it said.

The labour ministers said it was imperative to promote and safeguard human dignity by improving the working and living standards of all people and better protecting workers.

They said countries should tailor measures to their own “socioeconomic conditions without any form of coercion”, and called for a strengthening of the ILO, whose labour standards are voluntary.

The ministers said their countries were committed to eliminating child labour, but poverty, distress and inadequate access to good education compelled parents to send children to work, and priority should be given to ending child labour in hazardous industries. — Sapa-Reuters.
Broker cites labour costs, union militancy

Millstones around South Africa's neck

BY CHARLOTTE MATTHEWS

While SA now has the vital ingredient of stable politics, the cost of labour and union militancy sound a warning note, says a report by Merrill Lynch.

President Nelson Mandela is proving to be "a most astute and savvy politician", it says.

The surge in demand for the government's recent bond issue seems to confirm that SA is now acceptable in international markets.

It has a number of major attributes — natural resources, an entrepreneurial population and a First World infrastructure.

However, despite the high unemployment rate — 40 percent, according to some estimates — many unions are seeking increases far beyond those productivity gains dictate.

"A number of unions have brought their members out on the basis that the majority has won the election and the majority now deserves high wage increases.

"This kind of muddled thinking, which takes no account of economic reality, could result in some businesses introducing further mechanisation.

"Some very weak businesses could even fall by the wayside, resulting in a loss of jobs. Others might even consider moving to neighbouring states like Zimbabwe, Botswana or Namibia, where minimum wages are possibly one-tenth of those in SA."

The brokerage agrees with local estimates that the economy is likely to grow by 2.5 to 3 percent this year, with inflation a likely 10.5 percent.

There is already evidence of good profit advances by a number of leading companies in key economic sectors. Further advances are expected from companies likely to benefit from higher spending in housing, roads, electrification and sewerage.

Iscor should benefit from growing international steel demand, leading to increased iron exports and a pick-up in local economic activity.

The decline in the value of the commercial rand against the dollar could compensate for a lower forecast gold price of $385.

Vaal Reefs, Ergo and Kinross still show good relative value against other SA and North American gold mining companies, says Merrill Lynch.
Militant unions worry the JCCI

BY CHARLOTTE MATTHEWS

The overwhelming concern among members of the Johannesburg Chamber of Commerce & Industry (JCCI) in the manufacturing sector is the growing militancy of trade unions, a telephone survey shows.

In the latest issue of Going Concerns, the JCCI's newsletter, it says militancy is curbing industrial output, limiting job creation and hindering the implementation of the BDP.

"One respondent reported that an export order worth several million rand, and which would have required 30 extra staff, had been turned down.

"Because of SA's labour volatility, the buyer had stipulated severe penalty clauses for non-delivery on time...which could have crippled the business."
The question of transparency in decision-making is high on the political agenda. But the principle is not necessarily given practical expression by influential statutory bodies which are intended to play an important role in formulating policy.

The organisation which replaces the National Economic Forum is due to be launched on February 18 - the National Economic Development and Labour Council. But it is not clear from legislation, gazetted in December, whether its proceedings will be open to press and public.

The legislation is concerned largely with the structure of the organisation and leaves its constitution to provide for the conduct of meetings. As the constitution is still in draft form, the issue of transparency remains open. New programme director Debra Marsden says Nedlac is fully committed to transparency - "but how this will translate into practice is an issue that will feature prominently on the Nedlac agenda."

In the past, only NEF plenary sessions, held once a year, were public. Nedlac will continue to hold public plenary sessions - under the chairmanship of the deputy president of the majority party in Parliament.

But so far there is no indication meetings of its executive council will be open. It will consist of about 70 members representing the four constituencies - business, labour, government and community organisations.

These will each select six representatives for the four chambers which will deal with public finance and monetary policy; trade and industry; the labour market; and development. Groundwork will be undertaken by working committees who will refer their findings to the council.

An immediate problem is that of Nafcoe's role. It has withdrawn from Business South Africa, the business lobby.

Nafcoe president Joe Honwane was not prepared to discuss sessions but, in an interview last year with New Nation, he reportedly said Nafcoe, one of only two organisations representing black business, would resist being "marginalised and "begged down in an insignificant role."

The way in which Nafcoe will be represented also to be decided. Meanwhile two appointments have been made. Marsden and Jayendra Naidoo who has been appointed executive director.

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SA Labour Minister honoured

THE Minister of Labour, Tito Mboweni, has been awarded the honour of membership to the prestigious World Economic Forum’s Global Leaders for Tomorrow, (GLT) This is the first time that a South African Minister has been chosen to join the ranks of global leaders.

The GLT is described internationally as the most dynamic global network of decision-makers.
A visit this week by Germany’s Minister of Labour and Social Affairs, Dr Norbert Blum, and a top level delegation puts the spotlight on labour relations and related fields:

**Tito Mboweni**

relations system which would require maximum assistance from countries like Germany.

**Mboweni**

Meanwhile, new trade and joint ventures are expected to develop "almost immediately" between Norway and South Africa in the wake of the Norwegian trade mission’s visit.

But members of the mission, which returned home yesterday, say direct Norwegian investment will depend on an increase in confidence in the new South African Government that Norway helped bring to power.

A diplomatic source said at the weekend it seemed business cooperation was likely to develop quickly in the metals, oil, shipping, fishing and insurance areas.

Norway had expertise to offer in the technical areas of the oil and shipping industries especially, and joint ventures seemed likely in special areas of fishing, including fish farming.

Both countries had unique skills to share in the special metals sector — Norway because of its use of hydro-electric power in an energy intensive industry. But Norwegian aid donors had burnt their fingers in joint Scandinavian and direct funding of South African political organisations, now in power, in recent years.

Major recipients of aid included former Cape minister of finance Dr Allan Boesak, now at the centre of controversy over the spending of Norwegian money from both private and government donors.

Both government and private sectors were well informed on what they saw as negative changes being made by the new South African Government in education, health care and other areas. The effect of these decisions will be to drive skills and investment out of the country rather than encourage new investment.

The source, prepared to summarise impressions at the end of the SA visit if not identified, said Norwegians were aware of the negative consequences of such moves from their own socialist experiments and those of Sweden and the former Soviet Union on their borders.

Where Swedes had once referred to Norway as their “little brother”, the failure of socialism in Sweden had now resulted in the polite metaphor being reversed.

The Norwegian trade mission, led by Trade and Shipping Minister Ms Grete Knudsen, ended its visit to the country in Cape Town and will be followed by another from April 24 to 28. The second mission will be mostly a financial delegation.
New era as SAPS and unions agree to work together

POLICE MINISTER MEETS WITH POPCRU, SAPU

THABO MAOASO
Staff Reporter

The South African Police Service in the Western Cape is poised to take on a whole new character following intensive discussions between police management and the two leading unions in the force.

The meeting yesterday was convened by provincial Police Minister Patrick McKenzie who said the purpose was to prevent a recurrence of the Langa police station hostage drama.

"Unless we come together to work out a plan by which grievances will be addressed, we will have problems. Hostage situations and illegal strikes are unacceptable, we must have a code of conduct," he said.

The Police and Prisons Civil Rights Union (Popcru) and the SA Police Union (Sapu) expressed dissatisfaction with the way the SAPS was run and tabled suggestions to the minister. The unions said the force must be run in a democratic, transparent and consultative fashion.

Problems highlighted included alleged racism in the SAPS and amnesty for police personnel who had been found guilty of improper conduct during industrial action. Sapu was particularly concerned about junior officers being delegated by police management to attend management-union negotiation forums.

The meeting agreed that police management and the unions would submit recommendations to the negotiating forum on ways to improve their relations.

They would also recommend how best the force could transform itself into one acceptable to all sectors of the community.

The three parties must submit their recommendations within 14 days. After this, a committee of nine independent people will be chosen to look at creating a formula from the recommendations. The formation of the committee was supported by all parties present.

Mr McKenzie said he would then prepare legislation to make the recommendations a law in the Western Cape.

Meanwhile, Popcru has reaffirmed its commitment to call off protest action in the region.

Proposed changes to labour laws could cut strike action by half

The Argus Correspondent

JOHANNESBURG - Far-reaching changes to South Africa's labour laws have been set in motion by the government.

The proposed changes to labour legislation include steps designed to increase worker involvement in decision-making and speed up dispute resolution mechanisms - which could reduce strike action by more than half.

Releasing the draft Labour Relations Bill to business and labour leaders in Johannesburg yesterday, Labour Minister Tito Mboweni said the new legislation attempted to meet the requirements of the reconstruction and development programme (RDP).

The proposals call for increased worker involvement in company decision-making and put in place concrete plans to avert disruptive labour disputes.

In a break with past practice, all workers except members of the SA National Defence Force, the SA Police Services and agencies created under the Intelligence Services Act, will be governed by the same labour laws.

The draft bill proposes that no strikes or lock-outs will be allowed in services identified as "essential" and proposes that all disputes in these services must be referred to compulsory arbitration.

It protects workers' right to legal and procedural strike action and cuts down on red tape in unfair dismissal hearings by introducing a system of compulsory arbitration.

One of its major innovations is the entrenchment of a workplace forum in which workers, if they choose, will be able to contribute, outside the bargaining forum, on issues like retribution.

Mr Mboweni said the success of the proposed legislation depended on the cooperation of all players in labour and business.

"The co-operation of unions, business and other organisations of civil society is essential to the creation of a strong, balanced and dynamic society."
Melwoodness takes over

UNION MAN

Melwoodness — I represent the interests of everyone, not just those of the employees. One of my tasks is to ensure that every effort is made to improve the working conditions and the overall environment at Melwoodness. I am committed to maintaining a safe and healthy workplace for all employees. My role is to act as a bridge between management and workers, advocating for fair and equitable treatment. I am always available to listen to concerns and address any issues that may arise. Together, we can create a positive and supportive workplace culture. Please feel free to reach out to me with any questions or suggestions. Let's work together to make Melwoodness a great place to be.
Mellowness takes over
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By RAY HARTLEY
Parliamentary Correspondent

PHILIP DEXTER used to eat, sleep and drink trade union. Now he occupies a hard-to-find office in the maze of parliamentary buildings.

Surrounded by files, the distant cluster of teacups and the soft footfalls of grey-jacketed attendants, he has mellowed a lot since he led striking miners into a bitter confrontation with the Transvaal Provincial Administration.

The former general secretary has few regrets. "The media attention I got was out of all proportion to my actual importance politically. I don't consider myself to be a Nelson Mandela or a Cyril Ramaphosa," he says.

Once known for his in-your-face rhetoric, Mr. Dexter now measures each word for its broader significance.

On the one hand, being in Parliament along with 18 other Cosatu nominees has been "an extension of worker control and participation". On the other, it has been an uncomfortable compromise with "Westminster stuffiness".

Have the ANC's trade union representatives been able to put worker issues on the agenda?

"Perhaps we were to some extent overly optimistic or overly ambitious. There's a logic to government that we haven't really come to grips with - it's a learning curve," he says.

Former Cosatu head office official Godfrey Oliphant describes Parliament as "another site of struggle". His status as chairman of the select committee on labour has earned him a spacious office and an authoritative hardwood desk.

Being a committee chairman has forced a soothing neutrality on him. "Business also has to be on board," he says.

"I'm comfortable where I am," he says, adding a qualification: "The only thing I'm not comfortable about is that the majority of workers in this country have not yet started to see change."

Mr. Oliphant's committee has been overseeing legislation on the new National Economic Development and Labour Council, the integration of homeland labour laws and amendments to the Agriculture Labour Relations Act among other things.

The job has been made easier, he is quick to point out, by his good relationship with Labour Minister Tito Mboweni.

Not so for one-time National Union of Mineworkers official Marcel Golding. As chairman of the select committee on Mineral and Energy Affairs, Mr. Golding has had to deal with the National Party's Pik Botha.

"They should change his title to Minister of the Chamber of Mines," says Mr. Golding, who is cynical of his cabinet counterpart's willingness to change the system.

Mr. Golding commutes to and from Johannesburg, which he regards as home. On the table next to his desk stands a portable computer, and two bookcases are jammed with files.

"For someone like me it's extremely difficult. Parliament has an infrastructure that's not designed to facilitate productivity," he says, his frustration showing.

"I don't necessarily represent Cosatu - I represent the interests of everyone," he says.
Govt, unions start work on salary plan

CAPE TOWN — Government and public service unions began work yesterday on a comprehensive three-year salary plan for SA’s 1.2 million public servants.

Government and union negotiators have given themselves two months to draft the “salary improvement plan”.

Unions threatening strike action over wages have agreed to suspend any action to give the initiative a chance.

Participants at a crucial two-week meeting of the central chamber of the Public Service Bargaining Council in Durban yesterday described “a new spirit of co-operation” between government and the 13 public service unions.

A union negotiator attributed the newfound co-operation to a realisation by mainly white unions that they could no longer frustrate the restructuring process. “They seemed to have finally realised there is no turning back,” he said.

Wage negotiations broke down last year when government said it could not afford to meet union demands for a 12% across-the-board increase and a minimum monthly wage of R1 500.

The two sides agreed to resume negotiations after the intervention of Deputy Presidents Thabo Mbeki and FW de Klerk late last year, when the idea of a salary plan was mooted for the first time.

One union participant warned yesterday that the partnership between government and the unions was wholly dependent on the salary improvement plan. “We still reserve the right to strike,” he said.

Another source said there was a “strong feeling” among delegates that if government and the unions were not to lose credibility among public servants they had to produce a joint plan by the middle of April.

Union negotiators conceded they would have to scale down their demands because of government’s financial constraints.

Negotiations on the plan will be conducted by a main task team — representing Public Service Minister Zola Skwezwe, the Public Service Commission and the unions — plus five smaller specialist task teams.

The specialist teams have to devise strategies to narrow the wage gap, review the remuneration system; look at allowances; identify “all” disparities and discriminatory practices; and, research promotions.

Members of the main task team met yesterday to work out preliminary details before work in earnest began next week, a source said.

Meanwhile, negotiators set up a separate task team to study public service labour relations in light of the draft Labour Relations Bill. Negotiators also agreed on broad affirmative policy guidelines for departments.
Launch of new statutory body

Weekend Argus Reporter

A NEW statutory negotiating body for social and economic policy is to be launched next weekend.

The National Economic Development and Labour Council (Nedlac) will bring together government, organised labour, organised business and community leaders.

In a statement, Nedlac's executive director, Jayendra Naidoo, said the body would have a key role in seeking co-operation between the "social actors" on social and economic policy matters.

President Nelson Mandela would deliver the keynote address at the launch, on Saturday February 18, at Gallagher Estate, outside Johannesburg.
Naidoo must get all to pull together

BY RAY HARTLEY

THE skills Jayendra Naidoo picked up while helping with the drafting of the peace accord could come in useful in his new job searching for peace between government, business and labour.

As executive director of the National Economic Development and Labour Council (Nedlac), Mr Naidoo will oversee the launch of the new body on Saturday.

Then it will be down to business.

First on Nedlac's agenda will be the search for consensus on the new Labour Relations Act and getting to grips with the first season of wage bargaining in the new South Africa.

The critical asset at his disposal is the pragmatic political tradition launched by the negotiation process.

"There is in the political culture in this country a capacity to make leaps, to compromise one's own interests," he says.

Mr Naidoo has a long trade union pedigree, including several years spent with the SA Commercial, Catering and Allied Workers Union as education secretary and his most recent job as Cosatu's negotiations co-ordinator.

But he is not cynical of the role business can play in the forum.

SEEKING COMMON GROUND ... Jayendra Naidoo

(132) AT 12/2/95

"I've come across people in the business community who are sensitive to the need for greater democratization. I'm not being asked to be neutral. My job is to help manage this process," he says.

Although Nedlac will be a statutory body, parties will not be legally obliged to seek agreement there. Not using Nedlac would, however, have negative consequences.

"If government goes it alone, it will have to take the consequences of not having the support of business and labour," he says.

Mr Naidoo is determined that Nedlac should not get bogged down in detail.

"We have to be sensitive not to create a bureaucracy, not get locked into little committees and losing sight of the big picture," he says.

Will the new forum reshape South Africa's industrial landscape?

"It will make a contribution to the extent that it delivers. The National Economic Forum showed parties that they could take risks," he says.
Balancing act

Government and the country's biggest trade union grouping, Cosatu, will continue their delicate balancing act to ensure a sound future relationship.

In their annual review on labour relations, Andrew Levy & Associates say the extent to which employers are able to distinguish between what is essential to a functioning economy and what can be conceded will play a crucial role.

"A look at employment and management practices in societies with successful economies elsewhere on the globe could show that some vestiges of the past, which seem part of the natural economic order, are, in reality, obstacles to progress."

Furthermore, says Andrew Levy, Cosatu's future role will also be determined by the extent to which organised business and individual companies can identify common ground with unions.

The consultants think it can be assumed that Mboweni will back some changes to labour relations which will strengthen the position of unions. "Despite the fantasies of those who believe a Thatcherte strategy is possible in this country, no government, however large its mandate from the electorate, would be able to create conditions for economic growth without granting the union movement a significant say in decisions."

The consultants say the ANC will have to find ways of affording Cosatu, in particular, a significant say in decision-making (from the plant level to national) without damaging business confidence or allowing union demands to impair prospects for sustained growth. At the same time, Cosatu will have to find ways of exercising restraint in pursuit of national goals, while not alienating its membership.

The consultants say that given its limited resources and weakened leadership (many former office-bearers are now in parliament as ANC representatives), Cosatu's chances of finding a workable strategy are less promising than government's.
KwaZulu prisons hit by go-slow

DURBAN. — Warders at Empangeni Prison in KwaZulu-Natal did not arrive for work today, severely disrupting services, prison authorities said.

Nine other KwaZulu-Natal prisons were affected by go-slow actions today, correctional services spokesman Mike Deyzel said.

"We have nine prisons affected by go-slow actions, and at Empangeni Police and Prisons Civil Rights Union (Popercu) members have left the prison completely," he said.

Three striking warders at Empangeni Prison were arrested yesterday on intimidation charges, Captain Deyzel said.

Popercu members are demanding that a merit award system be scrapped or adjusted to ensure equal annual bonuses for all prison staff.

Yesterday internal stability division (ISD) police surrounded the prison, where inmates rooted and escaped into a courtyard.

Captain Deyzel said non-striking warders were trying to render essential services at Empangeni and had been able to feed the prisoners, but were unable to accompany them to court or to supervise exercise periods. — Reuters.

Minister names top trio for labour revamp

JOHANNESBURG — Labour Minister Tito Mboweni has announced the appointment of the top three civil servants who will be charged with the implementation and success of the new Labour Relations Act.

The post of deputy director-general in the new Department of Labour goes to current University of Fort Hare registrar Sipho Pityana.

Veteran trade unionist Les Kettle has been appointed deputy in charge of human resources, policy and labour relations.

Acting director-general Joachim Kastner has been appointed deputy director-general in charge of labour market programmes and administration.

Mr Mboweni also announced that the Labour Ministry's five-year plan, which will outline all the programmes the ministry hopes to embark on in the next five years, will be released "soon, probably in the next two weeks."

He said the three men will have the task of building the new Labour Department, implementing changes within the labour department and bringing its workings in line with government policy.
PRETORIA — Labour Minister Mr Tito Mboweni yesterday announced a new non-racial management team to oversee labour department matters.

Mr Sipho Pityana, currently the registrar at the University of Fort Hare and a former trade unionist, was appointed director-general of the department.

Mr Les Kettle, a long-serving trade unionist in the motor industry, and Mr Joggie Kastner, the department’s present acting director-general, were named deputy directors-general.

Their appointments will be effective from March 1.

"Basically, the Department of Labour is under new management," Mr Mboweni told a news conference here.

"I am confident that the combined experience and expertise of the three will significantly enhance the face and image of the new Department of Labour." — Reuters
Nafcoc to meet Mboweni over exclusion from forum

THEO RAWANA

Last week Business SA left Nafcoc out of the list of representatives it submitted to Nedlac.

Hlongwane told a news conference in Johannesburg the chamber would seek to take its seat independently if Business SA was not restructured to reflect the black organisation's representation of the majority of South Africans. "Nedlac without Nafcoc would be hollow, because we represent the masses."

He said Business SA was "disproportionately weighted" against black representation in that it consisted of 17 predominantly white business organisations.

Nafcoc could not meet terms requiring Nafcoc to pay R50,000 in fees for each of its 24 members as this would mean that the organisation had to pay R1,4m a year. "This situation we patiently reject as a ploy and a farce, and our participation in Nedlac cannot and must not be on condition we affiliate with this organisation," he said.

Business SA sought to reduce the role of Nafcoc into a "ghettoised rubber stamp" to what was essentially white business decision-making.

"We, however, believe that we represent the voice of the majority in this country and that cannot simply be measured in the size of the assets our members command."

"That attitude we believe is cynical to the history of our country, and the problems facing black business today," Hlongwane said.

Business SA social policy standing committee chairman Bokkie Botha said the two organisations were still talking. He refused to elaborate.
Nafcoc up in arms over exclusion from new body

By Ross Herbert

Nafcoc escalated its conflict with Business South Africa (BSA) yesterday, calling a press conference to protest its exclusion from a new national economic body and accuse BSA of trying to turn it into “a ghettoised rubber stamp.”

At issue is the formation of the National Economic, Development and Labour Council (Nedlac), a statutory body in which labour, government and business are represented. BSA has had an ongoing tussle with Nafcoc over the group’s representation on BSA and hence Nedlac.

Last year Nafcoc (National African Federated Chambers of Commerce) withdrew its membership in BSA and therefore has been excluded from Nedlac.

However, BSA president David Brink and Nafcoc held meetings Friday and Monday to discuss Nafcoc rejoining.

According to Nafcoc president Joe Hlongwane, to participate Nafcoc and its 24 constituent organisations would each have to pay R60 000 in fees for a total of R1.4 million: the more representation Nafcoc wants, the more it must pay.

Hlongwane said Nafcoc had been promised 50 percent representation on BSA on Monday.

"Then, to our surprise, we were told on Monday we would have to second 200 people and Nafcoc would have to pay for them," Hlongwane said.

Such salaries and fees would be impossible for Nafcoc to afford, he said, but exclusion on economic grounds also would be unacceptable.

"We are the biggest chamber of commerce, even though our pockets are empty," he said. "It is very obvious to us that BSA never intended to have Nafcoc involved."

Hlongwane said he would meet Labour Minister Tito Mboweni today and was drafting a letter of complaint to President Mandela.

"We are being responsible, and we really believe BSA does not have good intentions to have everyone on board."

"We, however, believe we represent the voice of the majority and cannot simply be measured in terms of the the size of the assets our members command."

The Nafcoc press conference was held at 4:30 pm, after which no BSA members could be reached for comment.
Labour market probe coming
Labor policy body approved

CAPE TOWN — Cabinet yesterday approved the appointment of a commission to develop a labour market policy for SA and said government would sign two International Labour Organisation (ILO) conventions.

Labour Minister Tito Mboweni pledged support for four ILO conventions at the ILO's annual conference in Geneva in July. 

Cabinet yesterday ratified the adoption of ILO conventions 87 and 98, which related to freedom of association, protection of the right to organise and collective bargaining rights. 

Cabinet secretary Sakele Qared said Cabinet had approved the commission to develop a comprehensive policy on the local labour market.

It had also discussed questions relating to international entry to SA and had established a committee to examine the international instruments available, he said.

A working committee of "relevant role players" would be established to investigate the creation of an exclusive national occupational health and safety council which would develop overall national policy on occupational health.
T
the government last year set up a
wide range of organisations to as-
sist South Africa’s fledgling de-
mocracy. Among the latest is the
National Economic, Development
and Labour Council, 
by President Nelson Mac-
ta on Saturday.
"It is a negotiating body and it is made up of
Government and civil society in its broadest
sense," says Nedlac executive director Mr
Jayendra Naidoo.
Its roots go back to 1992, when the National
Economic Forum was formed and the Na-
tional Manpower Commission was restruct-
ured.
"But its real basis lies in the commitment of
the new Government and the country’s dem-
ocratic forces to replace apartheid with a more
democratic form of government," says Naidoo.
"One that’s not simply based on parlia-
mentary representations but which has a much more
active involvement with civil society."
Nedlac is made up of four constituencies:
Government, business, labour and the com-

In terms of what the body should address,
there is "an incredible shopping list", Naidoo

"We are not going to address this huge list.
Each chamber must decide which of the four
things we can tackle and complete and which
will have a big impact."

He adds: "This body is not solely re-

But it has the capacity to bring about
agreements where the sum total of the agree-
ment will be far more than what each constitu-
cency on its own could achieve for its mem-

Naidoo concedes there is a danger of Nedlac
constituencies making them.
"My objective would also be to make sure we
don’t try to manage everything at once, or make
the council something that takes over the respon-
sibility of any of the constituencies."

Nedlac clearly has very wide powers. "Its
agreements are going to be very important for
every citizen," says Naidoo.
"Whether it’s a new labour bill or a strategy on
development or a programme for job creation, it
can offer a service and a possibility to make these
things happen."

NadSo’s rich and varied background equips
him to deal with the challenges posed by Nedlac.
A student activist who participated in commu-

As Cosatu’s representative, he also took part
in negotiating the National Peace Accord, and
has a wealth of experience in negotiations.

But, he says modestly, the body depends on
the constituencies to work.
"I will just try to manage the process as much
as possible."

Naidoo looks forward to the challenge: "The
big problem South Africa has is that we need so
many things and the Government doesn’t have
enough money to do them.

"By bringing the constituencies together, we
could have a possibility of bridging that gap. Our task
is to make sure we can change the face of the country.

"We must be able to provide people with the
things they need so that they have jobs and
homes, so that we are able to reduce crime and
make this a better place."

Naidoo recognises this will not be an easy
task. "There is no simple solution," he says. "It’s
going to require detailed work on a lot of key
issues."

In spite of this, he looks forward to his new
job: "The possibility now exists to construct a
body that is proactive, that is capable of doing
things in a far more comprehensive way.

"It replaces a need for several other forums
that have now disappeared. I call it a one-stop-
shop of social and economic negotiators."

Nedlac is, in many ways, a unique body. No
doubt it will be a learning process for all its
constituencies, but there seems to be a willing-
ness from all sides to make it work.

Especially from Jayendra Naidoo
Daunting task for Nedlac chief

Reg Rumney speaks to the Jayendra Naidoo, director of the National Economic, Development and Labour Council, which will be launched tomorrow.

The very name of the National Economic Development and Labour Council portends one of its first problems.

Quite simply, there are high expectations that this statutory successor to the National Economic Forum and the National Manpower Commission will bring consensus and clarity where now there is none.

Cosatu has already promised to bring before Nedlac, "the need to completely overhaul the method for determining inflation as well as proposals to address the massive racial and gender inequalities inherited from apartheid."

This week Finance Minister Chris Liebenberg said he would ask the council to look into the creation of a national export strategy.

In terms of the Act which created the council, bearing the inelegant acronym Nedlac, it is statutorily obliged to consider all changes to labour legislation and all significant changes to socio-economic policy before it reaches parliament, a tall order.

As executive director Jayendra Naidoo, agrees there is a temptation to see Nedlac as a danger and to use it as a dumping ground for every problem. But one of the big differences between the council and the NEF is that Nedlac will have a defined agenda.

Nedlac is not the NEF part two, he stresses. Many of the weaknesses of the NEF will be avoided, including having to operate in crisis mode, as it did in dealing with the petrol price increase.

Naidoo warns against expecting quick agreements. It has taken six months to negotiate the creation of the council: it may take another three months to get priorities.

Former Cosatu negotiating co-ordinator Naidoo carefully uses the neutral, technical jargon of negotiation rather than the rhetoric of a union leader.

There is a temptation to see Nedlac as a danger and to use it as a dumping ground for every problem.

Nedlac has sought, says Naidoo, to include all credible national democratic organisations. The unemployed are not organised. Consumer groups can also seek participation, though consumer bodies in South Africa may be small lobbying groups rather than representative organisations, mandated by the consumers. And non-member organisations can make representations.

In the end it is government's task to represent the unemployed, and it has a commitment through the RDP to do that.

Also, Nedlac will include "community representation, says Naidoo - Community representatives will be appointed by Minister without Portfolio Jay Naidoo, from a list of community organisations which will have to prove they are "democratically constituted."

A procedure for selection of the community delegates will be outlined at the launch.

Naidoo agrees that it is essential for participants in the council to be representative because the aim of the council is to reach binding agreements. The community will only be represented in the development chamber, and the executive council.

There will be three other chambers: public finance and monetary policy, trade and industry, and labour legislation.

The community representation, aside, how representative of South African society can Nedlac be, given the diversity within constituencies?

Naidoo says Nedlac will not dictate the composition of constituencies, though any constituency might exert some subtle form of influence to ensure it is talking to the right people.

On the government side, ministers, deputy ministers and directors general will represent socio-economic ministeries such as labour, trade and industry, finance and mineral and energy affairs.

Labour will provide representation from major union groupings Cosatu, Nactu and Fedisa.
Mandela unveils new council to cut labour unrest

Weekend Argus Correspondent

JOHANNESBURG — President Nelson Mandela today unveils a new partnership government, labour and business which is expected to reduce the labour unrest which has characterised South Africa’s industrial relations.

At the Gallagher Estate in Midrand Mr Mandela will launch the National Economic Development and Labour Council (Nedlac), a merger between the National Economic Forum and the National Manpower Commission where labour, business and government are represented.

About 300 delegates are expected.

Former trade unionist and political activist Jayendra Naidoo is the executive director of the new institution, which is statutorily charged to consider all changes to labour legislation and all significant changes to socio-economic policy before it reaches parliament. It will therefore play a significant role in the formulation and implementation of new government policy.

Says Mr Naidoo, "This body is a negotiating forum between four constituencies — government, labour and business and the community. It will make agreements on matters concerning social and economic issues. It considers all labour legislation before it is introduced into parliament. It will also consider any significant change to social and economic policy before implementation or introduction into parliament.

"This is a potential partnership between government and civil society at national level and will change the way disputes are dealt with."

Nedlac will be made up of the executive council and four chambers representing labour, trade and industry, development and public finance and monitoring.

Mr Mandela will deliver the keynote address, which will be chaired by Deputy President Thabo Mbeki. Other speakers include Minister of Labour Tito Mboweni and President of the Congress of South African Trade Unions (Cosatu) John Gomomo.

Mr Naidoo says Nedlac is being created because the government realises the need for co-operation of all the four constituencies that are represented on the body.

"Every constituency is equal and independent and that includes government.

"If there is a failure to reach an agreement each party can proceed with whatever steps it intends to take. But inevitable there will be pressure to reach agreements. There will be no barriers to reach agreements. This is a unique institution which will strengthen our democratic process," says Mr Naidoo.

This body is "not solely responsible for transforming the country," he adds.
Dispute delays council's launch

By Ray Hatley, Parliamentary Correspondent

SOUTH AFRICA'S business leaders yesterday launched the National Economic Council and Government Leaders' Initiative. The launch was held at the Randburg college in Johannesburg.

The council is seen as a forum for business leaders to discuss economic issues and for government officials to address business concerns.

The council aims to bring together business, government, and labour leaders to work on a common agenda for economic development.

The launch was attended by business leaders and government officials from various industries and provinces.
A troubled birth for Nedlac

BY KHANGALE MAKHADO

THE NATIONAL Economic Development and Labour Council (Nedlac), a new negotiating forum comprising representatives of government, labour and business, was launched in Midrand yesterday — with the last-minute inclusion of the National African Federated Chambers of Commerce (Nafooc)

Consensus

Nafooc finally agreed to take part in Nedlac — even though it had not yet settled its dispute with the sector within Nedlac which represents business, Business South Africa (BSA), from which Nafooc withdrew earlier this week.

Addressing the launch, President Nelson Mandela hailed the new statutory body — aimed at promoting consensus among government, business and labour — as a milestone in the transition from an illegitimate system which had brought about the worst form of oppression to the most democratic expression of the popular will and unity.

The body would directly engage sectors of society in formulating policies and managing the institutions governing their lives, he said.

Referring to the dispute between the predominantly white BSA and Nafooc over the number of representatives they should have in Nedlac, he said the concerns about representation of black business needed to be addressed with regard to the interests of all sides.

The Nedlac launch was delayed by half an hour as the executive council tried to sort out Nafooc's concerns.

A decision to allow a "business caucus" involving Nafooc and BSA to take part on a temporary basis in Nedlac broke the deadlock.

Nafooc president Joe Hlongwane said Nafooc would take up representation on Nedlac's executive council, but its participation in Nedlac's four chambers — dealing with public finance and public monetary policy, trade and industry, the labour market and development — depended on further talks.

Four chambers

Addressing the launch, Nedlac executive director Jayendra Naidoo said the council would seek to reach consensus on matters of policy and would consider all proposed labour legislation in relation to labour market policy prior to its introduction to parliament.

Four chambers have been established to deal with public finance and public monetary policy, trade and industry, the labour market and development.
Godsell sees Nedlac as alternative to 'slugging it out in the streets'

The National Economic Development and Labour Council (Nedlac) has been described by its executive director, Jodanda Ndlovu, as an alternative to the long-running conflict between business and labour in South Africa. He said that the council's role was to bring together the interests of business and labour, and to promote harmony and cooperation between the two.

Nedlac was established in 1944 as a forum for the discussion of economic and social issues between business and labour. It has been described as a model of bipartite cooperation, with representatives of business and labour negotiating and making decisions on issues affecting the economy.

Ndlovu said that the council's role was to bring together the interests of business and labour, and to promote harmony and cooperation between the two. He said that the council was working on a number of initiatives to promote social dialogue and to address the challenges facing the economy.

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A compromise is likely to be reached soon between Nafooc and Business South Africa on representation on the National Economic Development and Labour Council.

Mr. Benjamin Wauchop, executive director of the National African Federated Chamber of Commerce, says the two groups have until March 6 to resolve their dispute.

Last week the BSA, which comprises mainly white business organisations, clashed with Nafooc on the number of seats the organisation is entitled to in the Business Caucus, the business representation in Nedlac.

Nafooc, led by its president Joe Hlongwane, argued that the organisation was the biggest of all the groups in the Business Caucus and was therefore entitled to 12 of the 18 seats allocated to business, in Nedlac.

BSA was only prepared to give Nafooc two seats.

Later Nafooc brought down its demand to nine seats while indicating it could even go down to five seats.

Wauchop said there was no way BSA could go it alone as Nafooc was a very important player.

He was optimistic that an amicable solution would be reached soon.
Believing in fairies?

High-powered it certainly was, but the launch of the National Economic Development & Labour Council (Nedlac) last Saturday was not entirely auspicious.

Two rather sour notes were struck — early warnings perhaps of the inherent difficulties (already seen in the former National Economic Forum) that face this ambitious attempt to forge economic policy consensus among business, labour, government and community organisations.

The first sour note was the unresolved spat between Business SA and Nactco over representation in Nedlac (see Economy).

The second and more ominous was a warning to government (and business, no doubt) by Cosatu president John Gomomo against what he construed as "witch hunts" in President Nelson Mandela's speech to parliament the previous day. The speech had criticised "anarchists" in the union movement and elsewhere.

Labour Minister Tito Mboweni tried to patch things up by explaining that "government is fully supportive of collective bargaining processes," which is precisely what the draft new Labour Relations Act seeks to do in an organised framework. "But I am sure," Mboweni added, "that the president of Cosatu will agree that the looking we saw in Joburg recently, for example, is not on."

Gomomo's prepared speech was, however, reasonable enough for the occasion and included hard-headed recognition of the difficulties ahead Nedlac, he said, offers a special opportunity — "a chance to rebuild the economy and society through consensus forged among workers, investors, government and the community."

"The road to that consensus will, no doubt, be rocky. You cannot bring together Juba Xulu, earning R200 a week after 15 years, with a family of five to feed, and John Smith, the CEO of a major conglomerate, who earns R20 000 a week, and expect that it will be a calm and easy process. But bring them together we must or we (the new democracy) will flounder on the rocks of communal strife."

Warning against any patronising, old attitudes to the workers, Gomomo called for policies which "combine high and sustainable economic growth with far-reaching programmes of wealth redistribution for the millions of working poor."

While Gomomo (like the business spokesmen David Brink and Bobby Godsell) fully embraced the idea of finding negotiated solutions through Nedlac, he stressed that agreements made must be kept. He pointed out that Cosatu was still wanting for the implementation of already concluded agreements, such as the clothing and textile industry plan.

Cosatu was aware of Nedlac's challenge to promote growth, which is important to create more jobs and resources, said Gomomo. But he took issue with the FM and others for putting forward "fashionable and simplistic answers" centred on deregulation.

The idea of Nedlac, whose deliberations will have an impact on policy, is certainly better than "slug- ging it out on the streets," as Godsell put it.

Whether it is eventually recognised as "the watershed of SA's modern economic history," as Brink said it may be, remains to be seen.

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FOREIGN AFFAIRS

Personal choices

Foreign Affairs Minister Alfred Nzo is expected to support the candidature of Rusty Evans to stay on in the East Wing at the Union Buildings as director-general. Nzo's support for Evans comes after a short list of six candidates was presented.

On Tuesday Nzo was due to meet Cabinet colleagues to enlist support for his nomination of Evans. If accepted informally, the nomination will be handed over to Public Service & Administration Minister Zola Skweyiya, who will present it formally to Cabinet.

In response to the advertisement for Evans's job, 114 applications were received by Skweyiya's department. After interviews with all the applicants, including Evans, a short list was compiled. Other names on it included former diplomats from the TBVC "countries". A notable absentee from the short list was the name of University of the Western Cape academic Peter Vale, who told the FM this week that he had withdrawn his application.

The re-appointment of Evans as DG would do much for morale in the department, which has suffered because of affirmative action and general uncertainty. Though he was a confidant of former Foreign Minister Pik Botha, Evans has easily adapted to the transition. He seems to enjoy a close relationship with Nzo, during a previous visit to Washington DC, Evans' wife Gerda was invited to accompany the touring party in the absence of Nzo's wife.

Nzo also supports Evans's continued residence in the State residence occupied by many former Foreign Affairs director-generals. Evans received a letter from Public Works Minister Jeff Radebe asking him to vacate the house within three months because it was needed for other purposes. The Foreign Affairs DG is the only such official to occupy a government house.

Nzo then wrote to Radebe to explain that the house was allocated to the department's DG because he often has to entertain foreign visitors and members of the diplomatic corps. Previous occupants include Ian van Heerden and Brand Fourie. By Tuesday Radebe had not yet responded to Nzo's letter.

Q Meanwhile, there is embarrassment at the Portuguese government's negative reaction to the appointment of the Freedom Front's Tom Langley, a former Conservative Party MP, as ambassador to that country. It is said that Portugal does not want to see as a conservative country.

But Langley's surprise appointment must be seen as an example of President Nelson Mandela's conciliatory policy. It is also indicative of the mutual respect between Mandela and Freedom Front leader Constand Viljoen.

The Portuguese reaction to Langley's appointment now casts doubt over another Freedom Front name, that of Carl Werth, who is also in the running for a diplomatic posting.
The other labour market policy essentially consisted of influx control and migrant labour directed at blacks.

Policy that was directed at whites can no longer meet the needs of that narrow segment and is clearly not capable of being extended to the whole population, as the commissioners initially thought.

"Essentially, active labour market programmes of the traditional type are capable of dealing with relatively low levels of frictional unemployment in relatively high-level, high-skill economies. While they're important and will be considered in appropriate cases, on their own they are simply not up to the task of dealing with massive unemployment, systemic labour market discrimination and the deep-seated productivity crisis which characterise SA."

Lewis says the commission's task is to answer the following question: what is the policy and institutional framework that will realise the employment-related objectives of the RDP — employment creation, raising average living standards, elimination of discrimination and industrial democracy — that are consistent with macro-economic and industrial policy objectives?

This perspective fits well with — and perhaps duplicates — the idea and role of the National Economic Development & Labour Council (Nedlac), which was launched recently.

The commission's terms of reference call for examination of whether there is a role for public policy in the determination of wages and other forms of income. It is recognised that "you can't talk about a national incomes accord without talking about a productivity accord," which is the second of the terms of reference.

Thirldly, enhancing productivity on a substantial scale, says Lewis, effectively means a major restructuring of the economy in general and of manufacturing in particular. "We recognise that though this will generate new and high-productivity employment, it will also eliminate jobs in declining areas. The question here is how to deal with the social implications of restructuring — specifically, how feasible is the idea of a Social Plan Act?"

Finally, what is the policy framework for affirmative action that is consistent with the productivity objectives of industrial policy and the growth objectives of macro-economic policy? Affirmative action is seen as "a force for unleashing productive capacity."

The commission is described as an expert rather than representative body. As with Nedlac, the idea is to reach consensus before proposals are turned into a White Paper and submitted to parliament.

Asked whether a national minimum wage will be proposed, Lewis says "We'll look at income determination and whether a national minimum wage is an appropriate way to influence incomes in the economy. We'll look at public sector employment policy, for example, and what the relationship is between public and private."

Mboweni towards a clearer view of the labour market

focused on growth, with an inevitable trade-off between them. We want to find the labour market policy that complements industrial and macro-economic policies."

The economic growth rate has lagged behind the population growth rate for more than a decade. The growth in the economy, it has become necessary for a thorough, intensive examination of our comprehensive labour market policy.
Nafcoc steadfast on seats

THE National African Federated Chamber of Commerce (Nafcoc) would insist on an allocation of seven of the 18 seats allotted to business in the recently created National Economic, Development and Labour Council (Nedlac), the organisation said yesterday.

Nafcoc, which has been embroiled in the row for months, first over its standing in Business SA and its representation in Nedlac, had mutually proposed it be entitled to nine representatives, the same number as BSA.

Nafcoc president Joe Hlongwane said this week his organisation would not budge from its latest position.

The two organisations were given until March 15 to resolve the wrangle by Labour Minister Tito Mboweni last week.

BSA leader David Brink said the organisation would make a proposal today to Nafcoc to resolve the dispute over representation in Nedlac.

He refused to disclose details of the proposal, but said it would lead to the conclusion of the dispute or make a substantial contribution to the resolution of the wrangle.

This week the Foundation for African Business and Consumer Services (Fabocos) secretary-general David Moshapalo issued a statement, in which Fabocos offered to mediate between the two parties.

The offer was turned down by Nafcoc, which argued that Fabocos — as part of BSA — was not qualified to play the role of mediator and lacked the clout to influence BSA.

Commenting on these developments, Brink said he was not surprised by Nafcoc’s refusal, but said BSA would accept the offer.

“IT’s our view that Fabocos has been making a constructive engagement on this subject. And Fabocos is a very valuable member of BSA which has made a good contribution to the organisation,” he said.

Moshapalo said he welcomed the two parties’ determination to meet to discuss their differences.
Mandela ‘must defy SA unions’

HARARE — The political price President Nelson Mandela would have to pay for sustained economic recovery was defiance of trade union resistance to market economic reform, Financial Mail editor Nigel Bruce said in Zimbabwe last week.

Addressing a meeting on marketing 2000 conference, Bruce warned recovery would not be sustained without private sector foreign investment, but the rate of return on capital was too low and falling, while real wages were above those in Korea.

“If experience elsewhere is anything to go by, the political price Mandela will have to pay for sustained economic recovery will be a similar defiance of trade union hegemony that Walesa in Poland and Thatcher in Britain had to face before they were able to make meaningful reforms.”

MICHAEL MARTNACK

In SA, the public sector unions would be equally hostile as public service wages were more than 50% of total government spending, excluding debt servicing.

Bruce’s speech to leading marketing executives on “the economic and political dynamics of change in southern Africa” caused a stir, as he voiced the most outspoken criticism of President Robert Mugabe yet heard at the conference.

Bruce said “those who feel the energy of greater confidence will look ahead and not backwards to the illusory comforts of indigeneisation, the imagined protection of isolation and the flattering thinking characteristics of a nationalised media.”

Politicians like Mugabe saw free markets as a threat to their “power of preferment and their privilege of despoliation”.

“His intervention brought the economy of this country these last 15 years to such a pass that he had to call on the IMF, cap in hand, for help.

Bruce said Mandela also suffered from the “gaffe contradiction” in quickly calling for market reforms demanded by foreign financial institutions while his supporters raised sentiment against these reforms.

Bruce urged that Mandela be given “time, flattery and example” for his new-found conversion to market economics to “mature into conviction”.

“Mandela is nothing if not mutable ... But such obfuscation lacks the conviction to carry populist support away from the disaster of socialist co opted, and towards the conditions in which innovations will spur greater savings, rising investment and greater prosperity.”
Labour movement input 'essential'

The danger of the labour movement becoming a "fringe performer" would jeopardise economic restructuring as well as political stability, Glenn Adler of the Sociology of Work Unit at Wits University said at the weekend.

This was one of the initial findings suggested by the unit which was conducting research into trade unions and the transition in SA. It is being sponsored by the Albert Einstein Institute in the US.

Both Adler and Eddie Webster, also of the unit, concurred that prior to transition and in the period leading up to the consolidation of democracy, the labour movement played an integral role in the transformation of society.

Consolidation of democracy resulted in a change in labour's role. "Unions play different roles at different times," Webster said. The role of labour was complicated further by the swift changes to the economy and the demands that were placed upon it by pressure to gear itself towards world class manufacturing.

With these new demands, labour moved more towards a corporatist model, so it could be involved in macroeconomic decision-making.

The formation of the National Economic Labour and Development Council (Nedlac), which emanated largely from the efforts of the labour movement, was a clear example of this, Webster said.

Corporatism depended on whether the parties could deliver and it was question-

able in the light of a number of problems within organised labour whether it could play a constructive role.

The flip side would be to ignore labour, but this could lead to labour blocking policy decisions.

Initial research showed that:
- The labour movement developed into an organisation concerned with the interests of and dominated by a few;
- The labour leadership could be weakened by not always having had the opportunity to involve itself in strategic issues;
- It was questioned whether shop stewards could move away from the old style of resistance to one of constructive debate over issues such as productivity;
- The labour movement was no longer seen as central to the alliance, and
- Concern was raised as to the level of ungovernability on the shopfloor.

Adler said that lack of capacity and representivity undermined union power and effectiveness.

Options open to the labour movement were to revert "back to basics" and concentrate on educating from rank and file upwards, to develop officials and try and create clear career paths within the union movement and to determine whether labour represented an interest group or a movement, Adler said.

To survive it had to develop a "vision beyond its own constituency."
Nedlac deadline

Organisations representing community development interests which wish to take part in the National Economic Development and Labour Council (Nedlac) have until next Monday to apply for membership to the body.

Nedlac, which will have powerful representation from labour, business, Government and community organisations, will primarily seek to reach consensus and make agreements on economic policy issues.

Organisations which seek membership to Nedlac must represent a significant community interest on a national basis, have a direct interest in development and reconstruction and have a democratic constitution, Nedlac executive director Jeyendra Naidoo said.

The organisations should also be able to seek mandates from their members and obtain compliance from their members in regard to resolutions and policies of the council, he said.

A special committee chaired by the Reconstruction and Development Programme office will meet by March and make recommendations to Minister without Portfolio Jay Naidoo.

"The meeting will be announced to the public and organisations which applied may attend as observers at their own cost," Naidoo said.

Nedlac will consider all proposed labour legislation, including the recently released draft Labour Relations Bill.

"Nothing in the constitution should constrain the council from considering any matter within its frame of reference, according Naidoo.

Organised labour, organised business and Government will have equal representation in Nedlac and the combined representation from community and development interests will not exceed that of any of the other parties.

The council will be funded by the Department of Labour and Labour Minister Tito Mboweni will act as its link with the Government.

Nedlac will take over the functions of the National Manpower Commission and the National Economic Forum. — Labour Reporter."
BSA bid to resolve dispute over Nedlac

BUSINESS SA (BSA) would try to resolve its dispute with the National African Federated Chamber of Commerce (Nafooc) at a special meeting tomorrow, BSA president David Brink said yesterday. He said the dispute arose two weeks ago over the allocation of the 18 seats set aside for business on the National Economic Development and Labour Council (Nedlac) executive. Nafooc had demanded half the seats as the main body representing black business in the country. Brink said BSA's governors would meet to work out a comprehensive proposal or to find a deadlock-breaking mechanism.

The Nafooc president, Joe Ngcobo, last week reduced Nafooc's demand to seven seats from the original nine, but said that was the last compromise. Brink argued that the dispute was more complex. Apart from accommodating umbrella bodies such as BSA and Nafooc, the 18 seats would have to address the demand for adequate representation on the other relatively autonomous and effective Nedlac chambers which met frequently. Asked about the possibility of increasing the number of seats allocated to business, Nedlac executive director Jayendra Naidoo said while the constitutional clause providing for 18 business seats could be amended, there was a limit to which the idea could be pursued. "The problem is that if you make the structure too big, it tends to be difficult to control."
Moves to include labour on corporate boards

The government-appointed standing committee on company law was researching ways to include labour representatives on company boards of directors, King committee on corporate governance member Michael Katz said yesterday.

"There is no doubt that workers will have to participate in corporate governance," he told an Institute of Directors seminar. But he could not give details on likely recommendations as the committee was still investigating various models.

"A unitary board is vital," he said. The German two-tier model of including labour through the use of a supervisory and management board was "not appropriate".

He said it was "wrong" that labour had not participated in board decisions such as whether to buy or sell a business or how to increase productivity.

Labour participation on boards was a burning issue but decision-makers, such as the National Economic, Development and Labour Council would need to thrash out to what extent labour could participate in corporate decision-making.

He was opposed to statutory codes for corporate governance as SA's social and business environment was constantly changing. But this should not stop companies drawing up their own guidelines.

Competition could be blunted through cross-directorships "and anything that undermines competition, undermines business", said Katz.

Fellow King committee member Nitha Moilana said the King report principles should apply to small and medium enterprises as well as non-government organisations (NGOs). NGO trustees had important responsibilities, particularly in the light of recent allegations of mismanagement of donor funds by local NGOs.

Committee chairman Mervyn King said shareholders were entitled to know whether executive and non-executive directors were being fairly remunerated. Year-on-year comparisons should be provided when earnings were disclosed.

But he said it seemed "unnecessary for the needs of stakeholders to disclose and discuss each individual director's remuneration in detail". However, the issue of disclosure was sensitive particularly where skills were in short supply as it would facilitate poaching.
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**Sanitation Share**

STC could be replaced by dividends.

**Experts say**
Nafcoc embroiled in bitter conflict over seats

By Mzikulu Malunga

The National African Federated Chamber of Commerce and Business South Africa have until March 16 to resolve their dispute over seats in the National Economic Development and Labour Council.

The two sides are in dispute over the number of seats Nafcoc has to get out of the 18 seats reserved for business in Nedlac. Department of Labour’s deputy director general, Lea Kettle, said Nafcoc and BSA had to resolve their differences before the next Nedlac executive council meeting which is on March 18.

He said if the matter was not resolved by then, other stakeholders in Nedlac, namely the government and labour, would have to get involved and discuss the issue.

The two sides said discussions on representation in Nedlac were still continuing. Nafcoc’s executive director Benjamin Wachcko told Sometha yesterday that the organisation still maintained it would not accept anything less than five of the 18 seats.

BSA’s assistant secretary-general Cornia Gardner was only prepared to say the “matter is still being debated” and declined to say whether BSA had moved from its original position to offer Nafcoc two seats.

The dispute started when Nafcoc demanded to be allocated 12 of the business seats in Nedlac as the biggest business organisation in the country in terms of membership.

The organisation later toned down its demand to seven seats.

However, BSA, which comprises mainly white business groups and Fabcos, countered that it had to cover not only organisations but a number of business sectors like mining and agriculture in the allocation of seats.
Deadlock on seats for national council

BIOSSA's (BSA) governors have decided to ask for a mediator after failing to break the deadlock in negotiations with the National African Federation Chamber of Commerce (Nafoc) over business representation on the National Economic Development and Labour Council (Nedlac).

The deadlock was taken this week at a special meeting of governors — the highest decision-making organ of BSA — called in a bid to resolve the wrangle over the 18 seats allocated to business on Nedlac's executive council.

BSA president David Brink said the organisation was "anxious" to find a solution. Governors had agreed "some form of mediation" was needed to break the deadlock.

The governors had turned down Nafoc's proposal to have seven of the 18 seats "There's no possible rationale for this if we want to Nedlac to succeed."

Brink would not disclose who BSA had in mind as mediator, but said the organisation would be flexible.

The governors had agreed that "a special dispensation to accommodate emerging business" was required, he said.

Brink was asked last week to work out a proposal to present to Nafoc, but it was rejected by the governors.
Social plan to bring relief on the agenda

ALIDE DASNOIS
Deputy Business Editor

A SOCIAL plan to bring relief to sectors or regions in distress is on the agenda for discussion by the newly appointed Labour Market Commission, according to co-chairman Dave Lewis.

Speaking at a briefing in Cape Town this week, he said economic restructuring, necessary for growth, would inevitably mean employment loss in some sectors or regions.

"We need to find ways to match job losses and job gains."

One possibility was a Social Plan Act, which had already been mooted by the National Union of Mineworkers. The commission would look into this.

"We need to make industrial policy compatible with labour market policy."

Reframing would be one aspect of job-matching, though "its difficult to turn miners into cocktail waiters", Mr Lewis said.

The commission would also debate the possibility of a national incomes accord and a national productivity accord.

The goal was to develop labour market policies which were compatible both with the employment objectives of the reconstruction and development programme and with the needs of economic growth.

This meant looking into:

- The role of tripartite institutions such as Nedlac in determining income.
- The relationship between income and wage determination.
- Elements of a national incomes policy — which need not imply wage or price restraint.
- Public-sector employment policy and the RDP’s employment objectives.
- Wage determination in small and medium businesses.

On productivity, Mr Lewis said the commission would examine the role of institutions like the National Productivity Institute, the link between industrial relations systems and productivity, and barriers to the introduction of new technology.

It would also look at discrimination in the labour market and the effects of affirmative action.

"Affirmative action should not mean losing productivity, Mr Lewis said: “affirmative action can unleash productive potential”."

"Affirmative action doesn’t mean employing, in posts for which they’re not qualified, people who haven’t had a chance to get qualified."

Previous labour market policies aimed at whites and based mostly on European experience, had succeeded in generating full employment for whites and a rising level of skills.

For blacks, labour market policy meant inflation control and the pass laws, aimed at keeping unemployment out of the cities. The policy had broken down but had never been replaced.

A comprehensive labour market policy was now needed, not merely the extension of old "white" policies to the whole population.

Traditional policies could not deal with South Africa’s unemployment problem and productivity crisis.

"It would be like using aspirin against cancer," Mr Lewis said.

The commission, which is co-chaired by Mr Lewis and Gencor labour relations manager Moss Ngoasheng, includes academics, trade unionists, consultants and business representatives. It is expected to produce a first report to the Minister of Labour within six months and a final report by the end of the year — a tall order for a commission with only one full-time member.

"Our objective isn’t to produce a 1,500-page report spelling out the details, but rather a framework for policy which identifies areas where more work needs to be done," said Mr Lewis.

The commission’s work will be complemented by that of a labour market information group led by experts from the International Labour Organisation (ILO), which will produce a "snapshot" of the current state of the labour market in South Africa.
Poorer nations oppose anti-poverty scheme

COPENHAGEN — Poorer nations all but rejected firm targets on anti-poverty spending yesterday, dealing another blow to concrete action by the world poverty summit meeting.

The meeting — attracting nearly 9 000 delegates from 193 countries — will likely end up with a watered-down promise by rich and poor countries to work out adjustments in social spending on their own.

Two days into the 10-day assembly, delegates were still trying to agree on any firm commitments for ending poverty, unemployment and social inequalities — an unwieldy swath of topics being lumped together for the first time.

The summit aims to hammer out a final document to be signed on Sunday by nearly 120 national leaders.

The meeting got a boost yesterday from US First Lady Hillary Clinton, who jetted in offering words of support and an initiative for fighting female illiteracy. "Investing in the health and education of women and girls is essential to improving global prosperity, and I am glad that this summit has endorsed the principle of equal rights and opportunities for women," she said. But even as she spoke, an ambitious anti-poverty plan to set a target of 20% for social spending by aid donor and recipient countries was faltering in closed-door meetings. The plan, dubbed "20-20", faced trouble since it was proposed months ago.

Some UN officials said the fact that it might be approved in any form could be seen as an achievement.

The "20-20" proposal had angered a caucus among delegates from about 130 developing countries who are resisting any conditions set on aid money, said Venezuela Finance Minister Mercedes Pulido de Briceño.

She said the plan might still be preserved in principle but limited to bilateral negotiations. That means it would not be subject to global or UN pressure.

With the likely striking down of the 20-20 targets, the remaining tangible proposals centred on calls for debt relief and adjustments in foreign aid.

The World Bank, IMF and regional lenders have borne much of the criticism at the summit for sometimes forcing strict fiscal policies. "They are forming social policy in the interest of creditors and not of society," said Michel Chossudovsky, an economics professor at a landmark conference of private aid groups.

But bank officials said they have "thick skin" when it comes to such complaints. "When they say the World Bank recommends cuts in health and education expenditures, that is pure rubbish," bank vice-president Arzene Choksi said. "We are now explicitly telling governments that if you cut your fiscal deficits and expenditures, you must take care of the poor." IMF MD Michel Camdessus suggested one solution could be taking "new steps to improve the daily co-operation in particular with the UN family". But he said that co-operation on financial issues would not replace more discipline by governments themselves. — Sapa-AP.

Applications for Nedlac

The National Economic, Development and Labour Council (Nedlac) had received more than 40 applications from community and development organisations for representation on the executive council, programme director Debra Marsden said yesterday.

She said the applications would be assessed this month by a special committee to be chaired by a representative from Minister without Portfolio Jay Naidoo's office.

The successful applicants would represent community and development constituencies on the Nedlac executive council which would meet quarterly.

A newly constituted development chamber would represent community and development interests. It would operate within the broad framework set out in the reconstruction and development programme White Paper, Marsden said.

Sources speculated that the development chamber representatives were likely to be drawn from the ranks of the SA National Civic Organisation.
Applications for Nedlac

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Merger to boost RDP

By Mzimkulu Malunga

THE launch of the National Business Initiative for Growth, Development and Democracy yesterday represents a big boost for progress.

The organisation, which is a merger between the defunct Urban Foundation and Consultative Business Movement, sees its task as marshalling private sector resources and technical skills in support of the RDP.

Chief executive Dr Theuns Eloff said NBI was simply a business initiative of civil society in partnership to nurture democracy and development.

"We are also going to interact with the four groups of the National Economic Development and Labour Council, as well as players at all levels of government," he said.

Facilitating consensus on critical issues among the four groups in Nedlac—business, labour, government and the community—was one of the key areas of operation.

Eloff said the NBI would be advising the companies on how best they could make their RDP contribution effective.
ANC warns on heel-dragging

JOHANNESBURG. — Resistance from business towards the democratisation of the workplace could lead to conflict, says Constitutional Assembly chairman and African National Congress secretary-general Cyril Ramaphosa.

Speaking at a "Democracy at Work" workshop at Midrand, north of Johannesburg, yesterday, Mr Ramaphosa told 120 business and trade union delegates that democracy, confrontation and unequal powers should be replaced by consensus-seeking, consultation, equality and partnership between management and workers.

Strikes last year over alleged racism at work had highlighted the differences in viewpoints between management and staff, he said.

He also condemned management attempts to co-opt workers and weaken the "capacity" of unions.

"Co-option benefits no-one. It does nothing to eradicate confrontation and merely prevents management and workers from addressing issues of difference," Mr Ramaphosa said.

Only by ensuring that unions were accountable to their members could so-called ultra-left elements be prevented from "hijacking" workers' causes for their own agendas and sowing conflict in the economy, said Mr Ramaphosa.

He said the trade union movement needed to continue to be the primary vehicle for democracy in the workplace, but it also needed to strengthen its relationship between leadership and members.

"Unions over the past few months have become weaker as a result of the departure of people who were in top positions who went to parliament." The union movement also needs to alter its entire mindset to the new challenges that we are facing as a nation. It requires a strategic shift in all areas of worker organisation," Mr Ramaphosa said. — Sapa.
Black farmers’ union ducks deregulation

By CIARAN RYAN

INSTEAD of supporting deregulation, both the black National African Farmers Union and the National Consumer Union are scrambling for a share of compulsory agricultural levies, worth millions of rands.

The pro-deregulation lobby says it is struggling to win support in its campaign for voluntary agricultural levies and vastly reduced statutory marketing powers.

Nafu, which claims to represent 40 000 black farmers, got 13.7% of the levy income received by the South African Agricultural Union in 1994/5. SAAU says it is also looking at ways to cut the South African National Consumer Union in on the levies it receives from farmers.

“We tried to get Nafu to support our position on voluntary levies, but it appears the SAAU got to them first,” says Nils Dittmer of the Sunnyside Group, a vocal supporter of agricultural deregulation.

“This surely compromises their credibility as a group claming to represent the best interests of their members. They are hardly likely to support voluntary levies when they are the recipient of compulsory levies from the SAAU. I also question whether Nafu represents a fraction of the members it claims. Unless you have voluntary paid-up members, it is hard to determine.”

Sancu has also come out in favour of compulsory levies, provided “all interested parties” have a hand in determining the need for and the size of levies. It wants to see the spoils shared among consumer bodies, producers and other interested parties.

Compulsory levies lie at the heart of the agricultural deregulation debate. Without them, producer bodies will have to seek voluntary paid-up memberships and there is a fear that farmers who have been forced to pay compulsory levies for decades will opt out of the system.

Mr Dittmer says these levies benefit neither the producer nor the consumer, only the middle men.
Labour minister seeks to end authoritarianism and racism at work

**Mboweni’s mission: Free the workplace**

No one should underestimate the changes Tito Mbeweni, the minister of labour, is planning to introduce in the workplace, in industrial relations and in economic management. Mbeweni envisages a dynamic and active labour department at the centre of economic growth, actively shaping relations between labour and business. This is a far cry from the old department, which confined itself to administering collective bargaining, as well as welfare systems for those who fell out of the formal economy.

“We want to get rid of the notion that the labour ministry is a junior ministry of government. We must give a new sense of dynamism; managing the relationship between the social partners managing Nedlac and managing key economic policy issues which affect the whole of work,” says Mbeweni.

Thus is an ambitious programme, but Mbeweni is among the most energetic and sharp-witted of the ministers in the 11-month-old Cabinet. He has assembled a strong team of advisors, policymakers and managers. They have already produced a draft new Labour Relations Act, launched Nedlac, established a high-powered commission to investigate labour market policy and planned far-reaching changes to the department.

What is the nature of Mbeweni’s vision?

Mbeweni envisages a workplace which breaks from the South African tradition of racism, authoritarianism, the degradation of workers and the high levels of antagonism and distrust this generates. Democracy and human rights must be extended into the workplace. Hence the entrenchment of organizational rights and provisions for co-determination in the draft LRA. Hence his handout to the Cosatu congress last year to revise the Basic Conditions of Employment Act, to phase in a 40-hour-week and better leave and other conditions.

Mbeweni’s plans to establish a national occupational health and safety council inspectorate are consistent with these intentions. He also plans to use the Wage Act to protect workers who are not catered for in existing collective bargaining arrangements — which could include hundreds of thousands of domestic and farm workers.

Prevailing free market prejudices assume that these concerns with democracy and worker rights will be an obstacle to economic competitiveness, a luxury our nation cannot afford.

Mbeweni thinks differently. Economic competitiveness, he argues, should rest on a highly trained, versatile workforce with the organizational strength and skills to participate in economic decision-making.

Hence Nedlac and the provisos in the draft LRA for workplace forums and for the renamed industrial councils to negotiate industrial policy.

All of this implies an important role for trade unions. Trade unions receive extensive organising and workplace rights in the draft bill. They participate in Nedlac. They will participate, in regulating health and safety, in training, and in the new commission for conciliation and mediation. The department is also discussing with unions ways to increase their capacity — through a union college and a union research institute, for example.

Mbeweni also envisions support mechanisms to help employers organize themselves and enhance their capacity to respond to change. If the unions and employers are to play the role envisaged for them by Mbeweni — the role of “social partnership” — the relations between them will have to be transformed. The workplace changes outlined above are designed to take some of the heat out of workplace antagonisms. In the current set-up employers and unions tend to resort to litigation as “industrial action by other means” to rephrase Bismarck’s dictum on war and politics. The draft LRA envisages replacing this with robust and active mediation and arbitration. Nedlac is another institution to facilitate transformed relations.

It is not only the social partners that will need to adapt. The labour department itself will have to be transformed if it is to play its new initiating role as an agent of democracy, human rights and economic development. New staff have been employed, including director-general Sipho Pityana and deputy director-general Les Kettle. A former Cosatu unionist. A data-gathering and research capacity is envisaged. A closer and more dynamic relationship with the trade and industry department is to be developed.

Clearly the minister has a bold vision. Will it work?

One problem is that the “social partners” — business and labour — do not face only each other as antagonists in the field of industrial relations. The most powerful trade unions in the labour movement were a major force in the democratic movement. Their agenda is far-reaching change. Most employers were quite content to do business under the old order — and their agenda is to preserve themselves from far-reaching change. How far can co-operation go between such “partners”? Policies to increase the rights, powers and capacity of the unions — and to compel business to co-operate — are crucial if the partners are to reach workable agreements.

A second question is what about the millions outside the “social partnership” — the millions in small business, the informal sector, the rural areas and the unemployed? To some extent this is answered by introducing a fourth partner — community-based and development organizations — into Nedlac. This will serve to frame the negotiations between business, labour and the government with broader developmental concerns. The labour department is also working on a set of measures, as noted above, to regulate the conditions of those outside the collective bargaining system. However, the backdrop to all of this is that if the economic vision underlying the new policies fails to deliver jobs and incomes, the resulting social conflict will blow them apart.

Thirdly, employers and labour lack capacity. Employers' organizations tend to be weak and are driven by a few large corporations. Unions do not have abundant resources and have lost many of their most seasoned activists, not least to the labour department. The department’s programme of assistance to unions is, therefore, especially important.

Finally, the policies Mbeweni and his department are seeking to implement fly in the face of a global rhetoric of free markets, deregulation and the sacrifice of union and worker rights on the altar of international competitiveness. Can these new labour policies survive pressure from international investors, local business and even from within Cabinet for a more free market, anti-union stance?

Mbeweni’s answer is that there is an increasing interest from other countries in the South African experience. And he is not passively awaiting the judgment of international markets, but instead establishing an international relations directorate to actively lobby for worker rights internationally.

It is a bold vision for change indeed, one which will be shaped and reshaped by interactions between the government and its partners. A bold vision which promises a better life for South Africa’s working people — but only if there are strong unions capable of translating formal rights into real change.
A COMMITTEE headed by Minister without Portfolio Jay Naidoo's special adviser Howard Gabriels would meet next week to choose organisations to represent community and development interests on the National Economic, Development and Labour Council (Nedlac).

Nedlac said yesterday the committee would meet on Monday to consider the 53 applications received from development and community organisations. It would then make recommendations to Naidoo.

The applications had been divided into youth, development, women's, professional, business, service, community interests and labour organisations. A fourth constituency of Nedlac, in addition to business, government and labour, would be formed to represent community and development interests.
Nedlac wrangle still unresolved

BUSINESS SA (BSA) and the National African Federated Chamber of Commerce (Nafcoc) have yet to find a permanent solution to their dispute over business representation on the National Economic, Development and Labour Council (Nedlac), says BSA spokesman Freda Dowie.

The wrangle stemmed from the allocation of the 16 seats available to the business constituency on Nedlac's executive council. Nafcoc, as a key representative of black business, initially demanded nine seats for its members, then cut this to seven, but said it would not budge further.

Dowie said an interim arrangement was reached shortly before the executive council's first meeting at the weekend. In terms of the arrangement Nafcoc was represented by five people and BSA by 13.

Both parties had mandated senior officials - BSA leader Bobby Godsell and Nafcoc president Joe Hlongwane - to search for a permanent solution to the issue. Dowie said Hlongwane was not available for comment yesterday.

Although BSA earlier tabled a proposal to Nafcoc recommending appointment of a mediator - a "fair-minded business player who understood the workings of organised business" - Dowie said a final solution could be reached without mediation.
Proposals made for Nedlac representation

THE SA National Civic Organisation, the National Youth Development Forum and the Women's National Coalition should be represented in the National Economic, Development and Labour Council (Nedlac) development chamber, a special selection committee has recommended.

The committee, which is headed by reconstruction and development programme official Howard Gabriels, made the announcement on Monday after considering applications from 69 youth, development, women’s, professional, service and labour organisations.

The development chamber is the only one of Nedlac’s four chambers in which groups other than business, labour and government are to be represented.

Nedlac executive director Jayendra Naidoo said the National Progressive Primary Network and the SA Congress for Early Childhood Development would also be recommended for representation, subject to clarification of direct membership and mandating capabilities.

Naidoo said that provision would also be made for representation from rural structures and disabled people.

Further dialogue would take place among religious organisations involved in development work.

The selection committee was mandated to consider only those organisations which represented a significant community interest on a national basis, had a direct interest in reconstruction and development, were democratically constituted and could obtain mandates from their membership, Naidoo said.

The committee’s recommendations would be forwarded to Minister without Portfolio Jay Naidoo as well as to labour, business and government for comment.

It was expected the Minister would make an announcement within a week on these organisations which would constitute the development chamber and the number of representatives from each organisation to form part of Nedlac’s executive council.

The role of two additional categories of organisations, service or nongovernmental organisations and development funders, was debated during the process.

The two groupings played an important role and discussion would take place on ways of accommodating them.

Gabriels said the foundation had been laid for an inclusive approach to the workings of Nedlac.

RENEE GRAWITZKY
BUSINESS

Nafcoc win five Nedlac seats

By Mzimkulu Malunga

THE dispute between Nafcoc and Business South Africa over seats in the National Economic Development and Labour Council is "over".

Sources close to both organisations suggest the two sides have agreed that five of the 18 seats reserved for business in Nedlac be given to Nafcoc.

The five Nafcoc representatives attended Nedlac's deliberations in Johannesburg over the weekend.

It is understood Nafcoc, which earlier indicated that it would not accept anything less than five seats, still wants to bargain for a sixth seat.

Both disputing factions had been given until last Thursday by the government to settle their dispute.

The controversy was sparked when Nafcoc demanded 12 of all the seats allocated to business in Nedlac—arguing that its membership was bigger than any of the groups comprising BSA. On the other hand BSA was prepared to apportion only two seats to Nafcoc.

Nafcoc later toned down its demand to seven seats, but BSA refused to budge.

But when it became clear that Nafcoc was not prepared to compromise any further, BSA indicated it was prepared to negotiate the issue further.

After lengthy talks, BSA eventually agreed to increase its offer to five seats.
‘Poorly managed unions will suffer in new system’

ESANN de KOCK
Education Reporter

BADLY managed unions may be at a disadvantage under the proposed system of workplace forums aimed at joint problem-solving and decision-making, says Labour Minister Tito Mboweni.

But he said well-organised trade unions would find the forums working to their advantage with a resulting smaller workload.

Speaking at the first of a series of graduation ceremonies at the University of the Western Cape last night, Mr Mboweni said the proposed forums — contained in the draft labour bill currently under discussion — were set to bring democracy and transformation to the workplace.

The South African reality was one of a managerial system where workers simply had to implement what management had decided.

This, said Mr Mboweni, was cause for much conflict.

Joint problem-solving and decision-making was the only way to transform the situation and bring about democracy and transformation in the workplace.

He criticised “prophets of doom” who feared this kind of proposal was too radical for South African society and could work only in a mature democracy.

Unions had nothing to fear and they would not be marginalised by the workplace forums, Mr Mboweni said.

Industrial councils had a high failure rate in trying to resolve disputes, whereas independent mediation services boasted a 70 percent success rate, and his department recommended a statutory but independent commission to resolve disputes.

Mr Mboweni told graduates and their families that all South Africans had to avoid claiming they had superior solutions to problems.

No-one in South Africa had yet lived under a democracy.

Tito Mboweni
Move 'could weaken unions'

The Chamber of Mines' decision to cancel the closed shop arrangement could weaken the labour movement, the National Union of Mines (NUM) said yesterday.

NUM assistant general secretary Gwede Mantashe said the union welcomed the opening up of the closed shop, but that it was cautious about doing away with it because it could weaken the labour movement.

The union would have preferred a multi-union closed shop arrangement providing for freedom of association. This would have done away with the allocation of trades and crafts to specific unions, he said.

A closed shop arrangement compelled workers to belong to certain unions (222). Mineworkers' Union (MWO) general secretary and Council of Mining Unions (CMU) chairman Piet Ungerer said the two unions were not unhappy with the cancellation of the closed shop arrangement.

However, the criteria for recognition after the two-year transition period of 50% plus one was unacceptable to the unions, which had proposed "significant representivity".

It was strange that they "suddenly had to prove representivity" after being recognised for years, he said.

Underground Officials' Association general secretary Renier de Waal said the decision to cancel the closed shop arrangement was rejected as a number of issues had not been resolved.

He did not believe that there would be a "major exodus" to other unions of the 13 000 to 14 000 members covered by the closed shop arrangement.
Labour’s trade policies in turmoil
Minister without Portfolio Jay Naidoo would meet National Economic Development and Labour Council executive director Jayendra Naidoo this week to discuss the appointment of Nedics's development constituency, Naidoo's special adviser Howard Gabriels said yesterday.

Naidoo was expected to announce names of the development representatives within days, he said.

Gabriels headed a selection committee which made recommendations to Minister Naidoo.

The committee recommended three organisations — the SA National Civics Organisation, the National Youth Development Forum and the National Women's Coalition — as immediate qualifiers. Other organisations, among them the SA Congress for Early Childhood Development, were still being investigated for final recommendation.
Explosive year ahead, labour expert warns

By Claire Gershaut
ECONOMICS EDITOR

The 1995 wage bargaining season will probably be characterised by the same conditions which led to large, spontaneous and undisciplined strikes between April and July last year.

This is the warning from industrial relations consultancy Gavin Brown & Associates in its latest Collective Bargaining Survey.

The survey also forecasts

☐ Wage increases above the inflation rate — probably averaging 11.5 percent.
☐ High levels of industrial action, probably highest in the public sector.
☐ Strike action characterised by rank-and-file tactics, with union leadership hard-pressed to exercise influence; and
☐ A further erosion of trade union resources as a result of the local government elections.

The survey also notes that the New Labour Relations Bill has rendered the current Labour Relations Act "something of a lame duck" just as the current annual wage round begins.

Statutory institutions such as the industrial court are no longer functioning effectively as personnel are quitting in anticipation of their demise.

It asserts that uncertainty over the final content of the bill to emerge from the National Economic, Development and Labour Advisory Council (Nedlac) is promoting an "institutional vacuum" across a range of major labour relations questions.

The survey warns that major structural adjustments are pending in collective bargaining.

"The next two to four months will reveal whether or not this can occur without crippling and divisive confrontations that will retard the pace of economic recovery and RDP delivery," it says.

Union demands reveal a return to long "shopping lists" — clear evidence of the primacy of the rank and file in formulating wage demands.

Also absent, it says, is any evidence of a coherent Cosatu campaign in formulating union demands, such as its "living wage" campaign of a few years ago. This is seen as confirmation of Cosatu's absence in devising or co-ordinating a coherent national wage negotiation campaign.

Organised labour is seen as struggling under a variety of erosive influences, the survey says.

The defection of large numbers of prominent unionists to national and regional political parties has emasculated union leadership structures, and the problem will be aggravated by the pending local government elections.

"Large numbers of key shop stewards and local union officials have always played a key role in civic and community structures, and are almost certain to leave private sector employment for positions in local government," the survey notes. This could, it believes, aggravate the current wage talks.

Constant changes in union officials within companies — resulting in younger, inexperienced and comparatively less influential officials — leave union members increasingly less receptive to union guidance or instruction, it says.

<table>
<thead>
<tr>
<th>INDUSTRIAL SECTOR</th>
<th>Possible inflation range</th>
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<td>Retail &amp; Commercial</td>
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<td>Clothing &amp; Textiles</td>
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<td>Food &amp; Beverage</td>
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<td>Timber, Paper, Packaging</td>
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<td>Motor-Assembly &amp; Comp</td>
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<tr>
<td>Construction &amp; Allied</td>
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<tr>
<td>General Manufacturing</td>
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Sample of 52 Feb/Mar '95

Range of expected percentage increases within sector (wages only).
Meeting called to settle row

THE National African Federated Chamber of Commerce (Nafcoc) and Business SA (RSA) are expected to meet on Monday in a bid to resolve their dispute over business representation on the National Economic Development and Labour Council (Nedlac).

Nafcoc president Joe Hlongwane confirmed that a meeting was planned for next week, but declined to give details.

- The dispute between the two parties arose when Nafcoc demanded half of the 18 seats allocated to the business constituency in Nedlac's executive council — as the main voice for black business.

Business SA countered that giving more seats to Nafcoc would “dilute” sectoral representation on the executive council.

An interim arrangement giving Nafcoc five of the 18 seats was reached for the first executive council meeting last month.

It is reliably understood Nafcoc has lowered its demand from seven seats to six in what is believed to be its final compromise.
Trade unions are losing experienced leaders to politics

‘Explosive’ year for wage negotiations

By Claire Gerhardt
Economics Editor

The 1995 “season” of wage bargaining is likely to be characterised by the same conditions which promoted largely spontaneous and undisciplined strike action between April and July last year, warn industrial relations consultants Gavin Brown & Associates.

Their latest Collective Bargaining Survey also forecasts:

- Wage increases above the inflation rate — probably averaging 11.5%
- High levels of industrial action, probably highest in the public sector.
- Strike action characterised by rank and file tactics with union leadership hard-pressed to exercise influence.
- Further erosion of trade union resources and capacity as a result of the local government election process.

The Survey also notes that the new Labour Relations Bill has rendered the current Labour Relations Act “something of a lame duck” just as the current annual wage round commences.

Statutory institutions such as the Industrial Court are ceasing to function effectively as officers and staff quit in anticipation of their imminent demise.

Pending labour litigation has been rendered academic where the issues in dispute are either differently or more clearly addressed in the draft Bill, the survey found.

Uncertainty over the final content of the Bill was promoting an institutional vacuum across a range of major labour relations questions.

The Survey warns that major structural adjustments are pending in the collective bargaining environment.

“Next two to four months will reveal whether or not this can occur without cropping and divisive confrontations that will retard the pace of economic recovery and RDP delivery.”

Union demands reveal a clear return to long “shopping lists” — clear evidence of the primacy of the rank and file in formulating wage demands.

“Strong and experienced union officials had, over the last few years, largely dissuaded members from this approach because of the delays and confusion attendant on having to deal with large numbers of individual cost and procedural items in a single negotiation.”

Also absent is any evidence of a coherent Cosatu campaign in demand proposals such as “The Living Wage” etc.

This is seen as confirmation of Cosatu’s absence in devising or co-ordinating a coherent national wage negotiation campaign.

Organised labour is seen as struggling under a variety of erosive influences.

The defection of large numbers of prominent unionists to national and regional political positions has emasculated union leadership structures and the problem will be aggravated by the pending local government elections.

“Large numbers of key shop stewards and local union officials have always played a key role in civic and community structures and are almost certain to leave private sector employment for positions in local government.”

“This could aggravate the current wage round.

“Cosatu changes in union officials within companies resulting in younger, inexperienced and comparatively less influential officials leaves union members increasingly less receptive to union guidance or instruction,” it says.

“The result is a potentially explosive industrial relations mix in many sectors during the year ahead.”
Mboweni stays out of Nedlac dispute

THE Labour Department would not interfere in the running dispute between Business SA and the National African Federated Chamber of Commerce (Nafcoc) over business representation on the executive council of the National Economic Development and Labour Council (Nedlac), Labour Minister Tito Mboweni said yesterday.

The two-month old dispute arose over the allocation of the 18 seats set aside for business in Nedlac's executive council.

Nafcoc, saying it was the main representative of black businesses, initially demanded nine of the seats for its members. Then an interim arrangement for the executive council's first sitting on March 18 gave Nafcoc five seats and BSA the remaining 13.

Mboweni said yesterday his Ministry recognised the the 5-13 arrangement as still in force and would continue to do so until informed otherwise by the parties.

"At the next meeting of the council, as chairman, I am expecting five representatives from Nafcoc and 13 from BSA."

The Ministry was not involved in the current discussions between the parties, he said.

"Whatever arrangement they arrive at, as long as business has 18 representatives, we don't have a problem. But if they come with more than 18 representatives to the next meeting, they won't be allowed to take part. They'll have to go and sort it out among themselves."

The two organisations have said the March 18 arrangement was temporary, and have since appointed Nafcoc president Joe Hlongwane and BSA leader Bobby Godsell to find a permanent solution.

Godsell and Hlongwane have been reluctant to give details of any progress made so far.

Nafcoc, which recently lowered its demand to seven seats was now asking for six of the allotted 18 seats, he said.

BSA has said that giving more seats to Nafcoc would result in a "dilution" of the sectoral representation of its members.
Big business and unions are at loggerheads over the coming "five-day weekend", with mining companies saying the Freedom Day break could cost them up to R276-million.

SA Chamber of Business economist Bill Lacey says Friday as a national school holiday will encourage families to turn Thursday's new public holiday — officially Constitution Day — and Monday's other public holiday — the old May Day, now called Workers' Day — into a costly, long weekend.

Business says this will set a "dangerous precedent."

But the Congress of SA Trade Unions (Cosatu) is adamant that the new holiday was fully justified and all employees deserved their days off.

The response from employers is that this arrangement would exacerbate the losses in productivity which business already stands to suffer because of all the other April holidays.

Chamber of Mines economist William Houtman said the mining industry stood to lose up to R276-million in profits if production ceased on all five days.

Individual mines were negotiating with their workers to try to minimise the effect.

The new Public Holidays Act had cancelled previous legislation which had regulated public holidays in the industry.

The agreement that miners take five public holidays per year no longer existed and mines were now faced with the prospect of losing production on all 12 holidays.

This would cost the industry R293-million in lost profits, the Government would lose R208-million in taxes and SA would lose R1.5-billion in foreign exchange.

Lost production could not be made up because safety laws allowed blasting to take place only once a day on mines.

But Cosatu's Neil Coleman accused businessmen of being interested only in squeezing "the last drop of profit."

He accused critics of the new holiday system of being "elitist and racist" — the debate had become a hot topic because black, unskilled workers were now guaranteed their holidays by law.

Research by the National Labour and Economic Development Institute showed that SA's 12 paid public holidays were not excessive.

Germany and Namibia celebrate 14, Japan and France 15 each, the US, Canada, Israel and Brazil 12 each, New Zealand and Northern Ireland 11, and Switzerland 10.

Houtman said the problem was not the number of holidays, but their clustering in April and May.

Lacey said public holidays which fell during the week had been celebrated on either the Monday or the Friday in previous years.

This had discouraged the temptation of taking off a few days extra so that workers could enjoy an "extra-long weekend."

It was difficult to calculate accurately the effect the long weekend would have on the economy because conditions were not uniform.
Dispute rejected as cause of economic body's slow progress

NATIONAL Economic Development and Labour Council (Nedlac) executive director Jayendra Naidoo has admitted that the council has proceed slowly since its inception in February.

But he denied the delay had been caused by the ongoing dispute between Business SA (BSA) and the National African Federated Chamber of Commerce (Nafocc) over business representation in the council.

"The three Nedlac chambers have taken time to finalise work programmes, but I don't think this is because of the delegates issue," said Naidoo.

The BSA/Nafocc wrangle arose in February, with Nafocc demanding half of the 13 seats allocated for the business constituency in Nedlac's executive council.

The matter was temporarily settled when it was agreed to give five seats to Nafocc and the rest to BSA for the first sitting of the executive council last month. Discussions are continuing and business has been asked to table criteria to be used to determine representation.

"It is better for chambers to come up with relevant agendas rather than appear to be busy on issues of lower priority," Naidoo said about the work programmes.
NP warning on labour

By BRUCE CAMERON

CT(BR) 25/1495

Labour issues, including the new draft labour legislation, must be resolved with minimal government interference, the National Party has announced in a policy statement.

Leon Wessels, the NP labour spokesman, said in the statement his party welcomed the government's referral of the labour legislation to the newly established National Economic Development and Labour Council (Nedlac).

Wessels said the legislation was a test of a social partnership between employers, employees and the government.

If agreement could not be reached on the legislation, the best interests of a social contract would not be well served.

Any breakdown in negotiations would result in the parliamentary committee on labour having to look at whatever Nedlac produced.

He warned that labour relations were "a delicate matter and should not become a political football." It was important for employer and employee organisations to reach agreement in Nedlac.

Wessels also warned that any labour dispensation would only work if there was minimal government interference. "The authorities should only create the framework for employers and employees within the substantial variety of undertakings and sectors to decide on their own relationships."

Legislation also had to take account of issues such as investor friendliness, the effect of economic development, the effect on small business development, job creation and productivity.
Union seeks transformed workplace

RENEE GRANTZCKY

TRANSFORMING the workplace and giving effect to the reconstruction and development programme through efficient services were key issues under discussion at National Education Health and Allied Workers' Union (Nehawu) fourth national congress, its general secretary said yesterday.

Nehawu general secretary Neil Thobejane said the formation of one public sector union, opposition to all forms of privatisation, the formation of a position on the public service negotiations, rewriting of the Public Service Act in accordance with the proposed Labour Relations Act, campaigning for a social wage policy and international solidarity were other issues under consideration.

A year after the election, the approximately 120,000-strong union was well placed to review its position and how it would relate to the new situation and the Minister for Public Service and Administration.

Public Service Ministry adviser John Exnedsen said the rationalisation of the sector would have only a limited effect on Nehawu's membership.

He said rationalisation would be taken to its final conclusion only with the union's involvement.

Thobejane, in his secretariat report, said: "Clearly to date there has been a lack of political will on the side of the ANC to even implement the strategies developed together prior to elections.

"Trade unions need to become more aggressive in asserting the values of political and economic principles that should be coming through in the RDP."

Weaknesses in union structures were highlighted, with the union continuing to experience problems in servicing members in various regions, with structures in some regions collapsing as a result.
Determined to strike a balance

LAWRENCE BERGERERD
May Day big day for COSATU, too

LABOUR — or May Day 1995 — will kick off COSATU's 10th anniversary celebrations and workers will be celebrating the day with a difference.

Not only is this the first year of the new democracy, it is also the first May Day since the inauguration of the first people's president and the installation of the first democratic government.

High on the bill of celebration is the past decade of COSATU's victories and achievements. Moreover, the focus of this year's COSATU celebrations will be on family day.

Cultural activities and sports have been arranged. Among the subjects covered, will be worker's rights, solidarity and the major challenges that lie ahead for workers in the country.

ANC secretary-general Cyril Ramaphosa and Gauteng Premier Tokyo Sexwale will address workers at the Rand Stadium.
May Day turnout
Sexual Workers slam poor turnout
Business not committed to development, says Rampaphosa

By Michael Sparks and Sapa

Crowd at rally underwhelmed

News
CoSatu: ‘Lip service to change’

Johannesburg: Business is paying lip service to change and is unwilling to create sustainable jobs, Congress of South African Trade Unions general-secretary Mr Sam Shilowa said in a Workers’ Day message yesterday.

"They see the role of the new government as creating a safe haven for them to exploit workers and pay starvation wages.

Mr Shilowa went on to say CoSatu was concerned about the way in which RDP projects were being dealt with.

"While they (projects) may be to the benefit of society, we believe some consistency is necessary. Criteria for identifying project areas should be uniform and justifiable, he said.

On pay talks, Mr Shilowa said a continuing deadlock in talks between the state and public servants gave the impression that the government had different approaches to resolving labour problems in various sectors.

"Teachers, nurses, doctors, police and the rest of the public sector are all equally important, and should be treated the same."

"We also call on the government not to diverge from the approach of closing the apartheid wage gap. Low-paid workers must be given the highest increase. High-paid bureaucrats should have their salaries frozen or cut."

— Sapa
Johannesburg: The business community was not yet seen to be committed to the country’s development, but would only secure its interests if this changed, ANC secretary-general and Constitutional Assembly chairman Mr Cyril Ramaphosa said yesterday.

He told a Congress of South African Trade Unions Workers’ Day rally at the Rand Stadium here: “The Oppenheimers, the Rupert’s must get the message clear. Their interests can only be secured if they have a clear commitment to the future of this country.”

They should help create jobs and stop billions of rand leaving the country to create jobs for people elsewhere, Mr Ramaphosa said: “A strong economy was needed to underpin democracy in SA.”

The business community needed to become part of the Masakhane (build together) campaign, he said, referring to a government initiative for public involvement in its Reconstruction and Development Programme.

Mr Ramaphosa appealed to managers to show good faith in this year’s pay negotiations and avoid strikes. It was time to rid the work place of racial discrimination and bad working conditions.

About 500 people arrived for the rally and huddled on one side of the almost empty stadium.

Mr Ramaphosa said: “This stadium is supposed to be full with workers coming to celebrate May Day. Our unions have become weak.”

Gauteng Premier Mr Tokyo Sexwale urged workers to take part in the constitution-writing process and the local elections in November, otherwise last year’s election victory would be “hollow.”

Strike

Mr Sexwale said: “You elected a government and then strike at it. You want to protect this government so you can use it as your tool.”

Earlier, Cosatu treasurer Mr Ronald Mofokeng pledged support to public servants whose pay talks with the state deadlocked recently, especially teachers who want an 18% pay rise. — Sapa
The Minister of Labour

Note

The essential features of the cooperation of the Government and the EEC Community marked out in the second half of 1969 are shown in the chart on page 2, which is based on Press telecommunications. The cooperation of the Government and the EEC Community in the second half of 1969 is shown in the chart on page 2, which is based on Press telecommunications.

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Mboweni unveils jobs boost plan

CAPE TOWN — Labour Minister Tito Mboweni unveiled a five-year programme yesterday aimed at boosting job creation and the establishment of an economic and legislative climate conducive to investment and social justice.

Included in the programme is a radical overhaul of the Unemployment Insurance Fund, the development of comprehensive labour market and vocational guidance policies, the strengthening of civil society structures and a greater role for SA in international labour affairs.

Mboweni told a Press conference yesterday that while some aspects of the plan had already been put into operation, including the establishment of the National Economic Development Labour Council and the Comprehensive Labour Market Commission, the plan would clarify the role of the Labour Ministry and department over the next few years. A number of laws would be amended or introduced during the period.

The Labour Relations Bill would be finalised this year, even if this meant the Cabinet had to make rulings on undecided issues.

Processes setting up the Labour Court and the commission for conciliation, mediation and arbitration were under way.

Labour legislation to be amended included the Basic Conditions of Employment Act, the Unemployment Insurance Act, the Occupational Health and Safety Act, the Manpower Training Act, the Wage Act and the Integration of Labour Laws Act.

New legislation to be introduced included an Insolvency Amendment Bill, a Pensions Amendment Bill and an employment equity legislation.

Mboweni said the Comprehensive Labour Market Commission, chaired by ministerial special adviser David Lewu and Generous Human Resources manager Moso Nthembeng, would produce its first report by the end of the year and would finalise a White Paper on Labour Market policy by next year.

A discussion paper on affirmative action in the workplace would be completed by mid-year. The National Training Board would be restructured.

A national policy on vocational guidance would be developed to address the national and social barriers to the full participation of all in the labour market.

The “serious shortcomings” of the unemployment insurance fund would be dealt with. “This should include mechanisms to interlink training, retraining, career and placement services to the fund.”

The plan also included provision for a much higher international labour profile, through the appointment of labour attaches and the ratification of International Labour Organisation conventions, as well as the framing of a national policy on occupational health and safety.

The plan will address countries that had primitive policies on health and safety, among others, he said.
Nedlac unveils its work programme

THE National Economic, Development and Labour Council (Nedlac) last night unveiled its long-awaited working programme to enable its chambers to start economic and development policy talks.

At a news briefing in Braamfontein, Nedlac executive director Jayendra Naidoo said the council — which represented labour, business, community and government constituencies — had established the infrastructure to become operational.

Constituencies had approved a budget; total budgeted expenditure over 15 months was R42m.

The work programme set out key priorities, with processes and time frames for negotiation.

The work programme would kick off today with discussion in the labour market chamber of the draft Labour Relations Bill, Naidoo said.

Other issues on the agenda included International Labour Organisation conventions, amendments to the Unemployment Insurance Act and monitoring revisions of labour laws.

Top on the trade and industry chamber’s agenda were policy on international trade relations, competition, supply side measures, and minerals and energy policy.

The development chamber would hold its first meeting today.

Naidoo said the National Women’s Coalition, the National Youth Development Forum and the SA National Civic Organisation had been admitted as representing community interest.

The current chairman of the executive council and management committee was Cosatu secretary-general Sam Shilowa. The chairman’s seat would be rotated on a quarterly basis.

On the dispute between Business SA and the National African Federated Chamber of Commerce (Nafexec) over business representation on the council, Business SA leader Bobby Godsell said “substantial progress” had been made towards agreement on the criteria to be used.

However, he would not disclose how representation would be divided between Nafexec and Business SA.

Naidoo said a proposal on media access to chamber proceedings was being considered.

Meanwhile, Renee Grawitzky reports that representatives of the three constituencies believed that the process for reaching consensus on the draft Labour Relations Act could be evaluated only after their positions had been tabled in the labour chamber today.

Government co-ordinator Les Kettlekas said it was essential the legislation complied with the provisions of the constitution, the reconstruction and development programme and international standards.

Godsell said the goal was to ensure the new Act in its entirety inspired the confidence of all parties. Inevitably, not all clauses would be agreeable to everyone.

Labour co-ordinator Ebrahim Patel said any agreement covering such complex issues would be “a series of compromises”.

See Page 5
Govt to farm-out labour disputes: The minister of labour, Tito Mboweni, is to introduce special measures to wipe out the backlog of disputes before the industrial court, up by 25 percent last year to 6,200 cases. He plans a special national settlement week in which all outstanding disputes will be settled by outside mediators.
Labour satisfied with Budget deficit

Reg Rumney

LABOUR leaders seem satisfied about the Budget deficit, the figure symbolic of "fiscal discipline", according to a survey by the Community Agency for Social Enquiry of fifty-five union leaders.

This could signal that government leaders, principally Deputy Finance Minister Alec Erwin and Reconstruction and Development Programme Minister Jay Naidoo, have done a good job of selling the concept to union leaders.

The survey shows that many unionists are satisfied the deficit has been cut enough — and many think it could have been cut further.

Almost half of the union respondents thought more could have been done to cut the deficit, notably through reducing further the amount devoted to defence.

Otherwise, unionists were notably less positive about the Budget than business (47 percent as opposed to 73 percent for business).

Those in favour mentioned similar factors to business, such as responsible government and higher social spending.

Of those against, equal proportions mentioned unaddressed problems, inadequate commitment to the RDP and high defence spending.

Forty percent of unionists were in favour of increased Value Added Tax. This was less than the business respondents, 56 percent of whom were in favour — but not as big a difference as one would have supposed, given the vociferous union opposition to the introduction of VAT.

Those against were concerned that it would exacerbate the plight of the destitute. In this they largely agreed with black business people, far fewer of whom thought more emphasis on indirect tax was a good idea than whites...
No to ANC's alliance with Cosatu

SOME 63 percent of business respondents to the survey vote "no" to the question, "Should the ANC/Cosatu alliance continue?" Seventy-one percent of whites say no, and 39 percent of blacks. The contrast, says Case, mirrors the divisions between black and white business leaders on economic issues like redistribution, and contract quotas for small businesses.

Many black respondents (61 percent) and few whites (22 percent) claim to be very familiar with the Reconstruction and Development Programme.

Most whites (74 percent) are only "somewhat" familiar with the RDP. All agreed business should support it financially as well as increase their own social responsibility programmes.

"Whites tended to be more optimistic about the RDP's ultimate success (68 percent) while blacks (48 percent) were more tentative, with the majority expecting RDP success only if it is implemented properly. "Interviewees commented on the vagueness of the RDP, which they felt hinders involvement, and a discouraging lack of government commitment to actual implementation."
Unions compromise on bargaining rights

COSATU, Nactu and Fedasil have agreed to compromise positions on the question of bargaining rights in order to discourage fragmentation and the proliferation of small trade unions.

This became clear in the joint position tabled by COSATU, Nactu and Fedasil during the opening round of negotiations on the draft bill on the Labour Relations Act within the National Economic, Development and Labour Council (Nedlac).

COSATU general secretary Sam Shilowa said although the three federations supported a majoritarian approach, the law should seek to develop strong and stable trade unions.

Shilowa said the federations took into account three different positions in terms of levels of representivity:

Unions with 5% representivity in a particular bargaining unit should be entitled to representation in industry bargaining councils, unless a different level of representivity had been negotiated and agreed to, he said.

Where a bargaining forum exists at company level covering two or more workplaces, unions with at least 30% representivity should be entitled to all rights.

Shilowa said in the case of agricultural workers, unions with 15% representivity should be entitled to all rights except bargaining rights.

Business South Africa (BSA) was of the view that the Bill in some instances favoured majoritarianism rather than sufficient representivity.

BSA was concerned over the broad definition of "workplace", while in defining "bargaining units", employers are proposing the establishment of some formula to delineate the boundaries of representivity and organisational rights.

Labour has proposed the retention of closed shop and agency shop arrangements and the provision for single and multi-union closed shops which should be demystified through the holding of ballots.

BSA proposes that the Bill give full effect to freedom of association and to disassociate "by permitting individual employees to refrain from becoming party to any form of union security arrangement".

Labour's other concerns around the draft Bill related to the full protection of the right to strike, the use of subcontract labour and the definition of essential services.

Shilowa said the agricultural sector should not be deemed to be an essential service.

Clothing employers' offer 'problematic' present its final position to ascertain how far apart the parties were.

The union is demanding a 15% increase, an annual bonus of a week's wages, an increase in employer contributions to the industry provident fund of 4% this year and 5% next year, and regulation of fixed contract labour. It also wanted a closing of the wage gap between workers in the Free State, Northern Cape and Eastern Cape and those in the Western Cape, KwaZulu-Natal and Gauteng.

Warning to conclude wage negotiations in August last year, were "corting the taxpayer enormous amounts of money".

Hospersa would insist on a written guarantee that existing pension benefits would remain intact and any deficits in funds would be made good within three years.

Hospersa would also fight for the implementation date of increases to be backdated to April 1, not on July 1 as proposed by government.
organised business and labour could, given enough time, reach consensus on a new labour statute.

The question is whether they can do so in time for it to be passed by the current session of parliament, which ends in September. Chances seem slight, despite the urging (to put it mildly) of Labour Minister Tito Mboweni, who wants the new Act to be in place before next year's wage round — and the first major piece of legislation to come out of the new government.

Kicking off the first meeting of the labour chamber of the National Economic Development & Labour Council (Nedlac), the parties, including government, appointed a tripartite negotiating team to take the process forward. The 16-man team includes four government representatives and six each from business and labour.

Cosatu general secretary Sam Shilowa says all parties will try to reach deadlines to fit in with the legislative process.

If issues remain on which consensus cannot be reached, provision exists in terms of Nedlac's constitution for these to be sent to Cabinet for a decision — a provision Mboweni appears to have threatened to invoke to impress upon labour and management the urgency of finding consensus.

Among the contentious issues to be negotiated are: centralised bargaining; proposed workplace forums — or, rather, their form and content; law governing the right to strike; the duty to bargain; union representivity; dismissal procedure and the powers of the proposed commission for conciliation, mediation and arbitration.

On behalf of organised business, the Chamber of Mines' Adnan du Plessis describes the draft labour Bill as a competent piece of legislation which advances the debate on the kind of labour law SA needs for economic success.

Du Plessis says business has appealed for an approach that takes cognisance of economic realities and the crisis of unemployment. The success of the Bill will be judged by whether it stimulates such imperatives as investment, growth and jobs.

Business would also like "certainty and flexibility" in the new Act — not an unnecessary body of codes and prescriptions — and "appropriate levels of bargaining" rather than total deregulation.

Labour spokesman Ebrahim Patel, assistant general secretary of the SA Clothing & Textile Workers' Union (Sactwu), says the most important thing about Nedlac is that it presents an opportunity to reshape SA labour law, which has been based on 70-year-old statutes.

In evaluating the Bill organised labour will apply the following tests: Does it represent a break with the past in terms of addressing huge disparities in skill and income levels? Does it advance basic worker rights, which should be consistent with the Bill of Rights? Does it empower workers at the shop floor (an issue labour sees as constituting a wider agenda for the Bill)? And will it provide job security?

The aim is "combining the need for social and industrial equity with economic growth," says Patel.

Centralised or national industrial-level bargaining is the unions' key aim. Patel says they "don't want a power play over this" and would prefer to see it put in place as the result of a structured approach.

Workplace forums, whose ambit business wants to see narrowed especially on the question of financial disclosure, are viewed by labour as too limited.

Patel proposes worker representation on company boards (an aspect of the German system) "to transform corporate decision-making".

Du Plessis diplomatically says it would be premature to speculate on areas of disagreement (formal haggling only gets under way this week): "We also want to see a sustainable collective bargaining framework but one that is freely determined."

Business endorses the need to shift away from an adversarial to a co-operative model and therefore "shares the logic" of workplace forums.

However, their establishment, agenda and administration should not be prescribed. Business appreciates the potential that forums could have in raising productivity, for instance, but would like their agendas to be determined by the parties themselves.

Spokesman Les Kettledas (a former unionist) says government "will promote a sectoral, industry-level bargaining mechanism to devise plans to restructure industry as we enter the world economy" but this "is not prescribed or imposed."

Experience of participative structures elsewhere has shown that value in, for example, the major industrial restructuring SA has to undertake to ensure growth.

Government consequently sees the need to provide a statutory framework for workplace forums, which it would like to see used as a co-operative mechanism between management and labour, promoting the arms of the RDP.
Of to a wobbly start

Realism is needed about what the National Economic Development & Labour Council can accomplish.

It was launched in February, to forge consensus between major stakeholders in the economy. But its credibility has been undermined by reports that Labour Minister Tito Mboweni has threatened to act unilaterally on labour legislation if no agreement is reached soon between business and labour. Its viability is threatened by a split within constituents and between them. And its role is not entirely clear.

The organisation has no power to implement proposals. It is an advisory body and, says its communications officer Lomu Saayman, "an agreement making body." He argues that, as government will be party to any agreement reached, it is unlikely to ignore proposals flowing from it. Government's commitment to Nedlac is demonstrated by the number of its top officials.

WORK PROGRAMME FOR NEDLAC

Nedlac (see above) has published a list of work priorities.

The public finance and monetary policy chamber is examining exchange control and exchange rate policy, and its effect on trade, investment, employment and inflation.

A macro-policy framework for reprioritising expenditure is being developed by the Central Economic Advisory Service. It will be fed into the budgeting process and the results will be considered by Cabinet in June.

It is also "aiming to achieve consensus on procurement policy." And a government investigation into the reorganisation of State assets will be tabled shortly.

The trade & industry chamber is looking at international trade relations and trade policy, foreign and domestic investment policies, industrial policy and industrial restructuring, export marketing and technical assistance for small, medium and micro businesses, supply side measures, competition policy and mining minerals & energy policies.

The agenda for the labour market chamber is the draft Labour Relations Bill (see page 42), International Labour Organisation conventions, amendments to the Unemployment Insurance Act, harmonisation of labour laws and the Labour Market Commission whose report will be tabled in mid-August.

The fourth chamber, of the development constituency, is still embryonic. Its first meeting was on May 4.

Roughly translated that means issues will be obscured by ambiguous policy statements issued when negotiations are over.

Another problem, still to be resolved, relates to the dissemination in the business community over representation. There is a dispute between the two umbrella bodies, Nafoc and Business SA (BSA), over how many seats Nafoc is entitled to on the Nedlac's executive council and the four chambers (Leaders May 5).

This has also left the SA Chamber of Business, the biggest and most influential representative body in the country, unrepresented on the key trade and industry chamber.

The dispute has been referred to mediation. BSA and Nafoc have appointed a task force to interact with mediators John Hall, chairman of the National Peace Committee, and advocate Dikgang Moseheke.

The impasse must be resolved before the next meeting of the executive council.

This is only one aspect of the issue of representation. There are those who question the need for a structure as formal as BSA, which duplicates the functions and roles of certain member organisations. They suggest it could operate more flexibly.

Meanwhile, Nedlac has published a work programme for three of its four chambers.
Countries which wanted to retain membership of the International Labour Organisation would have to prove their commitment to human and workers' rights, Department of Labour attaché Auret van Heerden said on Friday, 14/15/95. Mr van Heerden was previewing the ILO conference scheduled for June 6 to 23 in Geneva.
Holiday fiasco faces employers

The new Public Holidays Act could mean that workers are entitled to 14 paid public holidays this year.

By John Sibree
CAUTING BUSINESS EDITOR

The future over the excessive number of public holidays on the South African calendar has assumed a new dimension.

Attorneys Webber Wentzel Bowers point out that in terms of the new Public Holidays Act of 1994 and the recent amendment to the Basic Conditions of Employment Act of 1983, all employees are entitled to 12 paid public holidays.

Unfortunately, employees would only be entitled to be paid for a public holiday if it fell on what would be a working day for them. Thus, for employees who work Monday to Friday, a public holiday falling on a Saturday or Sunday would not ordinarily be a paid public holiday.

As the Public Holidays Act provides that when any public holiday falls on a Sunday the following Monday shall be a public holiday, it is arguable, says Webber Wentzel Bowers, that employees who work both on the Sunday (being the actual public holiday) and on the Monday (which becomes a public holiday) are entitled to be paid at public holiday rates for both days.

The legal firm notes that two public holidays fall on Sundays in 1995 — January 1 and September 21. “It could therefore be that some employees, namely those required to work on both the public holidays (that is, Sundays) and on the following Mondays, are entitled to 14 paid public holidays.”

Webber Wentzel Bowers says certain employers have been reluctant to accept this interpretation, specifically because of the cost implications.

It adds “It is possible that the courts would regard the issue as an absurdity and would not require employers to pay holiday rates for both days.

“Employers should approach their employer associations and request them to make immediate representations on this matter to Nedlac and the minister of labour.”
Nedlac ‘may have to call in outside facilitators’

Renee Growitzky

INFORMAL discussions had taken place to bring in outside facilitators to assist the parties in reaching consensus on labour legislation in the National Economic, Development and Labour Council.

Nedlac executive director Jayendra Naidoo said this may become necessary because of the complexity of the issues and the tough nature of the negotiations.

Labour attorney John Brand said the process adopted in developing new labour legislation was flawed and had resulted in the parties adopting positions which under normal circumstances might not have been adopted. This had resulted in adversarial rather than constructive and creative negotiations.

Naidoo said a number of critical issues, such as centralised bargaining, had to be resolved.

Government had committed itself to centralised bargaining in terms of the reconstruction and development programme, he said.

Industrial relations consultant Gavin Brown said if government was committed to centralised bargaining then this should be given expression in legislation. He said employers would prefer some sort of compulsory centralised bargaining where the parameters and requirements were clearly specified in the legislation which created certainty over where the parties stood.
The unions and productivity

By Josias Charle

SOUTH African trade unions have been urged to look beyond the issue of negotiating salaries for their members and venture into the area of helping to improve productivity as well.

Addressing the Pretoria News-Scoff Properties Business Breakfast in Pretoria this week, chief executive officer of the National Economic Development and Labour Council Mr Jayendra Naidoo said the labour movement had to realise that negotiating salary increases for their members was not enough.

"In a period of about a year, the negotiated salaries get eroded by the rising inflation anyway. We now need to have a situation where the unionists can look beyond this issue and get involved in issues of productivity and training as well," Naidoo said.

He said this would lead to more goods and services being made available which would be in the benefit of the workers themselves and the country as a whole.

Naidoo said the business sector also had a role to play in ensuring that their employees were partners in the workplace.

"Productivity also rests on management and workers sharing power and being united in action in order to strengthen their relationship. Workers should be allowed to have a stake in the company as well,"

Naidoo also said South Africa needed a strategic agenda that would suit its needs.

"We cannot afford to deal with issues one at a time and then await a crisis before dealing with the next. We must ensure that our rate of success is much higher," Naidoo said.
Conflict over Labour Bill provisions

Cosatu threatens mass action

Renee Grawitzky

COSATU and employers could be on a collision course in negotiations over new labour legislation, with the labour federation’s Witwatersrand region committing itself to a programme of mass action which could lead to a national strike.

Cosatu’s views conflict with the provisions of the draft Labour Relations Bill published in February and business’s response to it — most notably regarding its demands for compulsory centralised bargaining, an unlimited right to strike and the nature of workplace forums.

The region’s acting secretary Dan Mohapi told a news conference yesterday that 1,200 Cosatu shop stewards from affiliates in the region endorsed this programme which would start with a march on June 6.

The employers felt the issue at stake were the “life and death of the labour movement” and the proposed march could turn into a stayaway based “on the mood of the workers on the ground”. The National Economic, Development and Labour Council’s offices and employer associations would be targeted to protest against Business SA’s stance and the employer confederation’s “lack of commitment” to the Labour Relations Act (LRA) negotiations.

Business SA spokesman Adrian du Plessis said resolving to threats and mass action would not resolve differences: “Negotiations, still in a relatively early stage, must be allowed to run their course.”

Mohapi said the federation’s core demands — including the right to strike, centralised bargaining and union-based workplace forums to be established in companies with 30 or more employees — would be supported at all costs. It could not abandon its core demands but was prepared to negotiate on them and attempt to reach some accommodation without betraying fundamental principles.

Union sources claimed that employer proposals on the draft negotiating document represented a backward step from the status quo. These views were unrealistic and if this continued the parties would move closer to a deadlock situation.

Mohapi said employers were not prepared to move on these issues or produce alternatives. If no common ground existed then there was nothing to negotiate on.

The union movement believed negotiations at Noficle should deliver — unlike those at the National Economic Forum. Employers were expected to come into the negotiations with a clear mandate and serious proposals, union sources said.

On workplace forums and centralised bargaining, the union movement felt the employer position of voluntarism went against the spirit of the draft document. Employers favoured self-regulation but were not prepared to participate in forums which set minimum standards.

Du Plessis said the differences that had arisen were around the unfairness regarding the legal compulsion to bargain at sectoral level. The draft LRA, on the other hand, provides a framework in which the parties are “able to agree between themselves on whatever level bargaining should take place.”

Mohapi said the region would try to get support from its allies in the alliance, other regions and Nactu and Fedusa.
Row over Labour Relations Bill hots up

The national trade unions are planning a mass protest on the streets of the major cities to protest against the new Labour Relations Bill, which they say will undermine their bargaining power. The unions are calling on workers to join the protests and are threatening to strike if their demands are not met.

The Bill, which is currently being debated in Parliament, seeks to introduce new laws that will make it easier for employers to discipline and sack workers. The unions believe this will reduce worker protections and give employers too much power.

The protest is expected to be the largest in recent years, with thousands of union members expected to take to the streets. The unions have also called on other workers to join the rally, saying that this is a battle for all workers.

The government has defended the Bill, saying it is necessary to streamline the labour laws and make it easier for businesses to operate. However, the unions argue that the Bill will have a negative impact on workers' rights and freedoms.
isn't working

Reform drive

Tito's Labour

[Image of a newspaper article with text about labor reform and Tito's Labour Party]
Mboweni urges labour pact

Labour Minister Tito Mboweni, saying business and labour are "as far apart as Cape Town and Capetown" on their labour law negotiations, yesterday urged both sides to find common ground by June 30 or live with their consequences for failing to get a new law enacted this year.

Mboweni's comments came as Cosatu threatened widespread industrial action to achieve its demands in the talks and employers warned that the survival of small business was threatened.

Mboweni noted that business and labour both were now putting forward their opening - and most ambitious - bargaining positions. He added: "There isn't a crisis in the process. Negotiations have not been suspended. I am sure an accommodation will be found very soon."

He said if the parties did not reach agreement by June 30 in Nedlac's Labour Market Chambers, the Cabinet would be unable to ratify a draft bill in time for action this year, given the heavy queue of pending legislation.

"In my view it is quite urgent to get a new act on the books. I anticipate that the coming 30 days will see a lot of intense negotiations between the parties."

The disputes centre on the right to centralised bargaining and the role of workplace forums.

The unions have made the demand for centralised bargaining a key negotiating point, while employers are worried about the implications of possible mandatory workplace forums.
Cosatu business clash

Cosatu yesterday accused business of union bashing, and of deliberately attempting to prevent agreement on the draft Labour Relations Bill.

Business sources replied that loss of productivity could no longer be tolerated, and that Cosatu’s threats were surprising, given that Nedlac was a forum to move away from militant action.

Business SA’s representative on Nedlac, Bokkie Botha, said business was no longer prepared to tolerate “this type of behaviour as it has done in the past”.

“The main problem with the proposed action is that it will only create conflict. Many businesses are not prepared to have workers walk off the shop floor to attend demonstrations,” he said.

He added that some businesses would be badly affected by the action. The South African Chamber of Business (Sacob) said yesterday that Cosatu’s actions were “damaging to the economy and to investor confidence”.

Spokesman Janet Dickman said Sacob was concerned and surprised by Cosatu’s call for mass action, especially as negotiations on the new Labour Relations Bill were still in progress.

Independent economist and consultant Edward Osborn said Cosatu’s actions would stifle productivity in an economy already damaged by too many public holidays.

To Page 3
Mass action warning given

By Abdul Milazi

JUST when most people thought Cosatu's hands were tied because of its close links with the ANC-led government, the giant federation has dropped a bombshell by announcing at the weekend its decision to embark on rolling mass action next week.

Cosatu's decision was taken by the national executive to pressurise business into accepting its proposals for new labour legislation.

Cosatu's assistant general secretary, Mr Zwelanzima Vavi said the decision to embark on mass action was due to frustration because of the lack of progress being made between labour and business in the National Economic Development and Labour Council (Nedlac) negotiations.

The three main areas of concern are the federation's demands for centralised bargaining, organizational rights and the right to strike.

Vavi said the employers should know that despite Cosatu's close links with the Government of National Unity, it still had muscle.

The rolling mass action starts on June 5 with a half-day national work stoppage and marches in city centres countrywide.

Business South Africa's representative, Mr Bokkie Botha said Cosatu's decision was unfortunate when negotiations around the issues were still at an early stage.

However, Nedlac's labour convenor, Mr Ebrahim Patel said the position of business placed the parties so far apart that chances of a settlement were remote.
Mass action threat does not scare Mboweni

Renee Grawitzky

LABOUR Minister Tito Mboweni said yesterday that he was not alarmed at Cosatu's decision to embark on mass action as it was within each party's democratic right to flex its muscles if necessary.

He said it was natural that in the process of negotiating the first major labour relations system since 1994, parties would get "heated up" and it was "bound to ruffle some feathers". But he cautioned parties to ensure the June 30 deadline was adhered to despite any form of mass action.

From government's perspective, the speedy conclusion of negotiations was imperatively to possible investment decisions in the country, he said.

At the weekend, Cosatu's executive committee adopted a two-week programme of mass action in an attempt to persuade employers to accept labour's position on the Labour Relations Act currently being negotiated within the labour chamber of the National Economic, Development and Labour Council (Nedlac).

Action would begin on June 5 with countrywide marches and lunchtime demonstrations and would culminate in a national day of protest on June 19.

Cosatu said business's position on lockouts, dismissal during strikes, disclosure of information, majority unions and closed shops, scab labour and refusing to negotiate at industry level reinforced the view that business was not prepared to move into the democratic era.

Labour's negotiator Ebrahim Patel said agreement on collective bargaining and the right to strike was crucial to successful legislation.

Patel said the draft Bill did not go far enough to compel the establishment of bargaining councils nor maintain democratic closed shops.

Business SA negotiator Adrian du Plessis said parties should be left to decide where, how and on what they would bargain, "if the right balance between economic and social interests is to be reached.

To this extent we support the principled approach in the Bill which permits bargaining at whatever level or levels the

Continued on Page 2
Small businesses get no concessions, says Nactu

BY THABO LISHO

The National Council of Trade Unions (Nactu) has joined the acrimonious squabble over central bargaining within Nedlac, maintaining a no-compromise position on demands by small businesses for special concessions.

"It's not going to work. We cannot give concessions. All working conditions must abide by International Labour Organisation standards," said Mahlomola Skhosana, the assistant secretary-general of Nactu.

Nactu's position follows threats at the weekend of mass action by Cosatu over business' alleged ploy to block agreement on the draft labour relations bill.

Business bodies have expressed concern and surprise at Cosatu's attitude, saying it undermined the tripartite process in Nedlac.

Skhosana said there was no way labour could accommodate demands by small, medium and micro-enterprises to be excluded from minimum wage requirements and other conditions of employment set by the industrial councils.

According to the Foundation for African Business and Consumer Services (Fabcos), industrial council agreements and other deals governing relations between "big business" and "big labour" were hostile to small businesses.

David Moshapalo, secretary-general of Fabcos, said the agreements ignored uneven development in different sectors of South Africa, which made it impossible for small businesses to comply with the minimum conditions.

He suggested that a "sunset clause" be put in place to allow small businesses, "who have no record of dealing with organised labour", time to match labour's sophistication in this regard.

"We need time to conduct workshops to teach our members about their obligations towards labour and to win their support," said Moshapalo.

Skhosana said there was no way the labour movement would allow "exploitation" of workers to go on for the sake of small business.
Johannesburg: The Congress of South African Trade Unions had concluded only mass action would force business to agree to changes in the labour relations bill, general secretary Mr Sam Shilowa said here yesterday.

He said Cosatu had not lost faith in negotiations on the bill in the National Economic Development and Labour Council.

"We simply came to the conclusion that short of pressuring business through mass action no decision will be reached before the current session of Parliament comes to a close."

After reaching a deadlock with business, Cosatu on Saturday said it would call a national half-day strike on June 19, preceded by two weeks of mass action starting on June 5, to force business to agree to including in the bill the right to strike and to centralised bargaining.

"We are committed to see the labour bill go through during the current session of Parliament," Mr Shilowa said yesterday.

Plans were also endorsed to celebrate Cosatu's 10th anniversary. — Sapa
Nactu joins central bargaining squabble

BY THABO LESHILO

The National Council of Trade Unions (Nactu) has joined in the acrimony, public squabble over central bargaining within Nedlac (National Economic, Development and Labour Council), maintaining a no-compromise position on demands by small, medium and medium-enterprises (SMMEs) for special concessions.

Nactu's position follows weekend threats of mass action by Cosatu Assistant secretary general Mahlomola Shosana said International Labour Organisation standards had to be obeyed and labour could not accommodate demands by SMMEs to be excluded from minimum wage requirements and other conditions of employment set.

According to the Foundation for African Business (FAB) and Industrial Council agreements and other deals governing relations between big business and big labour were mimetic to SMMEs.

Fabcos secretary general David Moshapalo said the agreements ignored the uneven development in the different sectors of South Africa.

He suggested that a "sunset clause" be put in place to allow SMMEs, who have no record of dealing with organised labour, time to match labour's sophistication.

"We need time to conduct workshops to teach our members about their obligations towards labour and to win their support," said Moshapalo.

Shosana said there was no way the labour movement would allow exploitation of workers to go on for the sake of small business.

Despite this hardline position, Moshapalo shared Labour Minister Tito Mboweni's optimism that problems within Nedlac would be resolved.
Labour, business meet Mboweni

BY JUSTICE MALALA
LABOUR REPORTER

Labour Minister Tito Mboweni will meet business and labour leaders today in a bid to ease tensions between the two sectors, following threats of mass action by the Congress of SA Trade Unions to break the impasse in negotiations on new labour legislation.

Mboweni said in a statement last night that "it had become clear that differences of opinion existed around some issues in the draft Labour Relations Bill" and the meeting would be held to accelerate negotiations in order to reach agreement on all the issues.

The announcement came as business representatives vowed they would not compromise on their position that the new Labour Relations Act should meet the country's "overriding economic objectives", leading to an increase in the Gross Domestic Product.

Commenting on the deadlock in negotiations, Business South Africa representatives said yesterday that Cosatu's threat of mass action preempted current negotiations.

Cosatu's national executive committee last week decided to begin mass action on June 5 and organise marches for a half-day work stoppage on June 19.

Cosatu said last Friday, the differences between the two sectors were "so fundamental that it was not just a matter of rewording things".

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INDUSTRIAL RELATIONS - GENERAL

1995

JUNE - SEPT.
Business and labour seek ways to reach consensus

Major union groups prepare joint action

Labour Minister Tito Mboweni says the Cabinet backs centralised bargaining

Later this week.

Fedusal general secretary Dumkeeran van der Merwe said this was the first time organised labour had united in a campaign to further trade union rights.

Labour Minister Tito Mboweni said last night the Cabinet supported centralised bargaining and he had received a mandate from the Cabinet to explore ways to achieve this.

He said it had become apparent that there were weaknesses in the structure of the negotiations in the National Economic Development and Labour Council (Nedlac) and both business and labour had agreed in discussions yesterday to find mechanisms to accelerate negotiations and reach consensus.

"We are convinced that negotiations will show progress within the coming weeks," MBoweni said.

Democratic Party labour spokesman James Selfe appealed to Mboweni to extend the deadline for the new Labour Relations Bill to next year's parliamentary session, saying Mboweni was establishing unrealistic deadlines "on extremely complex legislation."

However, Mboweni said last night the deadline was agreed upon by parties at Nedlac, and not imposed by the ministry.

"I would appeal to all parties to support our endeavours to agree on a Labour Relations Act this year rather than opportunistically trying to postpone agreements."

Issues over which there are strong differences are centralised bargaining, the duty to bargain, industrial action, scab labour and workplace forums.

Selfe said Cosatu's proposed mass action was inappropriate and constituted an act of bad faith. "The message being sent to investors, both domestic and foreign, is that South Africa, despite all the positive changes that have taken place, is still not an economically stable environment in which to invest."
Boost for labour negotiations

Renee Grawitzky

LABOUR and business felt proposals made in meetings yesterday with Labour Minister Tito Mboweni, if implemented, would constitute a step in the right direction and could put negotiations on the draft Labour Bill back on track.

This follows separate meetings held between the minister and labour and thereafter with business to try to find mechanisms to take the process forward.

The meetings were initiated by Mboweni after it became evident that major differences of opinion existed between labour and business on crucial areas of the draft Bill and after labour had resolved to embark on mass action.

During discussions with labour, Mboweni said the deadlock between the parties was not good for the country.

He said that before the meetings the Cabinet had been briefed on the main areas of difference, especially centralised bargaining, industrial action and workplace forums, and had obtained a mandate on government's position. The Cabinet "fully supported centralised bargaining and the proposals by the minister on how to explore mechanisms to achieve this".

Mboweni said after the meetings that sufficient progress had been made in un-

Continued on Page 2

Labour

Continued from Page 1

Locking some of the areas of difficulty,

The parties agreed that it was necessary to find mechanisms to "better manage the process in the National Economic Development and Labour Council (Nedlac) in order to accelerate the negotiations and reach consensus.

Labour and business representatives at the meetings agreed that the following proposals be submitted to the Labour Relations Act negotiating committee today:

☐ Suggests to the minister on how to achieve centralised bargaining;

☐ That Nedlac provide a backup technical team to assist the negotiating committee;

☐ That Nedlac's secretariat be used to a more facilitative capacity to try to bring the parties closer together; and

☐ That a permanent chairman, either from the parties themselves or an independent outsider, be appointed.

Labour said Mboweni would also address its concern that business lacked a proper negotiating mandate.

Business South Africa spokesman Bokkie Botha said business was hopeful that the proposals would take the process forward, but was disappointed that yesterday's meetings were not tripartite in nature as "business was committed to tripartism".

Consort's Neil Coleman said labour did not feel it would be appropriate to hold tripartite meetings which were reserved for negotiations within Nedlac. The meetings were not intended to be negotiating meetings.

Meanwhile, the 200 000-strong Federation of SA Labour Unions decided yesterday to join Consort's mass action programme in a bid to break the deadlock around negotiations on the Labour Bill.
Understanding 'breeds success'

Sylvia du Plessis

LOCAL business needed to achieve a greater level of transparency between management and workers before it could achieve international competitiveness, said Sibson & Company SA corporate consulting director Norman Smith.

"Employees' input is critical to achieving improved effectiveness, but it is essential that workers have a good understanding of the company and the part they play in its success," he said.

"This understanding encourages a desire to grow and an enthusiasm to participate in the decision-making process. If treated correctly, employees quickly recognise that they are key to the business's success and they strive to boost standards of delivery."

However, such a programme had to be reinforced through a reward system—pay often recognised status and attendance at work but not actual performance.

"Where this is the case the onus rests firmly on management to ensure that employees work to a set standard." Organisations were increasingly moving towards the more effective teamwork approach to enhance workers' levels of delivery, he said.

"A supportive team structure allows employees to develop new skills and to work in tandem to make decisions that will streamline operations. Work groups also encourage a greater degree of effectiveness. But an individualised 'reward system must be retained. Don't abolish it in favour of a team approach."

"To assume that high performing individuals don't need recognition for individual efforts and results achieved can be dangerous."
New proposals on labour are tabled

By Labour Minister Tito Mboweni, stemming from separate discussions with labour and business, were tabled yesterday before the Labour Relations Act negotiating committee.

The negotiating committee within the labour chamber of the National Economic Development and Labour Council (Nedlac) continued negotiations, with the parties agreeing to continue discussion today.

Meanwhile, Cosatu reiterated labour’s call for the continuation of the programme of mass action to lobby for the finalisation of the Bill. It will start on Monday with lunchtime demonstrations.

The campaign itself will begin on Tuesday with a march to Chamber of Mines offices, where a memorandum will be presented to a representative of Business SA demanding centralised bargaining, union based workplace forums and an end to scab labour. Marchers plan to move on to the Gauteng legislature to protest against privatisation.

Cosatu assistant general secretary Zwelinzima Vavi said the fight “is on and the gloves are now off between ourselves and business.

“We want to show business that they cannot cling to the current labour legislation until 1996.” Joint Cosatu, Numcu and Fedusa shop steward council meetings have been planned in all the regions at the weekend to discuss “how to take the campaign forward.”

Sapa-Reuters reports Cosatu said earlier it planned two weeks of mass action ending in a strike on June 19.

Meanwhile, the SA Agricultural Union criticised trade unions for their “blackmailing” approach to talks on the Bill.

“They are trying our patience to the extreme,” SAAU president Roel Fourie said in Pretoria. The SAAU remained in favour of a negotiated solution, but business “could never capitulate” to trade unionism just for the sake of an agreement on the matter. Great circumspection by all parties was required to prevent new labour legislation from becoming “a monster capable of totally disrupting the economy.”

The SAAU found the proposal on compulsory centralised bargaining unacceptable. Small business would particularly suffer if this was enacted. It would also not be practical in the agricultural sector.

In Durban, the United People’s Union of SA came out strongly against Cosatu’s centralised bargaining proposals.

“It infringes our right to operate and exist,” union deputy general secretary S B Hlungwa said. Centralised or collective bargaining alienated workers from their unions.

“Cosatu can bear witness to this. Cosatu is losing membership daily. Apparently this is a desperate attempt to stem the tide.”

Hlungwa said it appeared that Cosatu had undermined the most crucial factors surrounding the matter.

Most successful First World countries, he said, were practising decentralised bargaining. Britain had been doing so since 1979—Sapa-Reuters.
Unions plan massive marches

BY HELEN GRANGE

Labour federations are preparing for huge marches countrywide on Tuesday, day two of a mass action programme aimed at forcing concessions from business in the deadlocked labour legislation negotiations.

The Congress of South African Trade Unions (Cosatu) released details of the programme yesterday, an hour before labour and business representatives met to consider Labour Minister Tito Mboweni's proposals on breaking the impasse.

Mboweni said last night the negotiations on new labour legislation were "on track" despite the mass action threat.

"We do not believe that this is a crisis at all. I am positive all parties will have reached agreement on the contentious issues by the June 30 deadline," he said.

The mass action programme, which was spearheaded by Cosatu and joined this week by the Federation of SA Labour Unions and the National Council of Trade Unions, begins on Monday with meetings by shop stewards to finalise activities.

On Tuesday, workers will meet at 8am on the corner of Wanderers and Plein streets in Johannesburg to march to the Chamber of Mines in Sauer Street and then to the Gauteng Legislature in Simmonds Street. The campaign is to reach a peak on June 19, when marches will be held in all major cities, followed by a half-day strike.

Cosatu spokesman Neil Coleman said yesterday the campaign was an attempt to accelerate the negotiations.

Other issues tabled were

- Mboweni's suggestions on how to achieve centralised bargaining
- The proposal that Nedlac provide a backup technical team to assist the Labour Relations Act negotiating committee
- The proposal that Nedlac's secretariat be used in a more facilitative capacity

The SA Agricultural Union criticised the trade unions yesterday for their "blackmailing" approach. The SAAU said it favoured a negotiated solution.
Cosatu to go ahead with protest

JOHANNESBURG. Cosatu said yesterday it would go ahead with protests to persuade business to let go of apartheid labour laws.

"The fight is on. The gloves are now off between us and business. We want to show business they can't cling to the current labour legislation till 1996," Cosatu's assistant general secretary Mr Zwelunzima Vavi said here.

Cosatu announced last week there was a crisis between labour and business in the National Economists Development and Labour Council talks on new labour laws.

Cosatu publicity officer Mr Ned Coleman said the federation would press ahead with plans for lunch-hour protests and marches from Monday, culminating with a half-day strike on June 19.

On Tuesday there will be a march to the Chamber of Mines offices to demand centralised bargaining, increased rights of unions to organise workplace forums and an end to scab labour. — Reuter
The country needs a new Labour Bill.
1.5 million workers to strike over Labour Bill

JOHANNESBURG — Massive tension on the factory floor caused by business reluctance to enter the new South Africa was the driving force behind the Congress of South African Trade Union’s (Cosatu’s) mass action programme, the labour federation said.

Cosatu was committed to its decision to undertake mass action to break the deadlock in negotiations on the draft Labour Relations Bill. “The gloves are off and the fight with business is on,” it said yesterday of its attempt to pressure business to agree to include in the bill centralised bargaining and the right to strike.

The move has been sharply criticised by the SA Chamber of Business, the Democratic Party and Business South Africa.

Cosatu spokesman Neil Coleman said negotiations were in a serious time crisis. He accused business of deliberately stalling to postpone legislation until next year “or even further.”

“Negotiations must be finalised by the end of June to enable legislation to be passed this year. Their attempt at delay has been confirmed by the Democratic Party, which has blatantly come out in support of employers postponing matters until 1996. That is a completely uninform ed and dangerous position to take,” said Mr. Coleman.

He said millions of workers were governed by fragmented labour legislation in the public, farming, domestic and police sectors.

“We have seen the problems this has created — turmoil in the police force and on the factory floor. The apartheid labour legislation is still in place. Employers’ attempts to delay change is creating massive tension.”

They have to come into the new South Africa. Negotiations are not about amending the old labour dispensation. The whole country wants a completely new dispensation.

“Employers are so ... removed from labour and government that would take Henry Kissinger five years to negotiate a settlement. Mass action is there to focus their minds and to get them to understand the seriousness of the situation.”

Mr. Coleman welcomed the decision by the 200,000-strong Federation of South African Labour Unions “to come on board” the mass action programme.

“This is an historic first time for a largely white-collar union with a large percentage of white workers. This should send a clear message to employers that they are not only facing Cosatu, but a broad range of unions representing workers from the unskilled to the professional.”

Mr. Coleman said mass action would start with a march in Gauteng on Tuesday and would “roll” until June 19 when workers would stage “massive national action” in the form of a half-day strike.

Even without the National Council of Trade Union’s (Nactu’s) participation — the organisation has not yet decided whether to participate or not — this could mean more than 1.5 million workers going on strike, although Mr. Coleman would not be drawn on an estimate of worker participation.

Business South Africa this week criticised unions for embarking on mass action while talks were still in progress.

BSA negotiators said business had not created deadlocks and were prepared to return to their constituents to review the issues under dispute.

Negotiator Adrian du Plessis said BSA was not opposed to collective bargaining, but was opposed to “compulsion” collective bargaining. BSA had accepted the right to strike, but did not accept that it could be pursued to the detriment of economic activity.

He said business was not seeking to reverse labour law regulations, but he said a balance had to be found between the right to strike and the right to economic activity.

The DP called on I Labour Minister Tito Mboweni to extend the deadline for the bill to next year’s parliamentary session and said unrealistic deadlines by the minister had precipitated the crisis.

Cosatu’s proposed mass action was inappropriate and constituted an act of bad faith, and, while it would have been preferable to have a new bill this year, this was not a matter of life or death, DP labour spokesman James Selle said.

Mr. Mboweni has rejected the DP’s call to extend the deadline.
BUSINESS South Africa has threatened to withdraw from negotiations on new labour legislation following a decision by trade unions to go ahead with mass action from tomorrow.

A Business South Africa negotiator, Adrian du Plessis, said business had appealed to labour to reconsider its programme of mass action after progress was made in talks this week.

However, the union federations — consisting of the Congress of South African Trade Unions (Cosatu), the Federation of South African Labour Unions and the National Council of Trade Unions (Nactu) — stated their intention to proceed with mass action from tomorrow.

Part of their campaign will include a half-day work stoppage on June 19.

The mass action is an attempt by labour to pressure business into accepting its proposals for changes to the new Labour Relations Bill.

The Bill is under consideration by business, labour and government in the National Economic Development and Labour Council (Nedlac).

Mr du Plessis said yesterday that Business South Africa condemned the union federations' decision to proceed with mass action next week, despite the progress in the process of reaching consensus on the Labour Relations Bill at the Nedlac meeting on Friday.
Central bargaining tops unions' agenda

Labour Reporter Abdil Milazi looks at the issues behind today's rolling mass action called by Cosatu.

FLASHBACK: A meeting between Cosatu and Saccawu. The federation is now accusing business in Nedlac of refusing to move into the democratic era.

attempted to accommodate the concerns of other parties, business had rejected labour's proposals and many aspects of the draft bill.

Cosatu and its allies in Nedlac, the National Council of Trade Unions and the Federation of South African Labour, want the new Labour Relations Act finalised this year.

Tshwete said Saccawu believed bargaining was at the heart of the industrial relations system, and that centralised bargaining was far more efficient for both employers and unions than the current collective bargaining system.

He said the present bargaining arrangement in different sectors encouraged segmentation and inequality in conditions of employment and wages.

The Food and Allied Workers Union was responsible for 51 percent of all industrial action, followed by Saccawu (17 percent), the Chemical Workers Union (six percent) and the National Union of Mineworkers (4.6 percent).

The deadlock on centralised bargaining could see an upsurge in these figures for 1995 if the issue is not resolved swiftly.
Central bargaining tops unions’ agenda

Labour Reporter Abdul Milazi looks at the issues behind today’s rolling mass action called by Cosatu.

In November last year, when many South Africans were still celebrating the birth of a new democratic dispensation, about 3,000 South African Commercial, Catering and Allied Workers Union members went on strike at more than 200 Spar outlets in Gauteng.

Central to the action was the union’s demand for centralised bargaining, which the trade union movement in general regards as vital to the future of negotiations with employers.

Management wanted the workers to negotiate wages with individual stores, while the union wanted to secure an umbrella agreement on minimum wages and other conditions of employment.

Daggers were drawn and workers defied court interdicts in their determination to achieve their demands. This led to fierce confrontations between strikers and the police.

At least 2,500 workers were dismissed, while another 68 were arrested for defying court interdicts, intimidating customers and damaging property.

The case against the 68 was thrown out of court last week after Johannesburg Regional Court magistrate Mr LJ van der Schyff refused to give the State more time to draw up charge sheets.

However, the battle is not yet over. The union wants all the workers reinstated, while management wants to employ only those it selects.

Conciliation Board

Saccawu spokesman Mr Shombele Tshezwe said the union had referred the matter to the Conciliation Board, and added that the retail chain store would face a national strike if the board could not resolve the matter.

The anger that led to serious confrontations between Spar owners and Saccawu, and Cosatu’s call for mass action today, indicate the urgency around the issue of centralised bargaining.

Cosatu’s decision to embark on rolling mass action from today stems from its dissatisfaction with the lack of progress at National Economic and Labour Council negotiations.

Cosatu is demanding that centralised bargaining, the right to strike, a ban on scab labour and the establishment of workplace forums be enshrined in the new Labour Relations Bill.

The federation has accused business in Nedlac of refusing to move into the democratic era.

According to Cosatu, the employers are demanding to have the right to lock out workers, to force them to accept lower wages, dismiss workers in legal strikes, ban the close shop, employ scab labour and refuse to negotiate with unions at industry level.

Cosatu secretary-general Mr Sam Shilowa told a Press conference last week that, while labour attempted to accommodate the concerns of other parties, business had rejected labour’s proposals and many aspects of the draft bill.

Cosatu and its allies in Nedlac, the National Council of Trade Unions and the Federation of South African Labour, want the new Labour Relations Act finalised this year.

Tshezwe said Saccawu believed bargaining was at the heart of the industrial relations system, and that centralised bargaining was far more efficient for both employers and unions than the current collective bargaining system.

He said the present bargaining arrangement in different sectors encouraged segmentation and inequality in conditions of employment and wages.

Tshezwe also said collective bargaining encouraged employers to compete on the basis of cheap labour because each sector negotiated their own wage agreements individually.

Despite this, the number of strikes has dropped considerably compared to previous years, according to Andrew Levy and Associates quarterly report, which singled out the Spar strike as the major industrial action so far this year.

According to the Department of Labour’s annual report, the number of strikes increased from 790 in 1993 to 804 in 1994—and workers lost R148 million in wages. The greatest number of man-days lost were in the manufacturing sector (50.35 percent), followed by mining (23.55 percent).

The highest number of strikes were in the Durban region, accounting for 25.24 percent, while Pretoria registered 10.3 percent and Port Elizabeth 3.23 percent, the lowest rate recorded.

Better wages

Strikes over wages accounted for 27.11 percent, while 36.37 percent were over better conditions of employment, including better wages.

The Food and Allied Workers’ Union was responsible for 51 percent of all industrial action, followed by Saccawu (17 percent), the Commercial Workers’ Union (six percent) and the National Union of Mineworkers (4.6 percent).

The deadlock on centralised bargaining might see an upsurge in these figures for 1995 if this issue is not resolved speedily.

FLASHBACK: A meeting between Cosatu and Saccola. The federation is now accusing business in Nedlac of refusing to move into the democratic era.
Union mass action over Bill

By Justice Malala

More than 1.5 million workers start a mass action campaign today in an attempt to persuade employers to agree to changes on the new Labour Relations Bill.

The unions' mass action will culminate in a half-day work stoppage on June 19. Employers said over the weekend they continued to participate in the negotiations.

Violence

The campaign was decided upon by the Congress of South African Trade Unions (Cosatu) two weeks ago and later endorsed by the National Union of Public and Commercial Employees and the National Congress of South African Trade Unions.

Cosatu yesterday said the National Freedom Party repeatedly expressed fears that the campaign would lead to an increase in violence.

IFF MP Philip Powell said the party had asked for increased security measures when the joint ANC/Cosatu march takes place. The march is part of the labour campaign but is also intended to back demands for the closure of the hostel said to harbour people implicated in the ongoing political violence within the province.

March

Powell said he feared anger among the masses would cause the violence.

In Johannesburg the campaign starts with a march to the Chamber of Mines offices and then to the offices of the Gauteng legislature.

Workers will take part in placard demonstrations at lunchtime today.

SA can't afford new Labour Bill
Rights bill 'could lay basis for equality'

JOHANNESBURG: The Bill of Rights could lay a foundation for equality in SA, especially between workers and business, Cosatu general secretary Mr Sam Shilowa said at the weekend.

Mr Shilowa and other labour delegates from across the country made submissions on the draft constitution at the World Trade Centre in Rempton Park.

He said although the constitution was a watershed document, it would not erase apartheid's wrongs. "Just because we now have Mr Mandela as President and a draft constitution, doesn't mean I had a right to an education when I was growing up or that a woman wasn't denied a position because of her gender."

Mr Shilowa said the draft constitution should include clauses on the right to strike, freedom of association, freedom of religion, the right to picket and the right to information.

He said the right to strike should be unlimited, except where health or lives were at stake.

Cosatu was against including a clause that would protect ownership of private property. Mr Shilowa said this right had often embraced colonialism and racial discrimination — and could undermine basic human rights.

Opposing Cosatu's view, Federation of South African Labour representative Mr James Abraham said the provision for protection of private property was critical for the smooth running of economies.

Workplace

"The right to own private property is critical in a democratic modern economy. Property includes rights of assets and, if the economy is to function, we need this protection," Mr Abraham said.

National Council of Trade Unions general secretary Mr Cunningham Ngcukana said a safe and healthy workplace, as well as the right to health care, should be guaranteed in the constitution.

"If health is left to profiteers, poor people, including workers, won't have access to health care," Mr Ngcukana said. — Sapa
40 000 join Cosatu march to demand Labour Act changes

The Argus Correspondent

JOHANNESBURG — The city centre ground to a halt today as an estimated 40 000 workers took part in the biggest post-election march by the labour movement to press home demands for changes to the draft Labour Relations Act.

The marchers, most of them members of the Congress of South African Trade Unions (Cosatu) and joined by Federation of South African Labour Unions and National Council of Trade Unions members, would present memoranda to Gauteng Premier Tokyo Sexwale, the Johannesburg Stock Exchange and the Chamber of Mines later today.

African National Congress deputy secretary-general Cheryl Carolus told the crowd the party supported their demands for the draft Bill to be changed, saying it had to be a worker-friendly piece of legislation.

"The ANC supports laws which will lead to the growth of the country, and that growth must be seen in the wealth going to the workers. If the workers are unhappy with the Act then it must be changed," she said.

She said the ANC had consulted all its MPs and when the Bill was debated in parliament they would all support inclusion in the new Act of workers' demands.

The march is part of the labour movement's mass action campaign to force business to accept its proposals on the draft Bill.

Cosatu spokesman Nokulunga Soleman said the march was one of several planned across the country as part of the rolling mass action campaign to culminate on June 19 with a half-day general strike. Other marches were in progress in Durban, Midrand and East London, he said.

In the wake of the protests, business has threatened to review its participation in the negotiating forum on the Bill, saying the mass action showed labour did not take negotiations seriously.

Negotiators will meet for another round of talks on June 12 and 13.

At the heart of the dispute are differences between labour and business negotiators in the National Economic Development and Labour Council (Nedlac) on centralised bargaining, industrial action and workplace forums.

Labour wants the new Act to compel all parties to bargain at central level. Business believes "a compulsion to bargain at central level is unworkable".

Another issue is the employee's right to strike, which business feels is not balanced with the employers' right to lockout, which it says is circumvented in the current draft of the Bill.

The third major obstacle is the proposal in the Bill that a union should be the sole agent which can call for the formation of a workplace forum. Business believes the formation of workplace forums should be more inclusive, with all workers, including those not belonging to a union, being able to propose that it be formed.
Troubled labour times are foreseen

ANALYSIS BY
JUSTICE MALALA
LABOUR REPORTER

The Cosatu-led (Congress of SA Trade Unions) mass action which starts in earnest today to pressure business over some clauses of the Labour Relations Bill heralds what many analysts believe will be the beginning of labour’s winter of discontent

The mass action, for the first time also involving the largely white Federation of SA Labour Unions and the PAC-aligned National Council of Trade Unions, will end with marches across the country and a half-day work stoppage on June 19

At the heart of the dispute

Business SA negotiator Adrian du Plessis says labour wants the new Act to compel all parties to bargain centrally. Business believes that “a compulsion to bargain at that level is unworkable”

Labour Minister Tito Mboweni and the Cabinet last week threw their weight behind the demand for centralised bargaining

Another issue is the employee’s right to strike, which business felt was not balanced with the employers’ right to lock-out, which it said was circumscribed in the current draft of the Bill.

The third major obstacle had been around the proposal in the Bill that a union should be the sole agent which could call for the formation of a workplace forum. Business felt that the formation of workplace forums should be more inclusive, with all workers being able to propose that it be formed

A factor at play in the current dispute is that labour, steeped in the militant traditions of the ‘90s and concerned at perceptions that it has lost its teeth, is using differences in negotiations as a reason for re-grouping

As wage negotiations in various industries reach a stage where unions are considering industrial action to press home their demands, the mass action may be the trigger which will see workers hardening their attitudes
No disruption as mass action starts

Labour Reporter Abdul Milazi reports on Cosatu's first day of national mass action, with more marches planned today

Meanwhile in KwaZulu-Natal, security forces fired teargas at hostel residents in Umlazi near Durban yesterday and the situation remained tense during an ANC-Cosatu march in the township.

Hostel residents of Unit 17 in T Section, an Inkatha Freedom Party stronghold, rushed at razor wire surrounding the hostel. Police and members of the SA National Defence Force fired teargas to disperse them.

A shot was fired at the Umlazi magistrate court, increasing tension as several hundred marchers rushed towards the direction of the shot. Security forces patrolled the area while marshals supervised ANC supporters.
PAC supports mass action

THE Pan Africanist Congress yesterday threw its weight behind the labour movement in its confrontation with the business sector over new labour legislation.

In a statement issued by PAC national executive member Mr Khosaan X, the organisation blamed business for the impasse over the Labour Relations Bill currently being negotiated in the National Economic Development and Labour Council. X said rolling mass action that began yesterday to highlight demands by labour, was the last resort in the process and was justified.

"Some of the issues in question...enforced centralised bargaining, sympathy strikes and socio-economic strikes have been negotiated before. The mass action by workers as a last resort is justified," X said.

"We are calling on employers not to adopt a laager mentality in the wake of the worker protests but to continue with meaningful negotiations."

He said the PAC believed the solution to the impasse should be based on certain principles. These include:

- The recognition of labour as a crucial partner in the productive process;
- The establishment and maintenance of investor-friendly laws which do not trample on the rights of the workers; and
- The establishment and maintenance of the South African economy's global competitiveness.

"We believe a balance can be found in accommodating these concerns in the new Labour Relations Act and that the concerns are not mutually exclusive," he said. He appealed to workers to stage disciplined and peaceful protests. The marches and other demonstrations ended on June 19 with a partial general strike — Sapa.

"We are calling on employers not to adopt a laager mentality in the wake of the worker protests."
Mass action casts doubt on Nedlac

Union leaders, however, blamed business for slowing down the process to reach agreement before the June 30 deadline imposed by the labour minister, Tito Mboweni, on the parties.

Zwelizima Vavi, Cosatu secretary general, said "The deadline has to be reached. Mass action will ensure that we speed up the negotiations and defeat the agenda of the bosses, (which is) to prolong negotiations in Nedlac until 1996."

He said a sizeable number of Cosatu's 1.5 million members would join the protests. So would affiliates of the 200,000-strong Federation of Labour Unions of S.A. (Fedsei). However, workers in essential services were exempt from the action.

The series of protests would culminate in a national half-day strike on June 19. Vavi warned that unless the deadlock was broken on that day, Cosatu would consider taking even harsher action - possibly a stayaway - to support its demands.

Although the National Council of Trade Unions (Nactu) meets tomorrow to discuss what action to take in the light of the deadlock in Nedlac, the organisation supports the position taken by both Cosatu and Fedsei.

Business has questioned the ability of the National Economic Development and Labour Advisory Council (Nedlac) to foster a common vision between labour and capital on the eve of today's mass action by tens of thousands of workers.

The workers are putting pressure on organised business to accept centralised bargaining and the unfettered right to strike in the labour relations bill.

Janet Dickman, Sactu manager for labour affairs and social policy, said it appeared labour was not mature enough for processes like Nedlac.

By disrupting the economy, organised labour was acting contrary to the spirit of Nedlac as a consensus-seeking body, she said.

Dickman challenged labour to recognise that times had changed in South Africa. "Mass action cannot be justified when we have a legitimate and union-friendly government."

She said although it was impossible to quantify the expected loss in production and wages, today's protest "would cause considerable" damage to the economy.
Unions and the limits of consensus

The alternative to strong, centralised bargaining is the sham talkshop with very little power

By Karl von Holdt

Underlying the difference between the labour movement and employers in the negotiations over a new labour relations bill at Nedlac are deeply differing views on the place of trade unions in our future.

Essentially, the trade unions want to entrench their role as the collective voice of employees. They want to ensure that collective bargaining will set wages and conditions for all workers. They want the right to influence the way industries develop and restructure, how employees are trained and gain skills, and how small businesses are encouraged.

They want to protect their members from the negative consequences of industrial restructuring, such as retrenchments. They can only do these things through centralised bargaining.

At the company level the trade unions want a democratic right to participate in decision-making about how work is to be done, and about the strategic direction of the company. This means making unions into managerial prorogatives in these areas. Hence labour support for strong workplace forums.

In order to facilitate the emergence of a smaller number of large and well-resourced unions, the labour caucus supports majoritarianism. And to back up their organisational strength, the unions want to extend the right to strike beyond what is set out in the draft bill.

The employer proposals at Nedlac, in contrast, suggest a desire to limit the power of trade unions. They seek to preserve or enlarge the space within which they can make business and production decisions without interference from unions, whether at industry level or at the level of the workplace.

Thus they do through proposing that the principle of “voluntarism” apply to centralised bargaining forums and to workplace forums. This means that such forums should only be established through the mutual agreement of the parties concerned, rather than imposed by legislation.

At the same time, employers argue that the right to strike should be subject to more limitations than it is in the draft bill. They also oppose the principle of majoritarianism, which tends to favour a smaller number of large unions, and argue for the principle of “sufficient representativity”, which tends to favour a greater number of smaller unions.

“Voluntarism” sounds mutually beneficial, but since trade unions and workers in a free enterprise economy are structurally far weaker than employers, it means employers will generally be able to reject union demands for centralised bargaining or workplace co-operation.

The package of employer proposals at Nedlac would tend to produce a weaker, more fragmented labour movement with limited powers to influence industrial policy or workplace change.

The long-run trend would probably be a declining and defensive trade union movement. Such a movement, shut out of cooperative forums based on union power, would be driven to militant, plant-based oppositional unions.

The labour movement proposals, on the other hand, are designed to facilitate the emergence of big, centralised unions with a high level of social and economic involvement.

It is no coincidence that the three biggest and most sophisticated unions - Numsa, Numasa and Sactu - have emerged in the sectors with strong centralised bargaining institutions. These are also the unions with the greatest international educational, research and policy formulation capacity. They are able to contemplate more co-operative relations with employers because they have the resources and capacities to do so.

The rapidity with which the negotiations have reached dispute stage at Nedlac is partly due to the deep difference between the two perspectives outlined above. But an additional factor also comes into play.

The union proposals add up to a call for far-reaching reform of the current industrial relations system. The employer proposals are much more cautious, and do not move very far from the current system. (The unions suspect that employers are not too concerned if negotiations are drawn out, since that will leave the current system intact for longer.)

Hence Cosatu’s call for action supported by Fedasil, “to drive the process forward.”

The labour ministry has, through the draft bill and through other policy statements, made clear its preference for a strong trade union movement along the lines proposed by labour.

The labour minister, Tito Mboweni, has also signalised government’s concern over the urgency of reform. At the same time, it would prefer to persuade rather than coerce employers, and it is mindful of developmental needs such as the concerns of small business.

But we may be seeing the limits of the consensus that tripartism can deliver in South Africa. The mass action that Cosatu has called for may be interpreted as a normal part of the bargaining process, and indeed there is room for compromise on both sides.

However, it may also be the first signal of the limits to the ability of employers and labour to reach consensus on the issue of fundamental reform. If that is the case, the ball will be firmly back in government’s court.

Such an outcome should not be regarded as the end of tripartism. Formally, if tripartism is to work, it will have to rest on the very foundations proposed by labour-power, and centralised unions. Without such foundations tripartism can only be a sham talkshop with no power to make far-reaching agreements.

My own view is that it is important to move in the general direction outlined by labour, despite some weaknesses in the details. It is the only way to shape a socially acceptable development of our economy.

The alternative is increased social conflict, disaffection and fragmentation. Our new and fragile democracy cannot afford this.

Karl von Holdt is consulting editor at the SA Labour Bulletin.
Trade unions warn of SA standstill as protests begin

Staff Reporter

TRADE unions have launched a programme of protest action which they warn could bring the country to a standstill on June 19.

Two major unions — the Food and Allied Workers Union and the South African Clothing and Textile Workers Union — held rallies yesterday in the Western Cape to tell their members of the intended programme.

Cosatu Western Cape chief boss Nxul warned this was only a taste of what could be expected unless negotiators for the labour movement and big business could reach consensus at their next round of meetings on Thursday.

Mr Nxul said the labour movement — Cosatu, the National Council of Trade Unions (Nactu) and the Federation of South African Labour (Fedsal) — was working on regional and national programmes of action to try to persuade the business sector to see the urgency of getting a new labour relations bill tabled in parliament.

He said that since the beginning of May, when negotiations began, employers had not budged from their position, saying they needed more time to discuss the draft labour bill.

"This is totally unacceptable as we have been negotiating with big business since 1988 about changes to the Labour Act, and they are very aware of our thinking," Mr Nxul said.

"They are using this as another delaying tactic and the united labour movement, and the country as a whole, cannot tolerate this as it is not in the interest of the country's economy to have uncertain labour relations."

Yesterday union organisers began laying the groundwork for the programme of action leading up to the big showdown in a fortnight.

Activities planned for this week included informing all workers of the unions' position and plans and lunchtime demonstrations at factories.

"On Friday we will assess the outcome of the meeting between the negotiators and the employers before finally deciding on what action to take on June 19," said Mr Nxul.

André Kriel, national education officer for the SA Clothing and Textile Workers' Union, said employees wanted the draft bill on important issues raised in the draft bill and the government had set the end of June as the cut-off date for final submissions.

"We believe this can be reached if business shows seriousness about finding solutions and comes forward with proposals that can be discussed."

"But thus far they have only listed their rejection to a number of important clauses listed in the draft bill."

Mr Kriel said some of these issues, like the need for centralised bargaining, amendments to closed shop agreements, the right to strike and protest in solidarity for social economic reasons, were fundamental workers' rights which could never be rejected.

"The employers want to drag us back to the dark days when workers had no rights and were entirely at the mercy of the bosses."

He said that in the past five years much economic restructuring had taken place with little or no consultation or input from the workers and that only a result rationalisation and reductions followed.

"Part of the draft bill allows for workers and union members to make an input at a national level but the bosses are rejecting this. They are against central bargaining whether it's for wages or other aspects which affect the workers."

Mr Kriel said they were fed up with "all the delays and would show on June 19 how serious they were about getting the draft legislation into parliament so that it could become law.

The executive committee of the joint labour forum had already decided on a national half-day stayaway for June 19 — employees would work until noon then march through different city centres.

"Depending on the outcome of the meeting on Thursday, we could decide to call for a full day of protest with massive marches across the country which would effectively shut down the economy."

"And if no agreement is reached, there will probably be lots of turmoil in the country as a result and this could all be blamed on business's attitude to the situation," Mr Kriel said.
Disabled poised for inclusion in Nedlac

John Dludlu

The National Economic Development and Labour Council (Nedlac) has decided in principle to include organisations representing disabled people's interests in the community development constituency.

The decision — taken at a weekend meeting of the selection committee — still needs Nedlac management committee approval.

Minister without Portfolio Jay Naidoo's office confirmed the decision and said the minister would announce soon the name of the organisation selected.

The disabled will join the National Women's Coalition, the National Youth Development Forum and the SA National Civics Organisation in representing communities' interests in Nedlac's development chamber. Communities will negotiate with government, labour and business representatives on development issues.

However, the meeting failed to resolve the position of rural people and church interests.

In terms of guidelines of the selection committee, organisations seeking representation in the development chamber had to enjoy national representation and have a democratic constitution to qualify.

A document submitted by business to the trade and industry department on government's move to link export benefits to the general export incentive scheme (GEIS) will be discussed at Thursday's meeting of the chamber.
Mandela backs Cosatu

Johannesburg: President Nelson Mandela pledged his support yesterday to workers protesting against the business sector's position in negotiations for the draft Labour Relations Bill.

Traffic came to a halt when Mr Mandela made an unexpected appearance at the Cosatu-organised rally.

He told a cheering crowd of about 20 000 protesters: "The ANC is fully behind you, but we want you to be disciplined."

The NP condemning Mr Mandela's pledge of support, saying his involvement in the march undermined the National Economic Development and Labour Council's efforts to resolve disputes between business and labour.

The party appealed to Mr Mandela "to encourage organised labour to return to negotiating structures."

Business sources also expressed dismay last night, saying they worried Mr Mandela's action would scare off potential foreign investors.

One source said the negotiations were "sensitive" and Mr Mandela's appearance "can be seen as intervention."

"The President is supposed to be impartial," the source said. "We don't think it's a good idea."

Business has threatened to review its participation in the negotiating forum discussing the new bill. The forum is set to meet for another round of talks on June 12 and 13.

Cosatu warned yesterday it would begin unprecedented mass action if the government privatised state-owned enterprises.

It expected a response from the government on its privatisation plans by June 19, the day the union federation plans to hold a protest march. — Sapa-Reuters

See Page 15
ANC support for action

President Mandela says the right to strike is a fundamental right of every worker in a democratic country

By Abdul Milazi
Labour Reporter

President Nelson Mandela made an unexpected appearance at a Cosatu-led march in Johannesburg yesterday to pledge his solidarity with an estimated 100 000 strong crowd.

The two-pronged march to the offices of the Chamber of Mines and the Gauteng Legislature marked the beginning of the labour movement’s rolling mass action to break the deadlock in Nedlac negotiations and force the passage of a new Labour Relations Act during the current session of parliament.

Other marches were held in Durban and Maritzburg in Natal.

Speaking outside the SA Mutual building in Commissioner Street, where he first worked when he came to Johannesburg in April 1941, Mandela said the ANC believed the right to strike was a fundamental right of every worker. He added: “We have always believed that the right to strike was a weapon which is a fundamental right of every worker and it is practiced in every democratic country around the world. When we drafted the Interim Constitution, we made sure it was embodied in the constitution despite objections from some political parties.”

Mandela said the ANC was fully behind the mass action but warned the marchers to be disciplined.

“I have to be in Cape Town this afternoon but I felt I had to come and pledge my solidarity to you. Therefore I bless this demonstration.”

Cosatu deputy secretary-general, Zwelmzima Vavi told the cheering crowd that the labour movement wanted the right to strike, centralised bargaining and organisational rights to be embodied in the Constitution.

A memorandum outlining the demands of the three federations, Cosatu, the Federation of South African Labour Unions and the National Council of Trade Unions, was handed to the Chamber of Mines. A second memorandum demanding that the Government take a clear stand on privatisation was submitted at the Gauteng legislature.

The Johannesburg Chamber of Commerce said employers would apply the “no work, no pay” rule and possible disciplinary action would be taken against workers.

JCC spokesman Mr Ken Mason said no disruptions to business were reported. The South African Chamber of Business also reported no disruptions.

Posters depicting President Nelson Mandela and Inkatha Freedom Party leader and Minister of Home Affairs Chief Mangosuthu Buthelezi were among placards displayed during a march led by the Congress of South African Trade Unions in Johannesburg yesterday.

PIC WILLIAM MALOPE
One labour Bill for all if all goes well

The draft Labour Relations Bill proposes several far-reaching changes to the present system of labour law and industrial relations, although many proposals are based on the original framework of laws, structures and procedures which have been developed incrementally over the past 90 years.

New Legislation: It is proposed to repeal all existing labour legislation, including the Labour Relations Act 28 of 1956, the Public Service Labour Relations Act 105 of 1994, the Education Labour Relations Act 145 of 1993 and Chapter 1 of the Agricultural Labour Act 147 of 1950, and to replace them with a single Act applicable to all employers and employees throughout the country.

Employees in the public service and the educational, agricultural and domestic sectors will all be included within the same legislation, the only exceptions being members of the SA National Defence Force, agencies and services established under the Intelligence Services Act, and the SAPS.

Certain special bargaining arrangements and agreements will be already in place, such as in the public service and the agricultural sector, will continue to be in force through the operation of transitional provisions in the Bill, and will be phased out over a period of time.

Freedom of Association: The basic rights of the workplace are protected, and employers and employees are entitled to participate in chapter 2 of the Bill.

The Bill includes the right to join and take part in the activities of a trade union or employers' organisation, and not be victimised in any way.

Collective Bargaining: The Bill grants trade unions specific rights of access to the workplace to organise and to conduct union activities, and obliges employers, in some cases, to provide information to a union or its representative, and to allow representatives of the union to be present on union activities.

The thresholds of representativeness at which these rights accrue to unions have been left for legislation by Nedsa.

As at present, registered unions and employers or employers' organisations will be able to conclude legally binding collective agreements, but these will be enforceable by arbitration rather than through criminal or civil action.

The criminal sanction has been removed for nearly all breaches of the Bill's provisions, including engaging in illegal strike action.

Agency shop agreements, which require the deduction of agency fees from employees who are not members of a representative trade union, will be allowed, but the future of full-scale statutory closed shops remains uncertain, as they may contravene the new Constitution.

Meanwhile, existing statutory closed shops which fail to enforce their agreements will have to convert to agency shops.

The present industrial council system will be converted into a system of bargaining councils which will operate along similar lines, but with simplified procedures for registration, etc.

Important changes include:

- The inclusion of both public and private sector interests within a single council.
- Representations of small business interests on councils.
- An annual review of their representativeness.
- Additional provisions before council agreements may be extended to non-participating parties.
- Bargaining at national level is facilitated through the new bargaining council system, but is not made compulsory.

Industrial Action: The procedural steps which employees or their union must follow before embarking on a legal strike are greatly simplified and expedited. The need for prior balloting is dispensed with. The definition of a "strike" specifically includes partial stoppages, and a refusal to work overtime.

Once on a legal strike, an employee is protected against civil actions for defect and for breach of contract, and enjoys a very high degree of protection against dismissal.

The full extent of this protection is, however, not entirely clear, and dismissal may be reinstated if the strike has been "irresponsible" after compliance with certain procedural requirements.

Employees who strike illegally are not protected from dismissal by the Bill, but their dismissal is not automatically fair.

An employee a right to remonstrate on a legal lock-out is retained, but lock-out dismissals are prohibited.

Secondary strikes and picketing are recognised and protected subject to certain conditions, and protect action taken to promote or defend employees' socio-economic interests is also protected in limited circumstances.

The right to strike or to lock-out is limited:

- If the matter is regulated by collective agreement or stop-gap determination.
- If the collective agreement prohibits strikes or lock-outs.
- Where the dispute must be referred to arbitration or agreement.
- Where the dispute is one of "right.

Smuts chose the Canadian pattern.

A proper understanding of "labour law", or employment and industrial relations law as it is also known, needs some understanding of the history and development of a system created at the beginning of the century.

It is customary to stress the tripartite nature of the system and that involves the functions of the State, employers (including management) and employees (including trade unions).

In theory the State is expected to protect and foster the "public interest", which includes people who are unemployed, elderly and sick. In addition the State should protect the interests of all citizens by ensuring that certain services cannot be disrupted because they are "essential".

Again, in theory, the State should have a clear vision of what objectives need to be attained and ensure that its industrial relations are the most suitable for attaining those goals.

Collective bargaining and "power-play" have generally been accepted in Canada as the preferred way of resolving most disputes of "interest", but wages disputes not included, exhausting collective bargaining and imposing an award. Certain prescribed procedures must be followed before the "lower" trade union and employees may strike, and employees "lock-out", but only to a "lock-out" as defined in labour law.

In labour law the words "strike" and "lock-out" have special meanings and are defined in the Labour Relations Act 28 of 1956 (LRA) and must be read with sections 66 and 79 of that Act.

Almost all modern economies accept that conciliation is a necessary step in the process of trying to resolve "interest" disputes. Disputes in "essential services" must be resolved by some form of compulsory arbitration to avoid the adverse consequences of a power-play. However, upon the failure of parties to resolve a dispute in non-essential trades, industries or services, various options present themselves.

Some systems completely forbid power-play while others allow it. In the US, the general rule is that an employer faces an economic strike is allowed to replace the strikers.

Jan Smuts considered different systems before introducing laws in the Transvaal in 1919 in a bid to achieve a serious conflict after the end of the South African War.

COMPLICATED laws govern conciliation in "interest" disputes. Graham Gillespie points out in "Durban and time law professor at RA analyses labour laws in S

He opted for the Canadian model, allowed for "power-play" but only after conciliation, instead of the Australian model of compulsory arbitration in all instances.

Smuts and Louis Botha represented the African bloc in 1919 at the Pea Treaty and were founder signatories to the International Labour Organization (ILO). During the "Rand Revolt" in 1922, Smuts intervened in the power play on behalf of employers with the might of the police and the forces and "resolved" the dispute, but with injured hundreds in the process.

Thereafter, Smuts tried to appease supporters, many of whom had been involved in the Revolt, by introducing for the second time ILO principles. This was in 1924 and South Africa became the country to do so.

However, Smuts was ousted by the government in 1925 which gracefully endorsed Smuts' new dispensation or the Industrial Conciliation Act, 1924 (ICA).

A mechanism was created in the ICA allowing for a high degree of "self-government" for employers and employees, namely by voluntary industrial councils with equal representation of employers and trade unions.

Agreements concluded by the parties to such councils were ratified by the Government and binding on all to the council. Provision was also made to establish the conciliation board of the unorganised sectors.

In addition, the ICA recognised certain basic worker rights and repeated the principle of the 1909 Transvaal law by insisting on conciliation through a conciliation board before allowing a lock-out.

Gillespie will continue his overview of labour law in "Durban and" on Monday.
The controversy of central government...
Labour bill tussle takes a nasty turn

CT(ER) 7/6/95

By Thabo Leshilo

The tensions between organised labour and business over the Labour Relations Bill heightened yesterday as Business South Africa threatened to pull out of Nedlac and Cosatu warned that it would use the ANC to impose the Act.

"BSA has to ask itself whether mass protest action is reconcilable with the search for negotiated solutions and we will be reconsidering our role in these negotiations in the light of the unions' persistence to pursue mass action strategies," said Adnan du Plessis, BSA negotiator at Nedlac (National Economic Development and Labour Advisory Council).

Cosatu assistant secretary general Zwelinzima Vavi reacted angrily to the BSA position, calling it "blackmail, extremely arrogant and meant to put pressure on labour, not exercise its right to protest."

Said Vavi: "They are in for a rude shock if they pull out. It will be left to the politicians alone to decide labour law and we want to remind them that we have powerful allies in the parliament."

Du Plessis said although business recognised the right of organised labour to take part in peaceful protest, this should not be a substitute for reasoned debate and negotiation.

"Sustainable solutions to the differences between us will need to be found through negotiations. Our first prize remains a negotiated settlement," said du Plessis.

Sascob labour affairs director Gerrie Bezuidenhout said 40 000 people took part in the protest in Gauteng, while Cosatu put the numbers at no less than 100 000.

Bezuidenhout said it was difficult to assess the impact of the protest on the economy, but investors' perceptions of South Africa would be negatively affected.
Cosatu not fazed by walkout threat

BY JUSTICE MALALA
LABOUR REPORTER

The Congress of SA Trade Unions has threatened to use its parliamentary allies to ram draft labour laws through Parliament while big business said it would review its participation in negotiations on the laws.

Cosatu spokesman Neil Coleman said yesterday if business carried out its threat to walk out of negotiations in the National Economic, Development and Labour Council (Nedlac), the labour movement would have no option but to let the legislation be passed through Parliament without business' input.

He said the threat was "certainly not constructive", adding that business was undermining the tripartite negotiating process in Nedlac.

SA Chamber of Business (Sacob) spokesman Gerrit Bezuidenhout yesterday called for a review of the deadline date for negotiations on the Bill.

The June 30 deadline for the conclusion of talks between organised business and labour movements were "unrealistic", he said.

Bezuidenhout reiterated that the Cosatu protest action on Tuesday had placed current negotiations under unnecessary pressure.

Business would review its participation in Nedlac if mass action continued, he said.

Cosatu has said that business' demand for an extension of the deadline is a "delaying tactic" aimed at ensuring that the draft Labour Relations Act only becomes law next year.

Unfortunate

Yesterday, workers in various centres around the country held lunch-time meetings as part of the two-week mass action campaign organised by Cosatu and joined by the Federation of SA Labour Unions (Fedsal).

The campaign, initiated to force business to accept worker demands on central bargaining, industrial action and workplace forums, started in earnest with marches on Tuesday and will end with a half-day strike on June 19.

Business and labour negotiators could not be reached yesterday to confirm whether planned bilateral meetings would be continuing.

Federalist general secretary James Abraham said the threat by business to withdraw from negotiations was "unfortunate".

He said the labour movement had put its demands and proposals forward and was waiting for business to respond.

"Business still has not presented us with anything tangible," he said.

Sapa reports that the Conservative Party yesterday slammed President Nelson Mandela's support for trade union demands during Tuesday's march in Johannesburg, saying this proved he was not a responsible and just leader.
Nedlac progress despite crisis

Labour, business and government are making progress on a wide range of issues at the National Economic Development and Labour Advisory Council (Nedlac) even though the council faces a crisis over labour reform legislation with Business South Africa threatening a pull-out if labour goes ahead with mass strike action.

Department of trade and industry officials told a parliamentary committee yesterday progress was being made over a wide range of policy issues from trade to industrial restructuring, with Nedlac members providing important contributions. And at least 12 double taxation agreements signed with other countries recently have not been put into effect because of confusion over parliamentary procedures. However, Chris Liebenberg, the minister of finance, had taken up the issue in Cabinet last week and movement was expected soon. — Bruce Cameron
Labour law dispute reaches crisis point

Staff Reporters

A CONFRONTATION between business and trade unions over proposed new labour laws is reaching crisis proportions, with warnings that it could soon threaten economic recovery.

As Cosatu's "rolling mass action" in support of the new laws gets under way, the business confidence index has plummeted to its lowest level since last year's elections.

And organised business has announced it will "review its participation" in negotiations on the laws if rolling mass action continues.

This drew a sharp response from Cosatu, which threatened to use its support in parliament to push through the legislation.

As the war of words raged on, the South African Chamber of Business (Sacob) called for a review of the deadline for negotiations, saying June 30 was "unrealistic."

But Cosatu claimed the demand for a deadline extension was a "delaying tactic" aimed at ensuring that legislation came into effect only next year.

Yesterday, workers in various centres held lunch-time meetings as part of the two-week campaign organised by Cosatu and joined by the Federation of SA Labour Unions. The campaign starts in earnest with a half-day national strike planned for June 19.

Sacob has warned that the economic upswing may be running out of steam, reporting that its monthly business confidence index fell in May to its lowest level since the elections.

Yesterday, the National Party accused Minister of Labour Tito Mboweni of "silently condoning" union attempts to "hijack" talks on labour legislation.

NP labour spokesman Leon Wessels said the threatened strikes could damage seriously the National Economic Development and Labour Council — formed late last year of government, business and labour representatives.
NEWS IN BRIEF

IEC may be dissolved

CABINET has in principle approved the dissolution of the Independent Electoral Commission. Home Affairs Minister Mangosuthu Buthelezi said in the National Assembly yesterday. The commission would then be replaced by a transitional electoral administration.

R2,2m still unclaimed

MORE than R2,2m in benefits remained unclaimed for the 1993/94 financial year, according to the Compensation Commissioner for Occupational Diseases' annual report released yesterday. The amount represented one-third benefit payments to beneficiaries of which the cheques were either returned as stale or because the beneficiaries were no longer employed and their present addresses were unknown.

Cape bid 'ridiculous'

CAPE TOWN's bid for the 2004 Olympics was dismissed yesterday as "ridiculous" by Britain's most acclaimed sports journalist, Daily Mail columnist Ian Woolridge said there had been much sincere comment on the unifying power of the Rugby World Cup, but the facts showed that South Africa still had "a long way to go".

Woolridge said SA had coped "superbly" with the World Cup so far but the housing needs alone made the Olympic bid absurd.

Industry as a whole

BUSINESS Day yesterday reported that Eddy Rogers economist Edward Osborne said most of the recent surge in manufacturing output came from expansion of Sasol's synthetic fuel business. Osborne said that the Central Statistical Service category of synthetic fuel industry refers to the whole petroleum industry.

Crude oil companies slate Sasol report

Mungo Sogowa

CRUDE oil refining companies yesterday lashed out at the investigation into Sasol's tariff protection in their first official reaction to the controversial report by consultants Arthur Andersen.

The SA Petroleum Industry Association said it was reviewing its position, but warned "the report and its recommendations as they stand will be entirely inappropriate basis on which to formulate future policy on a number of issues affecting the oil industry, including Sasol's subsidies."

Minister without Portfolio Jay Naidoo yesterday explained his decision to axe Central Statistical Service (CSS) head Trevor Roan and replace him with sociologist Mark Orkin as necessary for proper monitoring of the reconstruction and development programme.

"The decisive factor had nothing to do with politics. It had everything to do with the role of an independent statistical service in guiding resource allocations and monitoring the impact of government spending on the quality of life of our people," he said.

A panel including himself, Deputy Finance Minister Alec Erwin and a representative from business, Bokke Botha, had "assessed, 'Both candidates are qualified to do the job. I decided Orkin has a better perspective. ' he said. He emphasised that Du Toit's technical and managerial capabilities were not in question.

He said the CSS had a vital role to play, and denied the move would lessen the CSS's independence. The plan was to strengthen the organisation's autonomy, Naidoo discussed suggestions that he might have appointed Orkin to ensure CSS figures would serve political ends.

Statistics would drive the strategic planning underpinning the Budget.

Asked whether more radical moves were in the pipeline, he said government's economic policy capacity was being reviewed. The capacity was dispersed between the finance department, trade and industry, central economic advisory services and in the Development Bank of Southern Africa. "Rationalisation will have to take place."

'Unreal' Labour Bill deadline

Renee Grawitzky

THE SA Chamber of Business (Sacob) — a member of Business SA (BSA) — said yesterday the "unrealistic" June 30 deadline for the completion of negotiations over the draft Labour Relations Bill should be reviewed.

This call is not in line with the general position presented by BSA to date which has regularly committed itself to the deadline.

Sacob's Gerrie Benzenhout said unless the climate surrounding the negotiations improved, in light of mass action and the possible escalation of strikes, business might have to review its participation in the National Economic Development and Labour Council (Nedlac).

Consul spokesperson Neil Coleman said it was not constructive for employers to threaten to walk out of the Nedlac negotiations. "These are precisely the bad faith kind of tactics which business has been quick to condemn in the past."

He said if business withdrew, they would have sabotaged the negotiations and left labour with no option but to "go the parliamentary route of getting a new Act passed without the participation of employers."

Labour Minister Tito Mboweni warned the international community it should not be alarmed by differences of opinion expressed by political, social and business sectors in SA as this was part of democracy and labour.

Addressing the 22nd International Labour Organisation conference in Geneva yesterday, Mboweni said "major challenges remain to be tackled in the realm of reconstruction and development."

He said despite "what may look like a breakdown in negotiations", the process was still on track and indications were that all parties were determined to reach an agreement.

Meetings between labour and business on the Labour Relations Bill continued yesterday.

The National Council of Trade Unions (Nactu) central committee revived yesterday that labour should direct its fight against management and government to ensure the enactment of the Labour Relations Bill.

Nactu's assistant general secretary Matholomola Shokwana said government should "stop paying lip service by claiming to support labour" and ensure that the bill in the form presented at Nedlac was enacted.

Shokwana said the government was "responsible for the draft bill in the first place".

If this demand was not met by government by June 18 "without valid reason", mass action would continue beyond June 19.
the statutory negotiating forum, could have a dramatic effect on the small to medium enterprise (SME) sector.

Opinion within this largely unorganised but highly productive wedge of the economy is that the provisions of the Labour Relations Bill — including centralised bargaining and the creation of mandatory workplace forums — will discriminate against it, leading to closures, unemployment and an unfavourable investment climate (see In My Opinion).

Thus Steve Ntane, executive director of the Cape-based Centre for an Open Economy (Cope), feels that the Bill "is a retrogressive step [that] will have a disastrous impact on all SMEs, who have no say or vote (in Nedlac) but employ the vast majority of workers and create the bulk of new job opportunities."

Accordingly, Cope was scheduled to host a seminar on the Bill this week, at the end of which it was expected to consider a motion to constitute a formal lobby for the SME sector. Such a lobby would then seek a place within Nedlac or at least be in a position to petition Labour Minister Tito Mboweni based on its strong representativeness.

According to Cope’s Robbie Klenot — a frequent employer of casual workers, a usefully neglected category — the small-medium sector has been too mute on labour matters. “The Minister has to listen to the biggest voice — and the only loud voice is Cosatu. Complacency (on the part of the SMEs) is part of the problem. The Minister can only listen to those who speak to him.”

In essence, Cope’s position is that the new Bill would damage it in two ways. First, the outcome of a Cosatu “victory” could be a minimum wage, second, pressure on workers to unionise would bring conflict within the doors of SME “workshops,” a fate the sector has hitherto avoided.

Klenot believes the issue — with mass action under way and a half-day national strike mooted for June 19 — has become highly politicised. The result has been “antagonism rather than partnership.”

And, he says, the organised unions’ militancy is aimed as much at the ANC as at big business — a demonstration of where power really lies after a year in which, for workers, little has changed. In all this, the SME sector’s belief in, and reliance on, “competition in labour” becomes increasingly relegated.

Mboweni should attend to criticisms emanating from the SME sector. His attempts to juggle the interests of the big unions and organised business have not worked well. His department needs to consider more carefully what would benefit the economic well-being of SA.

Business and Labour

The enemy of jobs

Looming conflict in the labour arena — focused on the differences between organised business and the unions within Nedlac.
Workers’ demands taken to Parliament

THOUSANDS of members of the Chemical Workers Industrial Union, marching in the pouring rain, took their demand for centralised bargaining, a minimum wage and a new labour relations bill to Parliament yesterday.

Mr C Rana, branch secretary for the union, said the march was called as part of the Cosatu campaign of mass action to force business leaders to accede to the union’s demand for centralised bargaining. Thus far, according to the union officials, chemical companies have only been willing to agree to sectional bargaining.

Mr Rana also said the workers of his union demanded government intervention through legislation. He said the failure of the bosses to agree to union demands by June 13 would force his union to take more intense action, including calling for a general strike.

WORKERS MARCH: Some of the 6,000 workers who marched to Parliament to deliver a memorandum demanding a new labour relations bill. Drenched with rain, the workers recited the union’s slogan, “Centralised bargaining means a better life for all.”

PICTURE: NIC BOTTIMA

CT 916/95
Labour, business grapple to find common ground

Workers throughout the country made their intentions clear this week: their grievances need to be addressed. It is with this in mind that the two parties get down to some serious talking in Johannesburg next week in a bid to break the deadlock and, hopefully, arrive at some sort of consensus, writes Chief Reporter JOHN PERLMAN.

Adrian du Plessis, chief negotiator for Business South Africa, said the parties would be engaged in an "exploratory exchange of positions. These discussions are smaller, private and we will not be talking publicly about progress made," he said.

"The advantage is that we can explore opportunities for settlement which might not arise in the context of formal negotiations. However, I must stress that informal talks are not a substitute for negotiations, but a supplement. You can't make deals in the informal discussions," he said.

Du Plessis said the debate over the Bill was "not about good guys and bad guys, about centralised or decentralised bargaining or even, as alleged, about apartheid or post-apartheid protagonists."

"It is about the stakeholders trying to balance their interests in a piece of legislation that is going to frame our labour system and our economy for many years to come."

He said business's position was "informed by the economic imperatives of the market. Put very bluntly, our labour relations system has to meet the needs of the economy, the demands of competition and the expectations of investors."

"The system has to be based on individual and collective freedom — not on deregulation, but freedom to engage and not to engage."

"It has to be based on flexibility to the extent that parties can alter arrangements by agreement to meet changes in a dynamic market economy. And third, it needs to recognise diversity, that no two industries are the same and that within industries there is differentiation," he said.

Du Plessis said legally imposed central bargaining over wages and conditions of employment would "lift the rate paid to the lowest-paid worker to somewhere close to the rate of the highest-paid worker. But you also have to look at what that would do to the entry costs for new investors in that industry. If the effect is to raise the entry costs, you are going to diminish the employment-creating potential of that industry. We argue that the union proposals are not going to create growth."

Du Plessis repeated BSA's earlier criticism of this week's union marches. "Peaceful protest, as opposed to economic disruption, is a weapon of last resort. It should be used when negotiations break down, not when negotiations get tough," he said.

Regarding the Government's role, Du Plessis said laws needed to have "the broadest possible support of the stakeholders."

"We are here talking about a piece of legislation which holds a very important key to the economic kingdom and there are very important interests that have to be accommodated," he said.
**Business, labour haggle over best way to bargain**

MA POTAG action once again became part of the political landscape this week as Labour initiated a campaign to ensure that its concerns were addressed in the Labour Relations Bill due to be passed later this year.

A key disagreement between business and labour concerns centralised bargaining. While bargaining arrangements in most industrial sectors have already been centralised, labour wants centralised bargaining to be compulsory in the new Act.

During the heightening of tensions between workers and employers over the Labour Relations Bill this week, Nedlac negotiators Ephraim Patel and Adrian du Plessis found time to talk to [KEVIN DAVIE](#).

**During the heightening of tensions between workers and employers over the Labour Relations Bill this week, Nedlac negotiators Ephraim Patel and Adrian du Plessis found time to talk to KEVIN DAVIE.**

**Which suggest that business is directing its blood on the Bill, it is in broad support, says Mr du Plessis.**

**Why?**

Mr du Plessis says the industrial relations structure must reflect the diversity and composition of South Africa’s labour market.

“There has to be a balance between the protection of the worker and the needs of the market. The Bill strikes the right balance.”

Mr Patel says decentralisation of the labour market which allows lower wages to be paid will simply result in conditions of a stagnant economy and cheaper production of goods.

He sees the potential to increase domestic demand through such means as “carefully thought out wage policies”.

Other reforms which will boost the economy and create management tools for productivity are a unique focus, says Mr Patel, who also emphasises the importance of education, a new training focus and more efficient government in the area of consumer, education, transport and support for research and development.

“Let the army mobilise the workforce by 5% to 10%,” says Mr Patel.

**Business is hostile to labour’s position because it wants to diminish centralised institutions**.

Business is hostile to labour’s position because it wants to diminish centralised institutions. The marked differences of principle between business and labour on the Bill, Mr Patel believes a compromise is possible before the end of the month, and the deadlock is set by Nedlac so that the Bill can pass into law this year.

**The Bill is the most important factor in the future of industrial relations for decades ahead. It is unlikely that the parties will agree to support it unless it satisfies them, they can live with it.**
Captains of industry stick to their guns

BUSINESS South Africa emerged on Thursday night after a crisis meeting with new and unified resolving that "voluntarism" would be its bottom line in negotiations on a new dispensation for labour.

BSA did not issue a statement after the meeting, but it is understood its bottom line is "voluntarism" — meaning that there should be no legal compulsion to bargain with trade unions.

The meeting was attended by 40 of the country's top businessmen, including Julian Ogilvie Thompson, Marinus Daling, Basil Hersov, David Brink, Leslie Boyd, Dikgang Moseneke, Pat Retief, Paul Kruger and Johan Rupert.

"The captains of industry and their lieutenants were there," one participant said.

The countrywide marches on Tuesday, further planned mass action this week leading to a half-day stoppage next Monday and violent incidents on two gold mines have led to a hardening of attitudes in some sections of business.

There has been widespread concern in business circles over Labour Minister Tito Mboweni's support for centralised bargaining and President Mandela's unexpected appearance at the march by 40 000 workers in Johannesburg on Tuesday.

"I bless your demonstration," Mr Mandela said.

While government has stopped short of supporting the Cosatu-led campaign for compulsory centralised bargaining, business is concerned that the high-profile support for mass action is sending the wrong signal to investors.

Anglo American this week reported two separate incidents on Anglo gold mines where picketers caused violent, leading to injuries, stickings and damage to vehicles.

There are also concerns that Cosatu has been winning the propaganda war over the Labour Relations Bill.

Cosatu's position is that bargaining with trade unions should both be compulsory and take place in centralised forums which cover an entire industry.

Business negotiators say while they quibble over some detail of the Bill, they agree with its broad approach.

Labour spokesmen counter that it is labour which supports the broad thrust of the Bill.

"Business' proposals are way out of the architecture of the Bill. Ours complement the objectives of the Bill," says Ebrahim Patel, labour's man at Nedlac.

"Anglo American this week reported two separate incidents on Anglo gold mines where picketers caused violent, leading to injuries, stickings and damage to vehicles.

"Anglo spokesman Michael Spjeeze says the incidents "belle claims by Cosatu that its mass action campaign is not meant to be coercive and is peaceful".

"Mine security officials responded to scuffles at one incident with tear gas and rubber bullets."

Mr Spjeeze's says the "national leadership of NUM and Cosatu must immediately condemn violence, unprocedural and thuggish behaviour.

"Failure to do so will sharpen the perception that the Cosatu campaign is designed to promote unacceptable ends — the introduction of further labour rigidities which will inhibit job creation in the interests of the privileged few unionised insiders — through unacceptable means, violence and coercion."

Cosatu's Neil Coleman says Cosatu considers violence. He says Cosatu's proposals aim to protect workers' rights to picket to lessen the likelihood of conflict and violence.

A NUM spokesman says the union does not condone violence. It says it is unknown of the incidents at the two Anglo gold mines.

Informal meetings between business and labour were held this week and more discussions are planned for the coming week.

Mr Patel says it is possible to meet the end-June deadline to conclude negotiations so that the Bill can go to Parliament before the end of the year. But Mr Patel says labour will not be brow-beat by suggestions its protests are deterring investors.

"We don't contract labour laws every year," he says, adding that the present laws date back to 1949. Investors want certainty. "We're looking to have a high level of certainty in labour policy."

Mr Patel says that the new agreement is to get agreement on the new Labour law, which will be made after the national strike and call on the majority party in Parliament to back its labour proposals.

BSA plans a follow-up meeting on Tuesday, after media announcements may follow.

STANDING FIRM ... union leader Ebrahim Patel, seeking a high level of certainty over labour policies.
Crisis week for labour negotiations

BY JOHN VILJOEN

This week's round of negotiations between employers and labour over the draft Labour Relations Act will be a last-ditch effort to prevent what Cosatu has threatened will be "the biggest national worker action the country has ever seen" on June 15.

Representatives of business and trade unions meet today and tomorrow in the National Economic Development and Labour Council (Nedlac) to discuss the contentious document.

Last week, while workers took to the streets — Cosatu claimed 100 000 protestors in support of demands to have the bill passed this year, critics attacked the draft law for being "anti-investment and anti-RDP."

University of Cape Town economist Hugh High said the bill, if it became law, would lower the rates of return for foreign investment in South Africa.

Investment

"If this bill gets passed, I would be utterly amazed if there is anything but the most casual investment in South Africa," he told a Centre for an Open Economy Conference.

The bill would cause an increase in labour activity and was full of "incredibly bad provisions", he said, pin-pointing the right to strike in sympathy over any socio-economic issue in the interest of workers and workplace forums as particularly dangerous.

The International Labour Organisation, which had recommended socio-economic strikes and workplace forums, was merely "a talk-shop" South Africa did not need to carry out its mandates, Professor High said.

Wits University business economist Temba Sono slammed the bill for being "anti-RDP, anti-employment and workers, but pro-trade union aristocracy."

Minority

The bill viewed the unions as the only vehicle for furthering workers' rights, yet unionised labour represented a minority of workers.

Professor Sono told the conference the bill could be unconstitutional. A passage in the draft instructed Nedlac to curtail the right of employers or owners to dispense of the business or make acquisition without consulting the work place forum."

"This is authoritarianism," Labour consultant Michael Sisulu said the bill would create a "paradise for lawyers" and was riddled with vague terminology which would lead to "decades of litigation."

The word "reasonable" was used more than 50 times in the draft. "You can imagine how many cases we are going to have about that."

Free Market Foundation executive director Leon Louw called for an action group to be formed to stop the bill from becoming law.

Responding to these attacks, Cosatu spokesman Neil Coleman said he found the anti-investment objections "difficult to understand."

The countries South Africa looked to for investment spent large amounts of money in democracies which had strong trade union rights, he said.

"We are now living in a democracy which is undergoing a period of reconstruction."

"Unless these people are suggesting that we revert to a repressive union-bashing dictatorship, it is difficult to understand their point of view."

"Trade union rights and a stable industrial relations framework are critical to the RDP."

"The RDP calls for collective bargaining, the right to strike, no lock-outs and a number of principles which are contained in the draft LRA."

Dreamworld

Critics like Professor High, Professor Sono and Leon Louw were living in "some kind of economic dreamworld."

"We have a constituency of 1.5 million members and these people are talking from their text books."

"We are basing what we are saying on our day-to-day experience on the factory floor."

Referring to the Asian Tigers as free-market successes, as was often done by critics of the bill, was misleading, he said.

"These were not free-market utopias. There was state intervention in the form of massive investment in human resources development."

"We need to develop a framework which is acceptable to the trade unions, management and the other stakeholders in our economy."
Govt’s hopes for social pact at stake

BY BRUCE CAMERON

Government faces a major crisis this week that could sink its pre-election hopes for a social contract between business, labour and government and set back new capital investment.

The country’s business leaders are lining up in what is becoming a test of strength between labour and capital, as trade unions threaten to take to the streets to enforce demands for compulsory centralised bargaining.

The proposed labour legislation and an imminent policy statement on privatisation are straining the ANC-labour alliance in Parliament, with the unions threatening obdurately opposition on both issues.

The confrontation between business and labour could see the National Economic Development and Labour Council (Nedlac) come apart. Nedlac was set up to resolve major disputes and construct a social contract.

Nedlac convenes today and tomorrow on the legislation.

The unions have already started a mass action campaign, with major protest marches planned for tomorrow to demand centralised bargaining. Further mass action is planned in the weeks ahead.

Business has been trying to avoid a public confrontation, but labour’s determination to push ahead with mass action and signals from government that it is wavering on initial neutrality, have brought hardened resolve.

Business leaders are expected to start speaking out publicly this week after a top-level meeting of the country’s senior businessmen last week.

The confrontation is likely to have major consequences for investment, both local and foreign.

Last-ditch attempts by Tito Mboweni, the labour minister, to get agreement between labour and business 10 days ago came to nothing, with talks between the two parties falling apart on discussions of “process”, without dealing with their fundamental differences.

Mboweni is still committed to getting the legislation through parliament this year, but this seems unlikely.

Labour, however, has been threatening to use its support in parliament to force through its views.

Business, which already has a number of negotiated central bargaining agreements in place, is opposed to a blanket enforcement of the principle.

Small business is seen as the main victim of such a policy.

It is understood that business leaders are particularly concerned about the way Mboweni, has increasingly sided with labour and about President Nelson Mandela’s decision to join a labour protest march last week.
Nedlac making progress on new policy delivery

BY BRUCE CAMERON

While all around seem to be losing their heads, one chamber of the National Economic Development and Labour Council (Nedlac) is moving ahead on issues affecting trade and industry.

However, concern has been expressed in parliament that Nedlac could slow down delivery of new policies.

Zaveneh Rustomyee, director-general of trade and industry, told the parliamentary committee on trade and industry this week that Nedlac could become an impediment. At the moment, however, it was proving very useful in developing new ideas.

Priority

Alan Hirsch, chief director of industry, technology and strategy in the trade and industry department, said a range of issues had been referred to Nedlac.

Hirsch said the overall objective of Nedlac’s trade and industry chamber was to develop policies to promote growth, employment and an increased income and standard of living for all South Africans in line with the objectives of the reconstruction and development programme.

He said a number of priority areas were being considered by the trade and industry chamber. These included:

- International trade relations and trade policy

This section included the submission of a social clause by the labour delegation, which would set employment standards in multilateral and bilateral trade and investment agreements.

- The development of foreign investment policy. The discussions are based on investigations funded by the Japanese Grant Fund of the World Bank.

Issues under investigation include the pre-shipment finance for small and medium business attempting to access the export market, the appointment of consultants (paid for by government and benefiting businesses) to advise small and medium business on how to become internationally competitive and the development of competitive downstream industrial clusters, such as the electronics industry and stainless steel.

- The development of domestic investment policy, including regional industrial development and export processing zones.

Hirsch said there were problems with export processing zones Labour was concerned that there would be an absence of regulations protecting labour, while established business was concerned that there would be unfair competition from foreign competitors, for example in the manufacture of motor vehicle components.

- The development of industrial policy and industrial restructuring.

- Export assistance measures. This included discussion of export marketing, technical assistance for export, small and medium businesses and the development of a competitiveness programme.

- The stimulation of supply side measures to encourage economic growth including human resource development, technology use and development, promotion of domestic and foreign investment, and improved work organisation, practice and productivity.

- Competition policy, and

- The development of mining, mineral and energy policies.
Labour and business to continue meetings on Act

Renee Grawitzky

MEETINGS between labour and business continue today and tomorrow following a decision taken by the governing body of Business SA and its board of trustees on how to take the process forward.

Amid claims by labour that business was divided and had no proper mandate from its constituency, close to 70 chairman and CEOs of leading companies affirmed their confidence in the negotiating team and agreed on future action.

The delegates, including Julian O'Grady, Thompson, Johan Rupert, Leslie Boyd and Basil Hersov, endorsed the broad principles of voluntarism, flexibility and diversity which formed the basis of Business SA's position on the draft Labour Relations Act.
New union federation proposed

DURBAN: The IFP has entered the fray over the controversial labour relations bill, vowing to head the formation of a new union federation to oppose COSATU.

The party has slammed COSATU's plans for mass action to prevent businesses from adopting the legislation.

IFP labour relations spokesman Mr Velile Ntlomo said COSATU should work within the National Economic Development and Labour Councils.

The IFP, led by the writer, would convene a workshop this year for unions and paralegals to oppose the planned legislation.

Ntlomo said his movement would not be drawn into the fray over the labour bill.

Source: Sunday Dispatch
Unions' value S.A. is first world infrastructure

By Andrew Dancy (13)

(TE) (1167)
The good news: parties are still talking...
Showdown looms
Business, labour
Union press on with plans for mass action and strike

EMPLOYERS WON'T

PAGE 15

Tough talk on strike

of the workers

at the Ford Motor Co. have

forced the company to

submit a new offer.

Ford has offered

a 2 per cent raise

and a 2 per cent

increase in

wages, but the

unions have rejected

the offer.

The showdown is set for

next week, with the

unions planning a

massive demonstration.

Unions press on with plans for mass action and strike
Labour and business ‘still talking’

By Thabo Leshego

"The parties are still talking. That is a good sign," was all Jayendra Naidoo, National Economic Development and Labour Council (Nedlac) executive director, said after yesterday’s negotiating committee meeting on the disputed labour legislation.

Representatives of organised labour and business briefed the Nedlac committee on the progress made in informal meetings held to try to resolve their differences.

Les Kettledas, deputy director general of the labour department said he had been encouraged by the process.

Kettledas said both parties appeared committed to reaching an agreement to ensure the new labour relations bill could be passed during the current parliamentary session which ends on September 15.

He denied that the labour ministry had given the parties up to June 30 to find common ground.

"The June 30 thing is just a red herring, and it does not really matter if the negotiations carry on for a day or two thereafter," said Kettledas.

Labour negotiator Ebrahim Patel said the meeting had identified the core concerns and points of contention between labour and capital on the labour relations bill.

The parties agreed to meet again next week after consulting their principals. Patel said the unions wanted to reach agreement on workplace forums, lockouts, central bargaining and the organising rights of trade unions before June 30.

Tito Mboweni, Labour Minister, said he was in touch with the parties and “my sense is we’re making progress”. He was speaking in a telephone interview from London after attending the International Labour Organisation conference.

"But, quite clearly, this is a situation of negotiations and people need to understand that," Mboweni said.

Given the demonstrations of strength by both sides in recent days, he said “I think both parties now are willing to bargain, and to bargain seriously.”
Organised business declared yesterday it would "take a six-month strike" rather than be forced by industrial action into accepting changes to proposed labour legislation that could inflict severe damage to the economy.

The stark warning came from David Brink, the chairman of the powerful Business South Africa organisation, during an interview with Business Report.

To back up the warning, Business South Africa launched a nationwide advertising campaign today to take its argument to the public to counter the campaign being waged by the trade unions.

The dispute is over changes to the draft labour relations bill, which is being debated by the National Economic Development and Labour Council (Nedlac).

"The captures of industry have decided that they will take a six-month strike if necessary," Brink declared.

But he said business would keep negotiating and would not pull out of Nedlac.

"It is one thing for labour to behave badly. It is another thing for business to behave badly," he said.

No one had the right to sabotage the economy through industrial action when negotiations were still under way, he said.

The Nedlac talks are aimed at reaching consensus on the draft legislation by June 30.

Brink predicted it would be difficult to close the gap between labour and business and that Tito Mboweni, whom he described as "the best minister of labour we have had in a very long time," would have to "front up against labour".

Brink said that a crucial principle was involved: whether there should be "voluntarism or compulsion" on the issue of central bargaining. He warned that compulsory central bargaining across all industries would be a disaster for the country.

"South Africa's single biggest problem is unemployment. There are only two ways to improve employment. The first is from large South African and foreign companies. The other is to create an environment for small business development," said Brink, who is also the chairman of Absa, the country's largest banking group.

Compulsory central bargaining would frighten off big investors and make the growth of small business unviable, he said. Big companies could afford to pay a sweeper R2,500 a month, but if small business were forced to pay the same it would wipe out any competition to big companies", he said.

He said Cosatu and its associated unions represented only 20 percent of economically active people in the country. On top of this, unemployment was about 50 percent.

"The unemployed are being abused by the unions because they want to raise the entry costs of employment," Brink said.

He rejected as a "monumental lie" claims by labour that business was trying to alter the legislation on central bargaining, saying "The bill provides for voluntarism."

Business was not opposed to centralised bargaining, and many agreements were already in existence. The issue for business was to avoid making it compulsory as it was not suitable to many fields.

An example was in the pulp and paper industry, which did not have a central bargaining agreement and which operated on three levels. At the first level were large and small tree growers, including many small growers in KwaZulu. On the second level were large and small tree cutters and at the third level were capital-intensive pulp and paper mills.

This made it virtually impossible to have one agreement for the whole industry, with small growers most adversely affected, Brink said.

He said another major issue was the use of so-called scab labour. Business could not accept that it should not employ other people in the event of a strike. It could not afford to stop production and lose markets.

Farms would be "wiped out" if they could not keep operating. Thus, in turn, would push up unemployment.

Brink said there had been a positive and negative side to President Nelson Mandela bringing union members in a march on the issue in Johannesburg last week.

It had probably kept the march peaceful but would also have been shown on television screens across the world and perceived by international investors as encouraging labour unrest.

Brink said it was his view that the unions had foolishly got themselves in a tight corner. "It is now a question of finding some realistic compromise."
Business, labour talks progress

Renee Grawitzky

BUSINESS South Africa and labour have been exploring proposals which will accommodate labour's demand for centralised bargaining.

One proposal under consideration — which permits centralised bargaining at industry level — is the suggestion that social policy decisions be negotiated at industry level. Wages would then be negotiated at a level agreeable to the parties outside that forum.

It is understood that labour opposes the removal of wage negotiations from central-level bargaining.

Business SA has strongly opposed the compulsion to bargain at central level.

Business SA spokesman Bobby Godsell said last night at a briefing that many sectors did have central bargaining structures, without the legal compulsion to enter into such forums.

He said this was achieved largely through attaining organisational rights. The debate was not about centralised bargaining but whether people should be compelled by law to bargain at a certain level.

Labour in its memorandum presented to business during the protest march on June 30, 1995.

Continued on Page 2

Labour (132)

Continued from Page 1

6 said each industry should "be covered by a national bargaining council and that employers and labour negotiate at national industrial level. We propose that the content or bargaining be left to the parties to resolve." The draft Bill promotes but does not compel bargaining at a central or industry level.

Business SA said last night negotiations should continue and that bilateral meetings had helped the parties clarify their positions on core issues. Godsell said the parties had discussed proposals on promoting the process and in what forum the negotiations should continue.
Business prepared
to ‘sit out strikes’

BY BRUCE CAMERON

Organised business yesterday declared it would “take a six-month strike” rather than be forced by industrial action into accepting changes to proposed labour legislation that could inflict severe damage on the economy.

The stark warning came from David Brink, chairman of the powerful Business South Africa organisation, in an interview BSA also today launched a nation-wide advertising campaign to take its argument to the public.

The dispute is over changes to the draft Labour Relations Bill, which is now being debated by the National Economic, Development and Labour Council (Nedlac).

Brink declared: “The captains of industry have decided that they will take a six-month strike if necessary.” He said the Government would have to choose between the interests of the unemployed and those of organised labour.

Brink said business would keep negotiating and would not pull out of Nedlac, adding: “It is one thing for labour to behave badly. It is another thing for business to behave badly.

“No one had the right to sabotage the economy through industrial action when negotiations were still under way.”

The Nedlac talks are aimed at reaching consensus on the draft legislation by June 30.

Brink predicted it would be difficult to close the gap between labour and business and that Tito Mboweni, who is the best Minister of Labour we have had in a very long time, will have to front up against labour.

Brink said an absolutely crucial principle was involved: “Whether there should be voluntarism or compulsion” on the issue of centralised bargaining. He warned if central bargaining was made compulsory across all industries, it would be a disaster.

Acceptance of compulsory central bargaining would frighten off big investors and make it impossible for the growth of small business.

Brink, who is also chairman of Absa, said big companies could pay a sweeper R2 500 a month. If this was enforced on small business, it would wipe out any competition with big companies and strengthen monopolies.

He said the trade union federation Cosatu and its associated unions only represented 20% of economically active people in the country. On top of this there was unemployment of about 50%, South Africa’s single biggest problem.

Brink rejected as “a monumental lie” claims by labour that business was attempting to alter the legislation on central bargaining, saying: “The bill provides for voluntarism.”

Business was not opposed to centralised bargaining. The issue was to avoid making it compulsory as it was not suitable to many fields.

An example was the pulp and paper industry, which did not have a central bargaining agreement and which operated on three levels. At the first level were tree growers, who were both large and small, including many small growers in KwaZulu Natal. On the second were the cutters, some large and some small, and at the third were the capital-intensive pulp and paper mills.
Unions, business in deadlock over Labour Bill

NO PROGRESS was made in talks with business on Monday and Tuesday on the Labour Relations Bill, trade union federations said yesterday.

At a joint Press briefing in Johannesburg by the Congress of SA Trade Unions, the Federation of South African Labour Unions and the National Council of Trade Unions, Cosatu general-secretary Mr Zwelinzima Vavi said: "The velvet glove of reasonableness has been taken off to reveal the iron fist with which they (employers) run their companies."

He said employers could not come to terms with the core issues of centralised bargaining, the right to strike without dismissal and organisational rights.

Progress on centralised bargaining was being prevented by the chemical, retail and paper sectors which refused to make concessions, he said. Labour would not budge from its stance that centralised bargaining should be compulsory.

Employers insisted on the right to fire strikers if they put a company's viability in jeopardy, Vavi said. Strike mandates and years' lost wages and companies were destabilised, two factors essential to effective negotiations, he added.

On organisational rights, Vavi said business supported allowing more than one union at any firm, to divide the trade union movement. Instead unions having the most members at a firm should be protected.

He said there was no change in plan for a half-day strike on June 19 to pressure business to make concessions. If business refused to budge, additional mass action would be considered.

Cosatu, Nactu and Fed stal called on the Government to "not give in to the blackmailing tactics of business such as newspaper advertisements detailing business' views on the Bill."

Earlier yesterday, Minister of Labour Mr Tito Mboweni said the Government could not detail its position on the Bill until negotiations between business and labour were over.

Mboweni also said he saw progress being made between labour, business and the Government in talks on the Labour Relations Bill.

"Some bubbles are beginning to emerge in the negotiation process which I think is a very good sign," he told a Press briefing in Johannesburg after returning from an International Labour Organisation conference in Geneva, Switzerland.

"The issue of centralised bargaining is, as far as I can read, acceptable to all three parties," Mboweni said. "The problem lies in its compulsoriness."

Labour conference Mr Ebrahim Patel said business had to make the leap to democracy in the workplace just as whites had made the leap to political democracy in last year's general elections.

Labour and business are to continue their talks on June 20 and 21 — Supa.
Union bosses lash out at BSA, Sacob joins fray

BY THABO LESHILO and DEREK TOMMEEY

Business South Africa's (BSA) growing aggression in its acrimonious struggle with organised labour over the disputed Labour Relations Bill has angered the three union federations in Nedlac.

Yesterday, Cosatu, Nactu and Fedssal slammed BSA's nationwide advertising campaign this week outlining the position of organised business on centralised bargaining, workplace forums, trade union organising rights and industrial action.

"The ads are a transparent ploy to draw attention away from their (organised business) failure to address substantive issues," the federations said in Johannesburg.

Meanwhile, the South African Chamber of Business (SACOB) last night called on employers to follow a policy of "no work, no pay" for workers who do not attend work on Monday.

It also called for disciplinary action to be taken at the discretion of the company.

It said in a statement it was disappointed at Cosatu's failure to call off Monday's planned work stoppage. While it upheld the right to peaceful protest, this particular action was inappropriate while the issues in contention were being negotiated in Nedlac.

At the same time, Cosatu assistant general secretary Zwelinzima Vavi was saying: "The outbursts today reveal their (organised business) true colours, which workers know so well. The velvet glove of reasonableness has been taken off to reveal the iron fist of kurgstdadigheid with which they run their companies."
Unions lambast business for advertising campaign

By Thabo Lesole

Business South Africa's (BSA) growing aggression in handling its organised labour and personnel relations has angered the three union federations in Nectac. Contra, Nactu and Fedpact yesterday slammed BSA's nationwide advertising campaign this week, which outlined the position of organised business on centralised bargaining, workplace forums, trade union organising rights and industrial action.

"The adverts are a transparent ploy to draw attention away from their organised business's failure to address substantive issues," Contra assistant secretary general Zwenzima Vavi told reporters. According to BSA vice-president Bobby Godsell, the advertising campaign was part of the resolve by organised business to be "more aggressive and assertive" in countering the impression created by the unions that the business community was opposed to change.

As attitudes continued to harden on both sides, the three union federations called on workers to take part in a half-day strike and marches on Monday to force business to agree to labour demands for compulsory centralised bargaining. Looking on is Nactu assistant secretary-general Mulomola Shonoza.

CALL TO ACTION: Nectac labour negotiator Abraham Patel (right) at yesterday's press conference, urging workers to take part in a half-day strike and marches on Monday to force business to agree to labour demands for compulsory centralised bargaining. Looking on is Nactu assistant secretary-general Mulomola Shonoza.
The South African Chamber of Commerce urges SABC to review the planned work stoppage. While we do not support or condone any disciplinary action, the right of employees to strike at the direction of the company's management should not be undermined. The company's should ensure that planned employee lay-offs and work stoppages take place in line with the labor laws and collective agreements. This is important to avoid unnecessary losses and to maintain productivity.

Signed

[Signature]

Business Manager
SABC
Council seeks clarity on 'closed shop' agreement

PETER DENNEHY
MUNICIPAL REPORTER

THE Cape Town City Council is to go to the Industrial Court today to obtain clarity on whether or not it can continue with its "closed shop" agreements with its unions.

Where a closed shop exists, employees are compelled to join one or other union. This requirement is part of the conditions of service under which employees are hired.

There has been resistance to this from some of the staff, although the agreement goes back at least 50 years.

One objector is paying his "union dues" to the Community Chest, while another 40 or 50 are paying theirs into holding accounts, depending on the ruling.

Mr Ernie Thornie, deputy director of the council's labour relations department, said the action was a sequel to an Industrial Court ruling on December 13, 1993 that in its then-existing format, the council's closed shop arrangement was an unfair labour practice.
BUSINESS ACTING 'RECKLESSLY'

Cosatu rejects '3rd World' labour laws

BIG BUSINESS and trade unions are deadlocked over future labour legislation, and Cosatu is planning a march to Parliament tomorrow to highlight their demands.

SOUTH AFRICAN workers will not agree to a Labour Relations Act which will put them on a par with workers in the Pacific Rim countries — because cheap labour is a feature of those economies.

This was said yesterday by Cosatu acting general-secretary for the Western Cape Mr Joseph Williams.

Cosatu unions, he said, had drawn up a Labour Relations Act which was in line with other First World countries and which protected the rights of the worker. "We will never agree to the Third World option being proposed by the Business South Africa alliance because it will undermine the power of the unions."

Big business and trade unions are deadlocked on a number of points in the new Labour Relations Act — including centralised bargaining, industrial action and work-place forums.

Business want the right to lock striking workers out — a clause which, they say, balances out the workers' right to strike. This week organised business said it would take "a six-month strike" before they were forced into accepting the unions' proposed labour legislation changes.

March

The trade union alliance said it was "amazed" at this "reckless" challenge and accused business of being immature. To highlight their demands trade unions are planning a march through Cape Town to Parliament tomorrow.

Labour Minister Mr Tito Mboweni said yesterday he was confident agreement would be reached on a new labour law this month, despite a half-day strike planned by trade unions for Monday.

Staff Reporter, Reuters
One labour Bill for all if all goes well

Advocate June Wilson, author of Giles File, an employment law information service in Durban, discusses the changes in the new Act.

The draft Labour Relations Bill proposes several far-reaching changes to the present law on labour law and industrial relations, although many proposals are based on the original framework of law, structures and procedures which have been developed incrementally over the past 90 years.

New Legislation: It is proposed to repeal all existing labour legislation, including the Labour Relations Act of 1956 and the Public Service Labour Relations Act 105 of 1994, the Education Labour Relations Act 146 of 1983 and Chapter 1 of the Agricultural Labour Act 147 of 1960, and to replace them with a single Act applicable to all employers and employees throughout the country.

Employees in the public service and the education sector will be included within the same legislation, the only exception being members of the SA National Defence Forces, agencies and services established by the Intelligence Services Act, and the SA Police Services.

Certain special bargaining arrangements and agreements which are already in place, such as in the public service and the agricultural sector, will continue to be in force through the operation of transitional provisions in the Bill, and will only be phased out over a period of time.

Freedom of Association: The basic rights of freedom of association for both employers and employees are spelt out in chapter two of the Bill.

The right to strike and join and take part in the activities of a trade union or employee organization, and not to be victimized for so doing.

The victimization provisions extend to persons seeking employment.

Collective Bargaining: The Bill grants trade unions specific rights of access to the workplace to organize and to conduct union activities, and obliges employers. In some cases, to provide information to a union or its representative, and to allow representatives time off for union activities.

The thresholds of representativeness at which these rights accrue to unions have been left for negotiation by the parties.

As at present, representatives of unions and employers’ organizations will be able to conclude legally binding collective agreements, but these will be enforceable by arbitration rather than through criminal or civil action.

The criminal sanctions have been removed for nearly all breaches of the Bill’s provisions except in the case of a strike action.

Agency shop agreements, which require the deduction of agency fees from employees who are not members of a representative trade union, will be allowed, but the future of full-scale statutory closed shops remains unclear as they may contravene the new Constitution.

Meanswents, existing statutory closed shops will remain in force, but non-statutory closed shops will have to convert to agency shops.

The present industrial council system will be converted into a system of bargaining councils which will operate along similar lines, but with simplified procedures for registration.

Important changes include:

- The inclusion of both public and private sector interests within a single council.
- The representation of small business interests on councils.
- An annual review of their representativeness.
- Additional protection before council agreements may be extended to non-parties.

Bargaining at national level is facilitated through the new bargaining council system, but is not made compulsory.

Industrial Action: The procedural steps which employees or their union must follow before embarking on a legal strike are greatly simplified and expedited. The need for prior balloting is dispensed with. The definition of a ‘strike’ specifically includes partial stoppages and a refusal to work overtime.

On a legal strike, an employee is protected against civil actions for defamation and breach of contract, and has a very high degree of protection against dismissal.

The full extent of this protection is, however, subject to the conditions of the strike and the actions of the employer. The strike must be certified, and the employer may summarily dismiss employees who engage in it.

Collective bargaining and ‘power play’ have generally been accepted in SA as the preferred way of resolving most disputes. The changes do not alter the basic framework.

Thereafter, Smuts tried to appease his supporters, many of whom had been involved in the Reform, by introducing laws to give effect to ILO principles. This was done in 1924 and South Africa became the first country to do so.

However, Smuts was ousted by the Pact government in 1925, which then gradually endorsed Smuts’s new dispensation, the Industrial Conciliation Act, 1922 (ICA).

A mechanism was created in the ICA allowing for a high degree of ‘self-government’ for employers and employees, mainly through voluntary industrial councils with equal representation of employers and trade unions.

Agreements concluded by the parties to such councils were ratified by the Government and made binding on all parties to the council. This provision was also made for the establishment of conciliation boards in the unprotected sectors.

In addition, the ICA recognized certain basic worker rights and repeated the principle of the 1909 Transvaal law by insisting on conciliation through a council or conciliation board before allowing a strike or lock-out.

Giles will continue his overview in The Star on Monday.
RELATIONS between labour and business are expected to take a turn for the worse on Monday when unions in 24 different towns engage in a half-day strike and mass action to break the deadlock in negotiations over the new labour relations bill.

The strike, according to Mr Peter Roman, National Council of Trade Unions (Nactu) Western Cape co-ordinator, was called to break the stalemate in its negotiations with employers.

Mr Roman said yesterday the strike was a joint action between the Congress of SA Trade Unions, Nactu and the Fedco.

Although these unions have political differences, they have united to fight for worker demands in the new bill.

“We demand the right to strike, to organise, to have workplace forums and the right to centralised bargaining,” the union official said.

Monday’s half-day strike and mass action will start at 10am at the Grand Parade and be followed by a march to Parliament and the chamber of commerce.

STAFF REPORTER
New labour law a threat to jobs, say economists

BY AUDREY D'ANGELO

Although the current mass action by Cosatu will have only a short-term effect on the manufacturing industry, the effect of proposed labour legislation could be to reduce the number of jobs in South Africa, economists warned yesterday.

Old Mutual economist Ruan le Roux commented: "At the end of the day we need a more flexible labour market. It is important that labour and business sort things out. There is a risk that labour will become a problem in terms of efficiency and will price itself out of the market."

"Then we shall have a return to capital-intensive policies, with companies investing in more machinery and with fewer jobs available."

 Nedbank chief economist Dennis Dykes said this was not just a domestic squabble but something which could affect labour relations for the next 10 years. "And if it could have long-term effects. People will just not invest in South Africa if all the demands of labour are met."

Board of Executors economist and senior portfolio manager Rob Lee commented: "The last thing we need now is industrial confrontation. But there are some pretty important issues here and business has decided to take a firm stand. "It is better that we should have some short-term pain now than suffer a long-term disadvantage in international markets and in competing for investment."

Boland Bank economist Francois Jansen said he believed that "at the end of the day, labour law will look very different from the present proposals. "You cannot have centralised bargaining, for instance, in a country made up of regions with very different employment levels. A lot of jobs could be lost in that way, particularly in smaller firms."
Mass action 'treason', says employer leader

Staff Reporter

COSATU's call for rolling mass action on Monday is not only illegal, but tantamount to treason, says Lawrence McCrystal, chairman of the Confederation of Employers of Southern Africa (Cofesa).

And employers in the clothing industry have threatened not to pay workers for today, Youth Day, if they do not report to work on Monday.

Cosatu has called for a half-day protest on Monday against employers' intransigence in talks on the draft labour relations bill.

The employers say the clothing industrial council agreement does not provide for payment if workers absent themselves from work the day preceding and/or following a public holiday.

But the South African Clothing and Textiles Workers' Union (Sactwu) disputed the legality of the threat and warned that they would take urgent action against those who tried to realise it.

Mr McCrystal said the country's productivity figure was the lowest in the world, and rolling mass actions and strikes would erode it even more.

"It is in the interest of the country's economy that employers and employees combine forces to pull the economy together. So far negative mass actions of trade unions have seriously jeopardised the economy.

"This not only constitutes a crime against economic growth, but also treason against all who are trying to build democracy in South Africa."
Unions plan action for Monday on labour bill

Staff Report

FURTHER trade union mass action aimed at forcing business and government to accede to their demands over the proposed Labour Relations Bill takes place on Monday.

South Africa's three trade union federations — the Congress of South African Trade Unions, National Council of Trade Unions and Federation of South African Labour — are united in demanding that centralised bargaining, the right to strike and organisational rights be entrenched in the new bill.

At a Nactu press conference, regional secretary Peter Roman appealed to students to join the mass action.

Assistant general secretary Mahlomola Shosana said Nactu's central committee had decided to "direct the fight" at government and business.

The government was responsible for the bill, he said.

- Nactu does not believe that its targeting of the government will place "undue strain" on its allegiance with Cosatu over the issue of the Labour Relations Act.
- Cosatu is part of the ANC ruling alliance.
Saclob warns on labour's day of action

More than 23 marches and other activities are expected countrywide

By Abdul Milazi
Labour Reporter

The South African Chamber of Business yesterday advised employers to draw up contingency plans to counter organised labour's planned national day of action on Monday.

Saclob spokesman Mr Gerrit Bezuidenhout said although a half-day stoppage was planned for Monday, the likelihood was that a full day's work would be lost.

Monday will be the climax of Cosatu-Nacta and Feddeal's rolling mass action that began on June 5 to try and break the impasse at the National Economic Development and Labour Council negotiations.

Countrywide
More than 23 marches and other activities are expected to be held countrywide.
There will be marches in the Northern Cape and Free State towns of Kimberley, Taung, Kuruman, Kromstad, Welkom, Bloemfontein, Qwaqwa, and Bethlehem.

All the marches will start between 10am and noon. In the Western Transvaal, marches will be held in Klerksdorp starting at 11am from Checkers to the Department of Labour, in Vereeniging workers will assemble at 11am near the Vaal Show Grounds and march from 1pm to the Post Office.

Carletonville marchers will gather at the Traffic Department at 10am and march on the Department of Labour. Four marches have been planned for the Eastern Transvaal in Nelspruit, Witbank, Middelburg, and Leander. Starting times vary from 10am to noon.

Pretoria march
In the Northern Transvaal, three marches have been planned in Pretoria, Pretoria, Pretoria, Pretoria, starting at 10am.

The main march in Pretoria will start from Brown Street to the Union Buildings.

In the Western Cape, the main march will be in Cape Town where workers will gather at the Grand Parade at 10am and march to the Chamber of Commerce.

Four marches will be held in the Eastern Cape cities of Port Elizabeth, East London, Butterworth and King William's Town.

In Gauteng, a report-back meeting on the demands tabled during the June 6 march will be held at the Library Gardens in Johannesburg at 9am.

Details on the KwaZulu-Natal situation were still not available at the time of going to press.
Still on track

After threatening to pull out of Nedlac negotiations on the draft labour Bill when organised labour last week took its demands to the streets, Business SA (BSA) seems to have pulled back and decided to "hang in there" after all. The threat is seen by one leading business as having "put down a marker," though.

"We are continuing with negotiations," says BSA assistant secretary-general Carina Gardner, adding that a statement would be issued this week after a meeting of the board of trustees and governing body. "But we are sticking to the principles of voluntarism and flexibility in labour relations, which must be aimed at promoting economic growth and jobs."

The BSA's decision to continue participation in Nedlac emerged at a meeting of its governing body last Thursday, which was attended by the big guns of industry — including Julian Ogilvie Thomson, Johan Rupert, Les Boyd, Basil Hersov, Mannus Daling, Dipang Mosebenke, Pat Retief, Paul Kruger and BSA president David Brink.

The meeting also reaffirmed support for the BSA negotiating team, led by Adrian du Plessis of the Chamber of Mines. Du Plessis had issued the threat to pull out on the basis that business could not take part in talks while labour held a pistol to its head in the form of escalating mass action to achieve its demands.

Labour, which last week received indirect and ill-advised backing from Cosatu, Nelson Mandela personally when he reaffirmed their constitutional right to peaceful protest, plans a national half-day stayaway next Monday afternoon if its demand for compulsory central bargaining is not met, affirms Cosatu's Neil Coleman.

Government's plan is to achieve consensus on the labour Bill by June 30, which many regard as unrealistic.

There had earlier been reports that business was divided in its approach especially regarding the key issue in contention — compulsory centralised bargaining.

About two-thirds of industry, including the mining and metal sectors but excluding retail, chemical, paper and food, bargain centrally. This issue, more than differences over workplace forums and unions' (unlimited) right to strike, led to deadlock in the labour chamber of Nedlac after only a couple of meetings, giving rise to speculation that this corporate decision-making forum had died on the vine. Indeed, experience elsewhere of tricartism in labour and industrial policy-making is mixed, even in far less divided societies than SA.

Sacob spokesman Gerrie Beesdenhout says business is not in principle against either centralised or decentralised bargaining: "It is the compulsion aspect that we don't accept; it should be left to the parties in any sector to decide what form of bargaining they want." He accepts there are advantages and disadvantages to central bargaining but points out it may be inappropriate for some such as small and medium enterprises. He says about 80% of Sacob members are small businesses.

Nedlac chairman Jayendra Naidoo says the council is not under threat at all. He says the heat and dust around the Bill is not necessarily all negative. Nedlac acts as an early warning system to government and focuses everybody's minds on finding creative solutions. It would be "premature" to write it off. Formal and informal contacts between labour and business are continuing and the parties had "consulted" themselves. Naidoo is sure a way around the problem of central bargaining will be found, saying "there are possibilities for finding a practical solution both parties can live with."

Nedlac's Naidoo: the parties can find a practical solution.
sketches the implications of introducing centralised bargaining into the paper and pulp industry.

WITH enterprises ranging from one-man shows to conglomerates and activities as diverse as growing trees, saving logs and the "world class capital intensive" operation of turning the wood into pulp and paper, the industry is simply too diverse to cope with a uniform wage scale, he says.

Centralised bargaining would decimate smaller businesses by forcing, for example, a small company growing trees to pay the same basic wages as pulp factories.

"I've spoken to a tycoon who pays his sweepers R2 500 — a small business can't do that. Bargaining structures have to be tailored to specific circumstances," he says.

Cosatu's Ebrahim Patel ship to define legitimate small businesses, the centralised bargaining process would allow for special wage and service dispensations to ensure their viability.

The "voluntarist" position taken by business was in fact the cover for a plan to fragment unions by confining them to plant-level bargaining and ultimately, creating a host of smaller unions within factories.

By proposing that just 15 percent of workers sharing a common work environment would be sufficient to allow a union to be formed, employers were seeking to weaken worker power, by turning negotiations into a set of piecemeal discussions.

Using a clothing factory as an example, Mr Patel points out that business's plans would see 15 percent of cutters, designers, sewing machine operators, labourers and clerks all able to form their own unions.

A centralised bargaining has long been entrenched in the metal and mining sectors.

Also, a cause of union anxiety has been the question of whether or not scab labour should be allowed to take the place of striking workers during industrial action.

While trade unions want the new legislation to ban scab labour altogether, business has opposed this, saying it would go against international practices.

Says Mr Brink: "If there are strikes for whatever reason, there are some companies that have to keep running."

The alternative, he says, is for businesses to lose market share to less disrupted competitors and "to do permanent damage with a temporary dispute."

For Mr Patel, any limita-
Showdown looms over Labour Act

COSATU general secretary Sam Shilowa has challenged Business South Africa's David Brink and Anglo American's Bobby Godsell to a public debate over the Labour Relations Act.

The union federation is spearheading a nationwide "day of action" in 27 centres tomorrow, to get centralised bargaining and an unlimited right to strike written into the Act.

Mr. Brink has said that businesses were prepared to sit out a six-month strike before giving up its fight to have businesses decide voluntarily whether to bargain with unions at an industry level.

"I hope they will retract that statement because if there is anybody who is scaring off investors, it is David Brink and Bobby Godsell," Mr. Shilowa said at a press briefing yesterday.

He warned that companies that took disciplinary action against workers for taking part in the mass action would be "blacklisted" and targeted by the union movement.

"Cosatu spokesman Neil Coleman said the federation would wage a national campaign for a countrywide minimum wage of R1 500 if the Act did not entrenched centralised bargaining.

Meanwhile, in the engineering industry, the National Union of Metalworkers' 129 000 members edged closer to declaring a dispute with the Steel and Engineering Federation. Nenusa's general secretary, Enoch Godongwana, said the 10 percent increase offered by management did not address the union's demands.

See Page 25 and "Business Times"
Cosatu turns up the heat in labour row

By KEVIN DAVIE

THE labour movement has promised widespread mass action protests during tomorrow's planned half-day national work stoppage to demand amendments to the Labour Relations Bill.

Cosatu's Neil Coleman says the protest will be much more widespread than last Tuesday's march in the main centres.

"There are 24 marches planned, in every region and with non-union support from the ANC, Sasco and church organisations," Mr Coleman says negotiations between business and labour are "effectively deadlocked".

There have been no discussions since Tuesday. Mr Coleman expects negotiations to begin on Wednesday. This will leave only nine days for agreement to be reached on the Bill if the June 30 deadline set by Labour Minister Tito Mboweni is to be met.

But with at least 75% of the contents of the Bill - including points of major contention - yet to be discussed, the deadline does not appear achievable.

A further 200 submissions of about 4,000 pages are understood to have been made to the Labour Ministry.

Mr Mboweni this week expressed confidence at the bargaining councils but that once agreements have been reached, these will apply to the sector covered by the council.

Most unionised workers are covered by agreements struck in centralised bargaining forums. Labour says business will collapse these forums if they are not legally protected.

Business agrees that the labour relations system needs flexibility so that bargaining arrangements can be renegotiated in response to competition pressures.

Business also says legal protection can lead to corruption and a distancing of the union leadership from its members.

Negotiators agree they face a power struggle.

"It's a question of power, unfortunately," says Mr Coleman.

He says he believes the government will accept a degree of legal compulsion to bargain in the new Act.

Business South Africa's David Brick said this week that business will sit out a six-month strike if necessary rather than depart from its bottom line of "voluntarism".

The Labour Ministry is understood to remain hopeful that a will follow Mboweni's stance and that agreement will be reached before or soon after the June 30 deadline.

a settlement was achievable, but both parties say there has been no progress, even on core issues. The central dispute remains legal compulsion on employers to bargain with trade unions.

Employers support the right of workers to organise through trade unions, but say the requirement of employers to bargain with unions should be achieved through the union's organisational strength.

Unions want a legal compulsion to bargain to come into effect at a certain level of representivity. They also want legislation to require bargaining in councils which represent an entire industry.

Employers believe these arrangements are best made by the parties and may vary from one industry to the next.

Compromise, but unmandated, proposals were explored this week.

Business has suggested industry forums be set up, possibly under the Nedlac umbrella, to discuss sectoral (non-wage) issues.

Labour rejects the proposal as it excludes wages.

A labour suggestion - understood to have been rejected by business - is that there be no prescription on what is negotiated at the bargaining councils.
Proposed labour relations Bill will simplify law for unions and bosses

The procedural steps which employees or their union must follow before embarking on a legal strike are greatly simplified and expedited. The need for prior balloting is dispensed with. The definition of a "strike" specifically includes partial stoppages and a refusal to work overtime.

Once a legal strike an employee is protected against civil actions for delict and for breach of contract, and enjoys a very high degree of protection against dismissal.

The full extent of this protection is, however, not entirely clear, and dismissal may be permissible for "operational requirements" after compliance with certain procedural requirements. Employees who strike illegally are not protected from dismissal by the Bill, but their dismissal is not automatically fair.

An employer's right to embark on a legal lockout is retained, but lock-out dismissals are prohibited.

Secondary strikes and picketing are recognised and protected subject to certain restrictions, and protective action taken to promote or defend employees' socio-economic interests is also protected in limited circumstances.

The right to strike or to lock-out is limited

- If the matter is regulated by collective agreement or wage determination
- If the collective agreement prohibits strikes or lock-outs
- Where the issue must be referred to arbitration

JUNE Wilson author of Giles Files, an employment law information service in Durban, continues her assessment of the proposed labour relations Bill. She was appointed by a board appointed by NEDLC.

The powers and functions of the Commission will include providing advice and training on labour relations matters, overseeing the establishment of workplace forums, and appointing commissioners to resolve disputes referred to it.

The Bill envisages three forms of participation by the forums:

1. Information sharing
2. The right to be consulted and
3. The right to take joint decisions with management on defined matters.

What these matters should be has been left for negotiation by NEDLC. Disputes must be referred to compulsory arbitration.

Dispute Resolution:

- As proposed the present industrial court system will be abolished and replaced by an independent Commission for Conciliation, Mediation and Arbitration which will be state funded and go to a Labour Appeal Court, but there will be no further appeal.

Unfair Dismissal:

Chapter VI provides for a specific category of "unfair dismissals". A dismissal will be unfair unless for a fair reason connected with the employee's capacity or conduct or with the employer's economic, technological, structural or similar requirements, and in compliance with a fair procedure. Most cases will be referred first for conciliation and then for final arbitration, with no appeal to the courts. Dismissals for "invalid reasons" and for economic reasons will be referred to the Labour Court for adjudication.

Where a dismissal is found to be unfair the primary remedy will be reinstatement of the employee, usually from the date of dismissal. If the employee is not reinstated an award of compensation may be made, but may not exceed certain prescribed limits, which range from six to 24 months' wages, depending on the circumstances.
PRODUCTIVITY

Business and workers battle for new labour Bill advantage

By Ann Coetzee

Last year’s annual wage negotiations took place in the shadow of the first democratic elections. The coincidence of events is believed to have affected the manner in which the parties approached negotiations.

This year’s annual wage negotiations are similarly being undertaken against the backdrop of business and labour battles for advantage in the negotiations over the new Labour Relations Bill.

It has inevitably hardened attitudes on both sides, especially as the metal industry negotiations which dragged on last week.

However, one aspect of labour relations within the metal industry offers encouragement for those who believe labour and capital can work together effectively to improve productivity.

Workplace forums

The draft agreement for worker participation being discussed by business and labour in the industry could become a model for the workplace forums that have become a reality in the National Economic Development and Labour Council (Nedlac) negotiations on the draft Labour Bill.

The National Union of Metalworkers (Numsa) and the immediate cause of the metal industry deadlock was the reluctance of the Steel and Engineering Industries Federation of South Africa (Seisa) to deal with the need to close the “spare parts wage gap.”

The dispute centers on the pay rollover documents that the two parties have been working on for years.

If the productivity pact becomes a victim of this wage battle, it will be a major setback for the forum of reason in the war zone of industrial relations.

At this stage looks as though the document will survive to become part of the industry’s long-term negotiation agreements. One of the negotiators said: “Everything is affected by the negotiations around the yearly wage settlement, so provably discussions around productivity will be affected — it is one of the burning chips that the parties can use.”

Feeling within the industry is that much of the forum that has accompanied the release of the new Labour Relations Bill would have been avoided if the government had not given business and labour six to 12 months to come up with their combined views on what themes should be incorporated in a new Bill.

It is against this background backdrop that the engineering industry’s document on productivity being discussed by representatives of employers and workers in one of the country’s largest industries takes on major significance. The document is titled Engineering Productivity: Guidelines for Negotiating at Plant Level. It represents years of research, discussion and negotiations between Numsa and Seisa.

Once accepted, this facilitation agreement will become part of the resulting industry agreement.

As such, it will be a jointly prepared document, the contents of which will have been agreed to by the majority employee and employer representatives of the industry.

The document is therefore likely to be a powerful influence document for Numsa, especially as much of its content is pertinent to the debate on the role of workplace forums as laid out in the Labour Relations Bill.

The introduction to the draft agreement states that the guidelines contained therein are an attempt by industry representatives to assist employees and employers to develop a “shared vision” approach.

It should be emphasised that the parties agreed that the single document model was suitable for the particular circumstances of South Africa. The framework outlined here is an attempt to put the ideas of world class strategies into a South African context.

The intention is to win some support within Numsa as the frequent emphasis that it is not a “how to” manual but a set of guidelines “aimed at encouraging workers and management to start discussing and dealing with the challenges the industry faces.

Plant level talks

“Its purpose is to encourage employers and employees to frame employee representatives and plant level on productivity-related matters. In order to succeed, productively, bargaining needs to be entered into freely and willingly by all parties concerned. It may be necessary to tailor the requirements and circumstances of each individual company.”

That said, the draft does provide some fairly detailed guidelines on the concept of productivity and productivity-related matters, including a step by step process for implementation.

As with most of the parties who have difficulty with aspects of workplace forums, the Seisa and Numsa negotiators fully support the basic concept.

However, they disagree with some of the details specific to the notion that salary distributions can be separated from wage creation in a negotiation forum. The proposed productivity framework includes a section on guidelines on “how to distribute the additional wealth”.

Nedlac’s Chief Loyd points out: “Wealth creation cannot be separated from wealth distribution.”

He added that if South Africa was ever to move towards world class production, a number of small issues had to be resolved by key players in the local economy.

“From the workers’ point of view, demands for more money must be balanced with the need to be more productive in order to be able to earn an income.”

“On the employers’ side, must be the realisation that productivity is not just a function of getting workers to work harder. Productivity is more complex and involves capital, material and management as well as workers.”

There also has to be a realisation that productivity does not just deal with plant-level issues. Also important are input costs and the need to ensure these are internationally competitive.

These issues will also be part of Numsa’s national agenda which will in turn help to formulate national policy. Instead of talking about workplace forums, Seisa and Numsa talk about productive competitiveness. These sound similar to workplace forums except that in the Labour Relations Act there are precise provisions for the discussion of the distribution of wealth — only for the creation.

In contrast, discussion of how to distribute the additional wealth is a prominent part of the proposed role of the metal industry’s consultative committee.

Seisa’s Dave Cargo expressed support for the establishment of workplace forum-type structures, noting: “It is one way of giving effect to the Labour Relations Bill and as aimed at moving from an adversarial relationship between the owners of capital and labour to a co-operative one.”

But he expressed concern about limited flexibility in the proposed workplace forums: “I am not comfortable with the idea that unions have the sole right to negotiate whether or not a forum will be established — if the parties concerned should show an interest.”

He also believes all the parties should decide what issues are discussed in the forums.

PINPOINTING PRODUCTIVITY More complex than just plant level activity and getting workers to work harder
SA group gets membership

THE International Industrial Relations Association (IIRA) has granted membership to the Industrial Relations Association of SA (Irasa).

Irasa is an organisation comprising industrial relations practitioners, trade unionists, students and academics involved in the labour relations arena.

At IIRA's 10th World Congress held in Washington earlier this month, it was agreed that SA would help arrange the second African Regional Industrial Relations conference, to be held in Harare in 1997.
SA labour laws "fare well" globally

SA Fareed well internationally, in terms of its labour legislation and trade union movement, Cosatu general secretary Sam Shilowa said on Saturday.

"Depending on the outcome of the draft Labour Relations Act, I think that we will fare even better," Shilowa said at a news conference in Johannesburg after returning from the International Labour Organization (ILO) conference in Geneva.

The ILO conference acted as a forum to exchange ideas on labour relations laws, as well as tackling topical issues. Shilowa welcomed the conference's success.

Cosatu announced this month that it had reached a deadlock with business over key issues in the draft Bill.

Shilowa doubted that the conference would affect the Bill's components or would break the deadlock, but said international labour leaders offered "new lessons to be learned".

One of the main achievements of the conference was the convention on mining safety which would be drafted this year, he said. — Sapa.
Cosatu insists today’s mass marches and strike action go ahead

A HALF-DAY strike — called by labour to press home demands on revised labour legislation — would go ahead today, with rallies and marches in all major centres, Cosatu said at the weekend.

The demands, including stable centralised bargaining institutions, promotion of strong representative trade unions and the full right to strike would be spelled out at rallies around the country. Tens of thousands of workers were expected to attend.

Cosatu’s call was heeded by the National Council of Trade Unions and the Federation of SA Labour Unions. Their 350,000 members were expected to join the action.

Almost 30 towns and cities would be affected. Marches were scheduled to start between 10 am and noon. It was unclear whether those who joined in would report for duty later.

The SA Chamber of Business (Sacop) advised employers to adopt a “no work, no pay” policy. This was condemned by the National Civic Organisation’s Gauteng branch, which warned Sacop against its “arrogant attitude”.

Labour said employers who took disciplinary action against workers participating in the march would find themselves on a blacklist for “victimising workers for exercising their constitutional rights and we will be targeting them for action”.

Cosatu planned its major march from Cape Town’s Grand Parade via Parliament to the Cape Chamber of Commerce. In Johannesburg, workers would march to the Library Gardens; in Pretoria the Union Buildings would be a rallying point.

Top-level negotiators were expected to attend the meeting in a last-ditch attempt to meet the end-June deadline set by government to ensure revised legislation was put before Parliament during the current session.

Government was expected to table revised proposals, which Du Plessis said business would “with bated breath”. Their content was unclear, but compromises on workplace forums, bargaining levels and closed shops were expected.

Du Plessis said protest action should follow, not precede, negotiations. He denied the parties were in deadlock, despite Shilowa’s assertion that this was the case. “Protest action should be used as a last resort. We are not there yet,” he said.

© Sow. Page 71
6000 march against new labour laws

Bill won’t be allowed to pass, parties warn

ROGER FRIEDMAN, Staff Reporter

THE “business friendly” Labour Relations Act will not be allowed to proceed through parliament, the ANC, PAC and Communist Party have warned.

Speakers from the three political parties told a rally on the Grand Parade today that it would be preferable for business to accept labour demands before the bill got to parliament.

About 6000 workers from several unions and labour federations were at the rally before marching to parliament and the Cape Chamber of Business and Industry to hand over memoranda.

Organised labour is demanding that centralised bargaining and the right to strike be included in new labour laws.

ANC Western Cape leader Chris Nissen promised his party’s support for labour “inside and outside government.”

He said it was time business came to terms with democracy — “they cannot enjoy the privileges they had before.”

The government was not “on the side of business” Mr Nissen said.

He reminded workers it was the ANC which had initiated the draft labour relations bill.

Patricia de Lille of the PAC said: “When this bill comes to parliament, we will use our vote to push through a bill that will please the workers.”

“Because of you, we are in parliament today. We must show our loyalty to you and that is what we are going to do.”

Philip Dexter of the SACP said business should stop accusing labour of sabotaging the reconstruction and development programme (RDP).

“When we come with a concrete bill, they don’t support it.”

“They must decide whether they support the RDP, or there is no place for them in this country.”

Cosatu president John Gumede appealed to the ANC and PAC to support the working class when labour minister Tito Mboweni reports to parliament on the progress of the bill on Thursday.

He said workers could not count on support from the NP or the DP as they were “on the side of the bosses.”

The National Council of Trade Unions (Nactu) regional co-ordinator Peter Roman said workers should prepare themselves “to strike against the bosses.”

At midday, the workers gathered outside the main entrance to parliament, blocking Plain and Roeland streets.

A line of police with riot shields and helmets lined the gates to parliament.

The memorandum to the government was accepted by Trade and Industries Minister Trevor Manuel.

He said it was the government’s intention to ensure that the new Labour Relations Act was passed by parliament before September 15, the closing of the current parliamentary session.

He urged the unions to continue negotiating in a peaceful manner.

Sapa reports that security was tightened in central Johannesburg today as thousands of workers gathered for a protest to press for concessions from business in negotiations on the bill.

Police in armoured vehicles and traffic officers kept a close watch on the singing and placard-waving crowd.

“Don’t murder the working class by privatization,” a banner held aloft by workers proclaimed. Another read “An injury to one is an injury to all.”

Most companies would close early to allow workers to attend a march through the city at noon, she said.

WAITING GAME: Police and union members wait in Koeborg Road, Milnerton for news on whether the workers could march to Cape Town.
Police on standby for worker marches

JOHANNESBURG: Police had contingency plans to deal with possible outbreaks of violence during country-wide marches by workers today, a spokesman said.

Western Cape police spokesman Captain Wicus Holzhausen said additional police were on standby, though violence was not expected.

Cosatu said on Saturday the half-day strike, meant to push employers into a new mindset on the draft Labour Relations Bill, would continue as planned.

Cosatu said it and employers could not agree on centralised bargaining, the right to strike without dismissal and other rights.

Today's mass action, said general secretary Mr Sam Shilowa, was meant to show that "apartheid legislation had to be re-written for democracy in the workplace.

"We are not naive, we know that behind employers' motives are profits at all costs," he said.

The half-day strike was expected to be the biggest in years.

The major march will take place at Cape Town, where workers will assemble on the Grand Parade at 10am and march via Parliament to the Cape Chamber of Commerce.

Gauteng's big march will begin at the Library Gardens in Johannesburg. Workers will also march to the Union Buildings in Pretoria.

Eight towns in the Northern Cape and Free State will see marches, as will Durban, Mntzburg and Ladysmith in KwaZulu-Natal. — Sapa
Nedlac unlikely
to heal labour rift

BY THABO LISHHLO

With only 11 days left before the June 30 deadline for labour and business to heal their rift over the labour relations bill, the parties remain so fundamentally divided that it is highly unlikely the deadlock will be broken in time.

And, given the growing determination by Business South Africa (BSA) to resist any pressure from organised labour on the matter, today's nationwide strike and marches by Cosatu, Nactu and Fedasil seem unlikely to move the process forward.

Organisers said the protests — expected to be the biggest in years — would take place in at least 27 towns around South Africa despite further talks scheduled to start today in the National Economic Development and Labour Council (Nedlac) negotiating committee.

Sabc has advised employers not to pay employees who stay away from work to join the protests. Speaking on his return from the International Labour Organisation conference at the weekend, Sam Shilowa, Cosatu secretary-general, criticised the business community for "stalling the process" of establishing a new industrial relations system.

Shilowa repeated previous warnings by trade union federations that the government and parliament would have to pass the law this year to advance workers' rights regardless of the deadlock.
Going about consultation in the workplace

Given that the detailed structure of the workplace forums has not yet been formalised and will only be done following input from Nedlac, and given that there has been no public opposition to the inclusion of negotiation on wages (including from Numsa) from the forums, it is worth noting some of the Numsa/Sesa guidelines' points on how to establish a consultative committee and use it effectively.

The section on employment and income security suggests "The key point for both sides to understand is that agreed productivity changes will not mean the loss of jobs or earnings, but could mean a substantial change in what employees and management do."

With regard to structure and membership, the point is made that it is important to ensure that both sides include the real decision makers and not just junior management.

The committee should meet at least once every two months, the guidelines say, and any member should be able to place items on the agenda. It is important that both sides are involved in setting the agenda.

According to the guidelines, "It is essential that minutes of each meeting are taken and distributed to all members of the committee and posted on notice boards. It may be a good idea to send a copy to the local union organisations so that they are not surprised by issues as they get implemented. Be careful with information that may be industrially or commercially sensitive to the company."

Significantly, given that Nedlac has to decide on what issues forum members should be consulting on, the Numsa/Sesa document has already drawn up the beginnings of a list:
- Skills, training and career paths including the development of company training plans, retraining, multi-skilling and the assessment of earlier learning.
- The introduction of new technology such as computer controlled machines, robots, fibre optics and so on and the effect those will have on employment, skills, safety and job satisfaction in the plant.
- The introduction of new management techniques such as "just in time" and "total quality control" systems and "green areas", or continuous improvement processes, and
- Major changes in market circumstances and/or product lines, which will require changes in production processes, skills or employee numbers. Most particularly, the effect of trade agreements such as GATT on the plant should be thoroughly discussed.

On the issue of resources, as with the forum in terms of the Labour Relations Act, the employer is called upon to help provide training as well as materials and time.

The coming months at Nedlac will see heated and prolonged discussion over all of these issues.

Productivity benefits 'must be negotiated'

The one area which openly conflicts with the Labour Relations Act's suggestions for the workplace forums is the document's guidelines on how to distribute the additional wealth that is created through productivity improvements.

There are certain primary requirements for a wealth distribution plan in a company and every plan would be evaluated in terms of the following:
- The plan must be negotiated,
- It must emphasise productivity improvements by means of throughput growth in preference to cost reduction, thereby sustaining and/or increasing employment,
- The additional wealth available for distribution must be measured unambiguously and transparently,
- It must be clear to all participants what the outcome will be, that is, what achievements will lead to what benefits for which stakeholders,
- Every stakeholder - owners of capital, managers, workers and customers - must benefit from the plan in the long term, but the degree of benefit must be negotiated up-front.
Protests on today despite more talks

BY TRABO LESHILO

With only 11 days left before the June 30 deadline for labour and business to heal their rift, the parties remain so fundamentally divided it is highly unlikely that the deadlock will be broken in time.

And, given the growing determination by Business South Africa (BSA) to resist any pressure from organised labour on the matter, today's nationwide strike and marches by Cosatu, Nactu and Fedesa seem unlikely to move the process forward.

The organisers said the protests expected to be the biggest in years and could take place in at least 27 towns around South Africa despite further talks scheduled for today in the National Economic Development and Labour Council (Nedlac) negotiating committee.

Sasbo has advised employers not to pay employees who stay away from work to join the protests.

Speaking on his return from the International Labour Organisation conference at the weekend, Sam Shilowa, Cosatu secretary general, criticised the business community for "stalling the process" of establishing a new industrial relations system.

Shilowa repeated previous warnings by the trade union federations that the Government and Parliament would have to pass the law this year to advance workers' rights regardless of the deadlock.
Marches planned for 27 towns

Showdown as unions protest

STAFF REPORTERS

Johannesburg workers turned out in full force early this morning, although traffic and transport problems were expected later today when thousands of workers join the midday protest in the city centre.

Labour is staging rallies and marches in 27 cities and towns today, to pressure business into accepting its demands regarding the Labour Relations Bill.

Their action is seen as a crucial event in terms of the the six-week-old tripartite negotiations on the proposed law.

Business organisations are standing firm on their positions and are highly critical of today's protests The two sectors have deadlocked on clauses in the draft Act related to centralised bargaining, the full right to strike, and the new workplace forums.

Only 33% of conductors on Wits Metro Rail Services reported for work today, but trains operating from Soweto were full, a spokesman for the services said.

Putco reported higher-than-normal loads in Soweto as passengers switched to buses because of problems on the railway. But passenger loads in Natal were 20% down, mainly in predominantly ANC areas, Brian Treweek, head of Putco industrial relations, said.

He had been advised that many employees would leave work at lunchtime to join the protest and they were trying to reach an understanding with drivers to ensure there was no interruption to afternoon services.

Witwatersrand police spokesperson Lieutenant Jan Combrink said all was quiet, but that traffic and transport problems were expected later this afternoon.

Sapa reports that police will use helicopters and petrol cars to monitor the march.

Additional police are on standby in case of emergency, but violence is not expected.

Protesters in Johannesburg were scheduled to assemble at the Library Gardens from 8am where leaders were to give speeches and read out responses to memoranda handed to the Government and business during marches on June 6.

The Pretoria march was due to start in Brown Street at 10am and proceed to the Union Buildings.

SA Chamber of Business spokesman Gerrie Bezuidenhout said yesterday the organisation had recommended that employers adopt the no-work, no-pay principle regarding today’s action.

"In our opinion the mass action is inappropriate as the negotiations have not broken down and are continuing in a legitimate forum. This is really a return to tactics suited to the old South Africa," he said.

The marches, coupled with a call for a national half-day strike, are the culmination of the first phase of a campaign to break the deadlock on certain clauses in the draft Act.

The various union federations last week threatened to demonstrate and take action against employers who penalise workers for participating in the mass action.

Formal negotiations with Government, labour and business resume tomorrow. Labour Minister Tito Mboweni said last week the Government would present new proposals tomorrow to help break the impasse.
Major adjustments to these Acts nothing new

With ILO go back many years, Graham Giles, Durban attorney and part time RAU law professor, writes in this labour overview

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The new court was empowered to depart from the law of employment and issue guidelines and also order its notion of fairness in a range of employment and ordering practices at or compensation required by the definition in ULP. The distinction had to be made between disputes of facts and "interest" in the absence of a negotiated agreement, disputes of fact being excluded from the jurisdiction.

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Unions turn on the heat

By Abdul Milazi
Labour Reporter

SOUTH Africa’s labour movement will intensify pressure on employers today with thousands of workers marching countrywide to back trade union demands in national talks.

The labour action, which is spearheaded by the Congress of South African Trade Unions (Cosatu), involves marches in 27 centres, with workers taking the half day off.

It has been sparked by disagreements between unions and employers over aspects of labour legislation, including the right to strike and centralised bargaining.

Ahead of the protests, Cosatu warned at the weekend that it would act strongly against employers who took disciplinary measures against workers taking part in today’s national day of action.

Contingency plans

The South African Chamber of Business called on employers to draw up contingency plans to counter today’s demonstrations. The chamber’s spokesman, Mr Gerrie Bezuidenhout said although a half-day stoppage was planned, the likelihood was that a full day’s work would be lost.

Cosatu’s general secretary

Mr Sam Shilowa

Cosatu general-secretary Mr Sam Shilowa, addressing a weekend Press conference on his return from an International Labour Organisation conference in Geneva, said companies that carried out last week’s threats by business to take disciplinary action against workers who stayed away would be blacklisted.

Other types of action, including consumer boycotts, still had to be discussed by Cosatu’s national executive committee, said Shilowa.

Marches have been planned to begin at 10am until noon in all major centres and provinces.

In Gauteng an open-air meeting to report back on the demands tabled by major union federations — Cosatu, National Council of Trade Unions and the Federation of South African Labour — on June 6 will be held at the Library Gardens in Johannesburg at 9am. Workers will also march in Pretoria.

In the Northern Province, similar protest action will take place in Pietersburg and Rustenburg.

Marches will also be held in Klerksdorp, Vereeniging, Carltonville, as well as in Nelspruit, Witbank, Middelburg and Leandra in the Eastern Transvaal.

In the Northern Cape marches have been planned for Kimberley, Taung and Kuruman, while in the Free State they will take place in Kroonstad, Welkom, Bloemfontein, QwaQwa, and Bethlehem.

Western Cape marches

The main march in the Western Cape will be in Cape Town, while four others will take place in Port Elizabeth, East London, Butterworth and King William’s Town.

Shilowa said it was irresponsible of business to dare Cosatu to continue its mass action for the next six months, and called on business to retract the statement.
Freedom is at stake in Labour's showdown with business.
Dispute over draft Labour Relations Bill 'threat to investment'
Workers heed call to protest against business

Renee Grawitzky and Edward West

BUSINESS reported a work stayaway from noon to 3pm yesterday — ranging from 90% to 100% absenteeism in different places — as workers heeded a call from unions to protest against business’s stance in negotiations on new labour legislation.

A map survey of the main industries showed that large numbers of workers reported for work but left to attend marches and rallies in various regions. Gauteng and Eastern Cape appeared to be hardest hit.

Cosatu said close to 500 000 workers took part in marches and rallies. Many had stayed at home because of misleading reports that the day was to be a stayaway, the union federation said.

Sacob said the half-day strike was substantial although it was difficult to quantify how many people were involved.

Labour consultants Andrew Levy & Associates director Brian Allen said it appeared the action was widespread.

Volkswagen SA spokesman Raymond Hartse said there had been no work at his factory during the afternoon, resulting in lost production of 170 vehicles.

Anglo American Corporation reported no disruption during working hours.

Although a large number of retail outlets were affected in the main centres, trading continued.

In Cape Town, Trade and Industry Minister Trevor Manuel said government intended ensuring that the new Labour Relations Act was passed before Parliament closed on September 15.

On behalf of Labour Minister Tito Mboweni, Manuel accepted a memorandum and spoke to about 500 Cosatu and National Council of Trade Unions members who had been demonstrating outside Parliament.

Workers (Continued from Page 1)

Cosatu president John Gomomo, saying employers were delaying the passing of the Act until next year, demanded that it be passed during the current session of Parliament. Big business was using small business to avoid the issue of centralised bargaining, he said.

Threatening further mass action, Nacta regional co-ordinator Peter Ross said while labour had to honour its agreement to negotiate, “If our demands are not met by June 30, it will be something else”.

Business SA spokesman Adrian de Pleissis said negotiations on the Act would continue this week.

Cosatu said, “The massive turnout of workers in support of labour’s negotiating position at the National Economic Development and Labour Council should make employers realise... workers will not be intimidated by billicoses... threats. David Brick of Business SA must hope workers do not decide to take him up on his irresponsible challenge of a six-month strike.”

Cosatu and alliance leaders warned government that it had to side with workers if it wanted to stay in power.

Cosatu general secretary Sam Chishwa warned government not to stand in the way of organised labour, while Gauteng premier Tokelo Xasa called on employers to refrain from making unilateral decisions.

Johannesburg rally, SA National Civic Organisation national president Mthunzi Mhlangwa said the action was a mandate to people in Parliament that “we elected you, you taught us how to fight and through your teachings we are demanding our rights”.

National Union of Metalworkers of SA general secretary Enock Godongwana said if employers were allowed to dictate labour legislation, the “future of trade unions and worker rights will be bleak”.

© Picture: Page 3
© Comments: Page 14
ROGER FRIEDMAN  
Staff Reporter

COSATU has warned that countrywide marches to support labour demands for the inclusion of certain rights in a new Labour Relations Act were only "the beginning of rolling mass action."

Worker rights that the unions believe should be legislated by government include centralised bargaining, the right to strike and an end to so-called scab labour.

Yesterday, Cosatu was joined by the other two major trade unions federations—the National Council of Trade Unions and the Federation of South African Labour—in staging marches throughout the country.

In Cape Town, about 6 000 workers met on the Grand Parade where they were addressed by various politicians and union leaders before marching to parliament and the Cape Chamber of Commerce and Industry. The march was peaceful.

When the workers returned to the Grand Parade after handing over a memorandum at Parliament, and the Cape Chamber, they did so to the strains of the well-known Bob Marley standard, Keep on Moving.

Cosatu president John Gomomo congratulated the marchers for their discipline.

"This is the beginning of our rolling mass action," he said.

"Business thought this was just a threat, that workers would never march straight after a long weekend."

Mr Gomomo stressed that unions wanted to help build a strong economy — but not at the expense of labour.

Earlier, speakers from the Pan Africanist Congress, African National Congress and South African Communist Party assured the workers that a labour bill which did not incorporate their demands would not be allowed peaceful pas-

LABOUR MEETS GOVERNMENT: Cosatu president John Gomomo, left, addresses workers as they hand over a memorandum to Trade and Industry Minister Trevor Manuel, right. Mr Manuel promised the bill would proceed through parliament this session.

"One or two" factories experienced a 100 percent stayaway, while elsewhere, stayaway figures varied between 10 and 40 percent.

UNITY IS STRENGTH: Part of the crowd that massed on
ISS action to come

Another new flag: One of the 6,000-odd workers who marched to parliament and the Cape Chamber of Commerce and Industry, displays a South African flag with a new symbol.
Employers weigh strike responses

As the rolling mass action resulting from the stand-off in Nedlac over the labour relations bill intensified, companies hurriedly sought guidance yesterday on whether they should deal harshly with employees who went on strike.

Dean Nel, a partner at the leading law firm, Webber Wentzel Bowens, warned yesterday that some companies could eventually consider sacking the trade unions for lost production resulting from the ongoing protests.

He said that employers were entitled to dismiss employees for abandoning work to join the protests.

Workers who withdrew their labour to join the strike were "blatantly in breach of contract."

Nel said: "We gave employers a whole list of their rights and advised them what they could either adopt the no-work no-pay principle or take disciplinary action."

Stuart Pennington, managing partner at SPA Consultants, said his firm had been telling its clients that the voluntarist stance taken by Business South Africa (BSA) on centralised bargaining was the right one.

Said Pennington: "Cosatu’s position is a confused one. Employers must resolve the matter with their workers as they see fit, which is the characteristic of the voluntarist system."

Brian Allen, a consultant at Andrew Levy and Associates, said the company advised against disciplining workers given the sensitivity of the struggle in Nedlac.

"Taking disciplinary action might be unwise at this stage. It is really a national issue and to start exercising discipline at plant level would be unwise," said Allen.

Sacad said yesterday’s mass action was relatively peaceful, with only isolated instances of intimidation being reported. Spokesman Gerne Bezuidenhout said "numbers of workers" took part in the strike after reporting for work in the morning and then taking the afternoon off. "Unfortunately in the case of some companies, union members did not report for work at all, while in certain other cases companies closed down completely for the day."

He said most businesses had implemented contingency plans and had thus minimised the impact of the strike.

Sacad emphasised that mass action could not be reconciled with the search for negotiated solutions to the key questions surrounding the labour relations bill.

Said Bezuidenhout: "A new labour relations system must emerge out of meaningful compromise and reasoned debate in Nedlac—not from mass action."

WORKERS UNITE Union members staged demonstrations and marches across the country yesterday to pressure businesses into accepting concessions on the labour relations bill.
Low turnout for city march

STAFF REPORTERS

LESS than a third of an expected 30 000 workers took to the city streets yesterday to protest against the controversial Labour Relations Act, which they say "favours the bosses who still want to live in the old South Africa".

Cosatu, with the National Council of Trade Unions and the Federation of South African Labour Unions, organised the strike to press business leaders to make concessions.

A memorandum handed to Minister of Trade and Industry Mr Trevor Manuel said business had refused legally to entrench centralised bargaining, an unconditional right to strike, a ban on employers hiring scab labour and protection for majority unions.

The unions have vowed to keep up mass action until all the demands are met, Cosatu President Mr John Gomomo said.

- The Cape Chamber of Commerce and Industry said many industries had functioned normally yesterday.

- Only the building industry, which reported a complete stayaway, was badly affected.

See Page 5.
Nedlac meeting seeks new plan for negotiations

BY PATRICK LEIMAN

Some "interesting proposals" would come up in the next few days which could accommodate the interests of employers in the wake of the impasse over the draft labour relations bill, said Jeyendra Naidoo, the executive director of the National Economic Development and Labour Council.

Referring to tomorrow's "bosberaad", which will probably be held in Cape Town in an attempt to resolve the deadlock, Naidoo said he did not believe the meeting itself would be a "breakthrough".

"This is one of the meetings we have been holding in an informal mode," he said. "If it doesn't go far enough, we will have another one.

"We will continue to bang our heads on this matter until we have a solution."

Naidoo said the test of the proposals would be whether they could be structured to make economic sense for employers. The unions would also have to agree with the proposals.

He said each delegation could send up to 10 representatives to the bosberaad.

Naidoo said the reaction of business to the stayaway had been more measured than its previous signals. Originally some employer bodies had said they wanted to pull out of the negotiation process.
Thousands take to streets over labour bill

As thousands of workers took to the streets in support of a new deal for labour, the NP and DP warned their action would compromise the country and the RDP.

Thousands of employees around the country yesterday responded to a call by the Congress of South African Trade Unions for a half-day strike in support of their demands on draft labour legislation.

"I'm certain this will have the desired effect," Cosatu general-secretary Mr Sam Shilowa told demonstrators in Pretoria.

"Mass mobilisation has never failed. The display of force is better than the use of force." He warned the government not to stand in the way of organised labour.

Accusing Business South Africa president Mr David Brink of being irresponsible in challenging trade unions to go on a six-month strike, Mr Shilowa said "Don't play brinkmanship with the rights of workers." Cosatu members along with members of the National Council of Trade Unions and the Federation of South African Labour Unions took part in the strike in 27 urban centres around the country.

Cosatu estimated that about 500,000 workers took part in marches countrywide.

"We want to repeat our warning that Cosatu will target any employers who victimise workers for participating in the march."

Negotiations

"We now expect employers to take our demands seriously and table tangible proposals which can form the basis for meaningful negotiations on the labour bill."

The SA Chamber of Business said the strike was "intensive" but it was impossible to say how many employees took part.

SABC said the strike appeared to be relatively peaceful with few reports of intimidation.

In Cape Town thousands of employees led by Cosatu president Mr John Gomomo marched to the parliamentary buildings.

In Pretoria, where about 20,000 people gathered on the lawns below the Union Buildings, trade union leaders warned the government to side with employees if it wanted to stay in power.

In Johannesburg Gauteng premier Mr Tokyo Sexwale told the crowd he supported their demands for centralised bargaining and the right to strike.

The last thing South Africa needed was a series of strikes to back legislation that would tip the scales in favour of trade unions, Deputy President F W de Klerk said. Many prospective investors were waiting to see what the labour law would look like before they decided to invest.

DP leader Mr Tony Leon said actions like Cosatu's would ensure the failure of the RDP — Sapa

WORKERS ON MOVE: Thousands of union members marched through Cape Town to Parliament yesterday as part of a one-day national strike organised by Cosatu. There were marches in more than 20 cities around South Africa to put pressure on employers to grant increased power to the unions in negotiations over the draft Labour Relations Bill now being prepared.
The state can help protect workers' basic rights

There is conclusive evidence that industrial relations should be strongly regulated.

By Karl von Hoff

This is because the evidence is partly conclusive. For example, in January this year, the National Minimum Wages Commission (NMW) published a report called "Unions and management co-operation with a view to advancing productivity as a national goal." The report is based on discussions with managers and shop stewards in 20 major companies, including those of those cited by banks as models of success.

Most of these companies had joint management trade union committees of works councils in place, whose functions ranged from consultation and information sharing to participation in decision-making. However, according to the report, unions represented by these structures did not allow for real decision-making powers for the workers.

Agreement

The report affirms that participation is quite limited. "The majority of companies and trade unions that do not allow for real participation on the shop floor, production scheduling, maintenance, industrial engineering, or world class manufacturing. A few companies indicated, however, that they shared information and, in a limited number of cases, consulted on some of the above aspects. The report could not even establish conditions of non-discrimination and non-bargaining that would allow for real decision-making on the shop floor."

A tooth and nail approach after apartheid, South Africans trade unions will vigorously resist any new oppression under a free labour market.

The state can help protect workers' basic rights.
High hopes as marches and stayaways take place across country

Labour gets back to the table

DEADLOCK — but the Government has plans which might break the impasse between the unions and employers

BY JUSTICE MALALA
LABOUR REPORTER

Forced by the support of thousands of workers who turned out for marches and rallies across the country yesterday, labour leaders return to talks with business today with high hopes of breaking the deadlock that led to the mass action.

And in a move that holds out more hope for negotiations, the Government is expected to present new proposals to break the impasse in the National Economic Development and Labour Council meeting in Johannesburg yesterday.

Congress of South African Trade Unions spokesman Neil Coleman said at least 500,000 workers had taken part in yesterday’s mass action, but independent monitors and police put the figure at closer to 300,000 — less than 10% of Cosatu’s 1.7-million membership.

Coleman admitted Cosatu was disappointed at the lower-than-expected turnout but blamed this on employers’ threats of disciplinary action.

Today a national day of action was the largest mass demonstration seen in the country since August 1989. This massive turnout of workers should make employers realise that the majority of workers will not be intimidated.”

The South African Chamber of Business said the industrial action would have an extremely negative effect on the economy’s efforts to attract foreign investment.

“The picture has been mixed. There was definitely a work stayaway which was substantial in some areas, but far less in others,” Sabs spokesman Janet Dickman told Reuters.

The national mass-action campaign was planned to pressure business to accept labour demands on the new Labour Relations Act.

Cosatu secretary-general Sam Shikweni told more than 7,000 workers at the Library Gardens, where Gauteng Premier Tokyo Sexwane said he supported the workers demands for centralised bargaining and the right to strike without facing dismissal.

Sasa reports that in Cape Town thousands of workers led by Cosatu president John Gomo marched peacefully on Parliament and Industry Minister Trevor Manuel told the gathering: “It was the Government’s intention that the draft Labour Relations bill become law by September 15.

In Durban, several thousand workers marched to the city hall where they presented a memorandum.

African National Congress deputy executive director Jacob de Villiers said although the action was costly, it was too early to say exactly how much was lost.

“It is however irresponsible for labour to deal with the negotiations in this manner. Labour has shown itself not to be a reliable negotiating partner,”

Sexwane said that in the main, workers had reported for work in the morning and taken the afternoon off. But at some companies, workers had not reported for work at all and some firms had closed for the day.
Mass action a success

By Abdul Milazi and Mzimasi Ngule

THOUSANDS of workers observed the national day of action called by the Congress of South African Trade Unions yesterday.

The call for a half-day mass action, which included rallies and marches countrywide, was also backed by the National Council of Trade Unions and the Federation of South African Labour Unions. Cosatu’s national executive committee was due to meet last night to decide whether there was any need for further action. Meanwhile, the National Economic Development and Labour Council, comprising labour, business and government, is to hold its scheduled meeting tomorrow.

Yesterday’s action was called after organised labour and business deadlocked over the draft Labour Relations Bill at Nedlac. The unions demand compulsory centralised bargaining, the right to strike, a ban on lockouts, workplace forums and closed shop agreements while business insists on voluntary centralised bargaining. Some businesses reported a high worker turnout, while others reported low attendance figures.

Anglo American spokesman Ms Charmaine Russell said there was a "very good turnout in our gold and coal mines which seem to be operating normally”.

The South African Chamber of Business said the effect of the action was "substantial”. Jacob spokesman Mr James Dockman said it was impossible to quantify how many people joined the strike as the protest had not followed the usual pattern of stayaways.

Thousands of workers marched in towns and cities countrywide in support of the labour movement’s demand for centralised bargaining.

In Johannesburg more than 10 000 workers converged on the Library Gardens to listen to their leaders. Market, President and Simmons streets near the library were closed to traffic as emotionally charged workers chanted and toyed.
Deadline for labour law talks may be extended

The Argus Correspondent

Johannesburg. — Labour, business and the government may consider extending the June 30 deadline for negotiations on new labour laws to ensure that an agreement is reached, says National Economic, Development and Labour Council (Nedlac) executive director Jayendra Naidoo.

An extension of the deadline was one of the issues that should be discussed by the three organisations today, he said yesterday.

Meanwhile, Labour Minister Tito Mboweni will unveil government plans to break the impasse in negotiations on new labour laws when he presents his budget speech in parliament tomorrow.

Mr Mboweni's spokesman, Shareen Singh, said the far-reaching proposals would be part of the minister's budget speech and would, it was hoped, contribute to breaking the current impasse.

She said the government would present its position on centralised bargaining, the right to strike, organisational rights, workplace forums and other points which had led to the public battle between labour and business in the past six weeks.

Mr Naidoo said he was confident that a resolution to the deadlock could be found.

The meeting takes place after the labour movement, led by the Congress of South African Trade Unions, embarked on marches and rallies to put pressure on business to accede to its demands on the draft law.

Meanwhile, condemnation of Monday's mass action continued yesterday.

The general secretary of the KwaZulu-Natal-based Democratic Labour Trade Union of SA, Vusi Sibiya, said the protest was an attempt to mobilise support for the African National Congress in the November local government elections.

The Conservative Party called on business leaders not to cave in to labour's "irresponsible" demands. CP labour spokesman Frank le Roux said South Africa would not get foreign investment as long as trade unions kept on undermining the economy.
Power games are stalling the labour talks, says Michael Beaumont

Chance to co-operate may be lost

There are no directives of traffic. Maybe they are engaged in industrial action? The intersection is jammed with confusion and the parties travelling along this route find it difficult to pass. The solution lies in co-operating with others at this intersection.

But to achieve this, the parties need to know where they are going.

The debate over the direction of labour legislation in my view is mostly divided into criticism and arguments over power. This divide misses the opportunity of working on or towards common goals.

There is much in the Labour Relations Bill which is deserving of support. However, because the debate concentrates on differences, there is a risk that criticism will strip the tree of caterpillars as well as blossoms. And this bill is about blossoms, not fruit. It is about the future and the potential harvest.

The debate is about power employers are either challenged about delaying the progress of legislation, or about the contents of the bill for the power it supposedly gives them.

Unions perhaps perceive the moment as an important opportunity to entrench worker rights or to call for political support. These approaches disguise the fact that power is never stable when it is boundless.

The bill of rights in our interim constitution acknowledges the limitation of rights within prescribed parameters. If power is to have boundaries, then the solution lies in negotiation and compromise.

However, this debate is about a third-party model proposed by a select and insulated task group. It centres around opposition to the bill while proposals are being interpreted by one party as a deliberate attempt to undermine or weaken the other.

The manner in which the bill was drafted was appropriate, given the differences between labour and capital and the need to find fresh options for the future. An isolated economy in the past avoided many of the effects of competition, the political system encouraged protest activity and wage expectations.

The third-party option breaks with the past. It is not being debated for its value or on its merits, but rather where the respective parties seek to move the standards.

The missing factor is the search for common goals and objective standards.

The goal is competitiveness and contribution to GDP. A common goal is not about an even score but agreement on direction. Directs is not only about rights, but also about the opportunity to co-operate.

Co-operation cannot be legislated for, it is the product of the co-operative spirit and it is for this reason that collective bargaining and workplace forums should be facilitated in the new legislation, but not be compulsory.

Standards ought not to be about power. The debate is better centred on objective criteria such as the interim constitution or the conventions of the International Labour Organisation.

Finally, a new labour dispensation rests not only on design but also implementability. Practicalities are not about the hurried passage of legislation, but a deliberate process as mentioned above and the assurance that underlying structures such as Nedlac and the proposed commission for mediation and arbitration are able to perform effectively.

The author is a director of Beaumont Wise labour relations consultants.
Mbowni attempts to end deadlock over labour bill

Minister of labour Tito Mbowni presented labour and business with a set of proposals yesterday in an attempt to break the deadlock over the Labour Relations Bill.

The heavyweights of business and labour were locked in negotiations in a Cape Town hotel until late last night.

In an interview with Business Report, Mbowni said his package of proposals was not restricted to the issue of central bargaining but included other breakdown points, including the use of "scab" labour, agency shops and workplace forums.

Asked whether he would extend the deadline to get the legislation through parliament this year, Mbowni said: "The negotiations can't go on forever. Government must govern."

"So many people are waiting for us to move ahead. Jobs and the economy depend on this."

Mbowni said he would be reporting back to parliament later today as part of his Budget speech. Before the meeting, business and labour representatives said they hoped a breakthrough was possible.

Both labour and business brought in their big guns, with most of the trustees of Business South Africa, led by president Dave Bunker and deputy president Bobby Godsell, lining up against a strong labour delegation led by Cosatu president John Gumotel and general secretary Sam Shilowa.

The meeting was due to convene again this morning.

Jayendra Naidoo, chief executive of Nedlac, said the June 30 deadline was an internal deadline and "can obviously be discussed."
Business, labour talk

BY BRUCE CAMERON

The heavyweights of South African labour and business were locked in critical negotiations yesterday to break the deadlock over the contested Labour Relations Bill.

Tito Mboweni, the Minister of Labour, who entered the negotiations for the first time, presented the parties with a set of proposals which he hoped would lead to a breakthrough.

In interviews before the delayed start of the meeting at 4 pm yesterday, representatives of business and labour said they hoped a breakthrough was possible.

Both labour and business brought in their big guns with most of the trustees of Business South Africa, led by president Dave Brink and deputy president Bobby Godsell, lining up against a strong labour delegation led by Cosatu president John Gomona and general secretary Sam Shilowa.

The meeting, which was being held behind locked doors at a downtown Cape Town hotel and expected to continue until the early hours of today, was due to convene again this morning.

Mboweni said he would reporting back to Parliament later today as part of his budget speech.

In an interview with Business Report he said the meeting was “critical”.

“So many people are waiting for us to move ahead. Jobs and the economy depend on this.”

Extension

Mboweni said his package of proposals was not restricted to the issue of central bargaining but included other breakdown points, including the use of scab labour, agency shops and work place forums. Asked whether he would extend the deadline to get the legislation through Parliament this year, Mboweni said: “The negotiations can’t go on forever. Government must govern.”

Jayendra Naidoo, chief executive of the National Economic and Labour Council (Nedlac), said the June 30 deadline was a Nedlac internal deadline and it “can obviously be discussed”.

Nardoo said the meeting was very important but it was not the actual negotiating forum.

The principles of the three sides had come together to discuss the status of the process.

Godsell said BSA would be delighted of some resolution could be reached “This is the first meeting at this level. We have come in a positive spirit and we are looking forward to active participation. Progress will be good for the whole of South Africa.”

Godsell said there had already been more than 32 hours of negotiations and business did not believe the process was deadlocked.

“We adjourned to have a high-level meeting like this. Which shows our willingness to make progress. The last thing we want is confrontation.”

Shilowa said labour was committed to finding a solution. “Compromise is possible. If there is the will by all sides to find a solution, it will be found. The question is whether the will is there yet.”

He said the fact that labour had not pulled out of negotiations showed its commitment to finding negotiated solutions.
What next for Nedlac?

In July 1994 the Cabinet approved the appointment of a ministerial legal task team to oversee and lodge a law regulating labour relations and prepare a negotiating document in draft form to initiate public discussion.

A draft bill was then presented by Labour Minister Mr Tito Mbwenu for public debate and negotiation by organised labour and businesses in February.

Four months later, and only nine days to go before the June 30 deadline set for the National Economic Development and Labour Council (Nedlac) negotiations, organised business and labour are still deadlocked.

Organised labour — the National Council of Trade Unions, Federation of South African Labour Unions and Congress of South African Trade Unions — embarked on a rolling mass action campaign this month in a bid to break the deadlock.

Business criticised the action taken by labour and, in turn, embarked on their own form of mass action, placing advertisements to explain the employers' position to the public.

The main issues under contention are labour's demands for compulsory centralised bargaining and the full right to strike, which labour wants enshrined in the new Labour Relations Act.

Labour also wants a limitation on lockouts and the democratisation of workplace decision-making.

Employers, for their part, want centralised bargaining to be voluntary. They also want the right to defensive lockouts, to use scab labour and to retain the right to determine the composition of workplace forums.

Since the beginning of the Cosatu-led rolling mass action on June 5, President Nelson Mandela, Mbwenu and Gwamagwama Premier Mr Tokyo Sexwadi have publicly supported the workers' demands.

On June 6 Mandela told thousands of marchers in Johannesburg that the right to strike was every worker's right and was practised in democracies throughout the world.

Despite the seemingly unbreakable impasse, the Nedlac Black Lawyers Association labour experts and Industrial Court president Mr Russell Moletsane says business will eventually give in to workers' demands.

Moletsane argues that centralised bargaining is the only option for healthy labour relations. He says various sectors hold annual wage negotiations conducted centrally.

However, many employers are able to pull out of any agreement reached in such negotiations because there is no law binding them to agreements reached at central level.

If business holds out much longer, says Moletsane, the Government will have to intervene for the sake of economic stability.

The BLA says although the bill is progressive, and in many respects in line with standards set by the International Labour Organisation, it has shortcomings.

Moletsane says the bill does not make provision for the financing and training of either worker or management representatives in workplace forums.

Another problem is the way the Bill defines a representative union in Section 81 (1), which defines a registered union as one with the most members in a company. This places members of unregistered unions at a disadvantage.

The BLA is opposed also to Section 208 of the bill, which allows employers to dismiss a worker without a formal investigation at any time during the probationary period.

Whether the bill is passed this year or next, depends on whether the impasse at Nedlac is broken before the June 30 deadline. Mbwenu has already dismissed any possibility of the government passing a new law.

Mbwenu says that since the Government chose the Nedlac route, it will stick with it. He says if the deadlock is not broken by June 30, the issue will be referred to the Cabinet for discussion.

When the ministerial legal task team was appointed, its brief was to draft a Labour Relations Bill which would give effect to Government policy as reflected in the Reconstruction and Development Programme.

Yesterday, two parties went into another round of formal negotiations after a series of informal talks failed last week to bear fruit.

The three labour federations also met yesterday to review their mass action and make further decisions.

But whatever the outcome of talks between business and labour, one thing is certain: there is no future for the current Industrial Act.

It is a living legacy of apartheid, a system which profited too long from lowly paid, unskilled workers.
Centralised bargaining successful

Clothing workers have upped wages with centralised bargaining

By Abdul Milazi
Labour Reporter

While the issue of centralised bargaining is threatening to tear the labour industry apart nationally, it has got off to a good start in the clothing and textile industry.

South African Clothing and Textile Workers Union general secretary Mr Jaba Ngcobo says the union has used centralised bargaining in nine sectors and has reached wage agreements in the cotton, leather and knitting industries.

Sacwtau, which is affiliated to the Congress of South African Trade Unions, is the biggest union in the clothing and textile industry with a membership of 180 000.

“Employers in the decentralised areas had to give close to 80 percent increases to catch up with entry level wages paid in other areas,” said Ngcobo.

He said a six year plan to bridge the wage gap between the highest and lowest paid workers has been agreed upon by both employers’ associations and the union. “In the leather sector, a 13 percent across the board wage increase has been reached by the union and the Footwear Manufacturers’ Federation,” said Ngcobo.

Issues such as the abolition of the dual pay system, union consultation before the employment of contract workers and affirmative action have been referred to a special committee made up of representatives of both parties. See page 10.
Cosatu to review mass-action plan

Proposal to break bargaining deadlock tabled

Political Staff

COSATU is to weigh up its mass-action campaign in the light of government proposals to break the deadlock over centralised bargaining.

Cosatu general secretary Sam Shilowa played labour's response to Labour Minister Tito Mboweni's new proposals close to his chest yesterday, saying the trade union federations would examine further "mass mobilisation" in the context of the proposals.

"We remain resolute to try to find a solution through negotiations," said Mr Shilowa.

Mass action was a strategy rather than a principle.

Mr Mboweni's moves yesterday to end the labour-business dispute over the Labour Relations Bill.

The dispute is over centralised bargaining proposals, with labour favouring compulsory collective bargaining and business favouring voluntary collective bargaining.

Mr Mboweni met labour and business delegations headed by Anglo American's Bobby Godsell and Mr Shilowa again yesterday after a meeting on Wednesday.

"Good progress" had been made, a source said.

Mr Mboweni told the national assembly during the labour budget debate that the cabinet had given a mandate to government negotiators "to pursue additional or alternative mechanisms, both institutional and legislative, to beef up our policy of promoting industrial bargaining".

"In broad outline, we have proposed that amendments be made to the draft bill to permit parties, who meet certain thresholds of representativeness in disputes over the establishment of a bargaining council, to refer the dispute to the commission for conciliation in full.

"In the event that the commission fails to secure agreement to establish a bargaining council, the minister may establish a statutory council with limited jurisdiction in respect of social policy, social wage and training functions.

"Parties to such a council may include, by agreement, additional matters such as wages and working conditions."

While not making bargaining compulsory, the effect in all probability would induce parties to negotiate to avoid the bargaining being made for them by the minister...
Rethink on union action

POLITICAL STAFF

COSATU would reconsider its mass action campaign in the light of new government proposals to break the deadlock over centralised bargaining, the trade union federation said yesterday.

"We remain resolute to find a solution through negotiations," Cosatu general secretary Mr Sam Shilowa said in Parliament after Labour Minister Mr Tito Mboweni tabled deadlock-breaking proposals on centralised bargaining.

He said mass action was a strategy rather than a principle.

Mr Mboweni tabled the proposals yesterday to resolve the dispute between labour and business over the Labour Relations Bill. Labour favours compulsory collective bargaining and business favours voluntary collective bargaining.

Mr Mboweni met high-powered labour and business delegations headed by Mr Shilowa and Anglo America's Mr Bobby Godsell respectively in the city again yesterday after a meeting on Wednesday.

A government source said "good progress" had been made.

Mr Mboweni told Parliament during the labour budget debate it was government policy to promote collective bargaining as it helped national planning efforts and SA's return to the international market without protective tariffs to buttress uncompetitive industries.

See Page 17
Bid to break impasse over Bill

Govt tables new labour proposals

Renee Grawitzky

LABOUR Minister Tito Mbweni tabled new proposals yesterday to a high-level labour and business delegation in a bid to break the impasse between the parties.

These proposals, tabled at a special National Economic, Development and Labour Council (Nedlac) meeting in Cape Town, relate to centralised bargaining, the closed shop and organisational rights. It also endorsed its earlier proposals on workplace forums.

The proposals attempt to address the parties' concerns about the draft Labour Relations Act.

Nedlac executive director Jayendra Naidoo said the parties tried to move closer on some issues and opened the possibility for resolving those discussed.

Labour and business were cautious in their response and said the proposals would be referred back to their respective constituencies. They would respond at a meeting to be arranged soon.

The proposals tabled by the ministry did not address all the concerns raised by the parties -- strikes and lock-outs, use of scablabour and the duty to bargain.

Mbweni said government's proposal relating to centralised bargaining was an attempt to promote collective bargaining at industry level and to address conflicting positions from labour and business on compulsory versus voluntarism.

He proposed the establishment of statutory councils where such councils do not exist, which would be initiated by the parties who have sufficient representatives.

It is understood that the threshold required would be 30% of employees in an industry.

If the parties were unable to agree, the minister would establish such a council.

These councils would consider public policy issues such as industrial restructuring, medical aids, training.

By mutual agreement the parties could amend the council's constitution to provide for negotiation on wages and employment conditions. The alternate option is for a party to the council to apply to a restructured Wage Board to investigate wages in that particular sector.

Mbweni said: "While not making bargaining compulsory, the effect of this will in all probability induce parties to bargain in order to avoid bargaining being done for them by the minister."

Proposals relating to organisational rights were not fully explored but the parties were advised that the new legislation was intended to ensure strong and stable unions and that legislation would not lead to the fragmentation of trade unions.

Government supported the enforceability of closed shop and agency shop arrangements which partly took into account labour's proposals for the democratisation of such arrangements. Government said: "A closed shop agreement shall comply with the requirements for the enforceability of collective agreements." Such arrangements would be introduced by conducting a ballot among employees covered by a collective agreement.

Government endorsed its earlier proposals at that workplace forums should be inclusive of the workplace as a whole and proposed that the number of union-elected representatives to such a forum would depend on the union's level of representivity.

Government also proposed that accredited trade union officials could attend meetings of the workplace forum.

Business SA's Adrian du Plessis said the meeting had advanced the debate. He hoped progress could be made around the proposals. "There are areas where disagreement still exists and the immediate challenge is to try and build on areas where there is potential agreement and try to diminish the areas of disagreement."

Cosatu general secretary Sam Shilowa said the presence of the high level delegations from all parties reflected the seriousness and commitment of the parties to finding a solution. The parties would consider government's four proposals and see how they could be accommodated within a particular package, he said.

Naidoo said the June 30 deadline was not a stumbling block, and a report would be presented to Nedlac's executive council even if all the issues had not been resolved.

During the labour budget debate in Parliament yesterday, the minister presented an overview of the labour market and then concentrated on developments in labour legislation negotiations.

During the debate, the ANC MP who spoke (most are ex-Cosatu officials) supported labour's position. Several were critical of the use of scab labour, saying this contributed to high violence levels during strikes.

See Page 14
Bill ignores key social and economic players

SOMETHING like the Maginot line of pre-Second World War France, the draft Labour Relations Bill and the National Economic Development and Labour Council (Nedlac) were instruments designed to absorb acute conflict and act as institutional fortifications against the mutually aggressive instincts of labour and capital. Yet, despite the fanfare which heralded the launch of Nedlac on 18 February, its defences have been breached.

The government of national unity's strategy of corporatism, sculpted around the so-called "golden triangle" of big business, big unions and big government, stands exposed with a gaping hole in its flank.

Labour Minister Tito Mboweni, while certainly one of the more thoughtful and engaging ministers in Cabinet, made an elementary mistake of process: instead of commencing with an open-ended commission of inquiry, representative of both the major stakeholders and headed by a cross-section of experts, the minister began, fatally, the other way around.

He placed a draft Bill on the Nedlac table and only then called for consultation and negotiation. Instead of the legislation resulting from a fully participative, transparent and informed diagnosis, the Bill anticipated the very process it should have commenced with.

This helter-skelter process has locked the adversarial parties involved into positions which are rapidly becoming entrenched. The brandishing of union and business muscle power we are now witnessing is grim testimony of this fact.

Far worse, in terms of any medium to long term viability for a new labour relations regime, is the exclusion from Nedlac — and, seemingly from the minds of the drafter of the legislation — of key economic and social actors, such as representatives of small unions, consumers and, crucially, small and new enterprises, and also the large number of unemployed.

Even within the camps of those theoretically represented at Nedlac, there is dissatisfaction with the number of representatives from elements within both business and labour who disagree with the stance on the legislation adopted by Business SA and by Cosatu respectively.

The myth that either business or labour is a global monolith capable of speaking with a single voice resonant of an identity of interests on the major issues of the day, should be dispelled. Just as there is no single voice of "the people" in politics, there can be no unanimity of opinion or issue in a deeply divided and, hopefully, economically competitive society.

The characteristics of democracy and an open economy fly in the face of the minimum conditions required for corporatism.

Aside of these fundamental flaws in the design of the process, the postures adopted by organised labour and business are, in certain respects, curious. Cosatu is on the streets, once again, demanding compulsory centralised bargaining. Yet the overall reach of the Bill is so biased in favour of organised labour — with compulsory co-determination in the form of workplace forums, the legalisation of secondary picketing and socio-economic strikes to highlight but three issues — that the absence of a formal duty to bargain is in many instances superfluous.

In reality, however, the onerous provisions in the Bill relating to the disclosure of information by management (the abuse of which by unions being penalised with the equivalent of a "parking fine"), the nature and timing of the incidence of the duty to consult and the range of issues on which consultation must take place amounts to nothing but a duty to bargain.

Under this guise, the enforced surrender of management prerogatives and the encroachment of unions into the furthest reaches of hitherto entrepreneurial decision-making, accomplishes worker control through legislation in a more devious fashion than even the boldest union initiatives and strikes ever accomplished in the past. Organised business should feel strongly about these issues — yet have thus far retained a public silence on this introduction of socialism through the back door.

The other side of the economic spectrum, small business, whose voice has yet to be heard anywhere in the debate, is appalled that industrial councils live on in the new Bill, in the guise of bargaining councils. They contend that the Bill fails, in a real sense, to recognise the difference in cost structures between small and big business.

The worst aspect of the old regime — the extension of bargaining councils to non-parties — is perpetuated in the draft Bill, although subject to more effective safeguards then in the past.

It is necessary here to state a further self-evident truth: It is a bland lie, and one which nearly destroyed Britain's economy in the 1970s, that there should be a special link between the democratic government and the unions. This is based on a misconception which is equally damaging to both sides.

President Nelson Mandela's appearance at Cosatu's mass action demonstration suggests that there is no necessary power struggle between big unions and other interests which his government was elected to represent — including small business, the 4-million unemployed, non-unionised workers and consumers.

While the ANC's nudge and wink towards Cosatu has everything to do with the November municipal elections, it does nothing to advance the reconstruction and development programme, create economic growth and unleash the entrepreneurial spirit SA desperately needs.

This is not intended as an anti-union point. If Cosatu did nothing which threatened the position of other interests, by affecting profits or taking a larger slice of national wealth for its members, it is failing those who paid their membership fees. But let us at least see Cosatu's posture for what it is — a last gasp attempt to influence government before the ANC is obliged to make a fateful choice: between the further advantages of the small labour aristocracy of the Cosatu membership of 1.2 million (3% of the population) or the widening of opportunity and employment for the great mass of our people.

The draft Labour Relations Bill, and the process chosen for its adoption, mocks the ANC election promise of "a better life for all".

Government can and must do itself — and all society — a favour by altering relations — by acknowledging the problems and failure thrown up by the deadlock at Nedlac and starting afresh.

Leon is DP leader and member of Parliament's portfolio committee on labour.
Battle to stop the onslaught of Bills

Lobby reporter, Lance Maidl,
discusses the differences on the new door, house spending,
highlighting business and government must stop their
Battle to tip the balance of Bill

Labor report unveils rival

The difference on the new labor laws reveals the fundamental
duress in labor business and government must stop their

Edited by William Gramm
Labour rethinks mass action

BY PATRICK BURGER
POLITICAL CORRESPONDENT

Cape Town — Cosatu would weigh up its mass action campaign in the light of government proposals to break the deadlock over centralised bargaining, the trade union federation said yesterday.

Cosatu general secretary Sam Shilowa played their response to Labour Minister Tito Mboweni's new proposals close to his chest, saying the trade union federations would examine further mass mobilisation in the context of the proposals.

"We remain resolute to try to find a solution through negotiations," Shilowa said in Parliament after Mboweni tabled deadlock-breaking proposals on centralised bargaining.

He stressed the mass action was a strategy rather than a principle. Mboweni yesterday tabled new government proposals designed to resolve the labour-business dispute over the Labour Relations Bill.

Business and labour are locked in a wrangle over centralised bargaining proposals in the Bill, with labour favouring compulsory collective bargaining and business preferring voluntary collective bargaining.

Mboweni met high-powered labour and business delegations headed by Anglo American's Bobby Godsell and Shilowa respectively in Cape Town again yesterday after a lengthy meeting on Wednesday evening. A government source said it was significant that Mboweni had made the proposals.

Mboweni told the National Assembly during the labour budget debate that the Cabinet had mandated the government negotiators "to pursue additional or alternative mechanisms'.

Mboweni said the two parties had reached broad agreement on important aspects of collective bargaining.

> Tipping the balance
Page 17
Govt bid to end deadlock

Mbweni tables new proposals to resolve dispute over labour Bill

Sowetan Correspondent

THE Congress of SA Trade Unions would weigh up its mass action campaign in the light of new Government proposals to break the deadlock over centralised bargaining, Cosatu said yesterday.

Cosatu general-secretary Mr Sam Shilowa played labour's response to Labour Minister Tito Mbweni's new proposals close to his chest yesterday, saying the trade union federations would examine further "mass mobilisation" in the context of the proposals.

"We remain resolute to try to find a solution through negotiations," Shilowa said in Parliament after Mbweni tabled deadlock-breaking proposals on centralised bargaining.

He stressed that mass action was a strategy rather than a principle.

Mbweni yesterday tabled new Government proposals designed to resolve the labour-business dispute over the Labour Relations Bill.

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Mbweni met high-powered labour and business delegations headed by Anglo American Corporation's Mr Bobby Godsell and Shilowa respectively in Cape Town again yesterday after a lengthy meeting on Wednesday evening. A Government source said it was significant that Mbweni had made the proposals and that labour and business were being represented by their principals "Good progress" had been made.

Mbweni told the National Assembly during the labour budget debate that the Cabinet had mandated Government negotiators "to pursue additional or alternative mechanisms, both institutional and legislative to beef up our policy of promoting industrial bargaining".

He said the two parties had reached "broad agreement" on important aspects of collective bargaining.

It was Government policy to promote collective bargaining, because it assisted national training efforts and South Africa's return to the international market place without protective tariffs to buttress uncompetitive industries, Mbweni said.
Labour Bill negotiations ‘adversarial’

Renee Grawitzky

DRAFT Labour Relations Bill negotiations had been characterised by adversarial and distributive approaches to bargaining, and alternatives would have to be found. National Economic Development and Labour Council (Nedlac) executive director Jayendra Naidoo said at the weekend.

He said lessons could be learnt from the process within Nedlac. Effort was needed at the early stages of the process to bring about understanding on the general principles and objectives of the Bill, before getting into the detail, and to achieve a “greater sense of participation”. Naidoo said parties would soon agree on a package which would make labour feel comfortable with the Bill, “and the same for business and government”.

Cosatu general secretary Sam Shilowa said no decision had been taken on further mass action. It had been decided, rather, to mobilise around the draft legislation to ensure that membership understood all the issues.

This could be achieved by tightening co-ordination within the ranks to get members on board and educate them on labour’s proposals.

National Union of Metalworkers of SA general secretary Enoch Godongwana said their response to negotiations on the labour Bill would depend on how the issue of scab labour was addressed.

© Comment. Page 16/15
Resistance to individual pay

PAY packages with built-in individual performance incentives would be strongly resisted by trade unions until a meaningful minimum wage was in place, research consultant Faith McDonald said this week.

Addressing an AIU seminar on performance pay, McDonald said historically low incomes which hardly sustained workers and their families meant unions were reluctant to negotiate individual performance-related pay systems.

However, the debate on whether sectoral bargaining or a government incomes policy should set minimum wages had yet to be resolved and the contentious issue of centralised bargaining underpinned much of the recent industrial action over draft labour legislation.

McDonald suggested that small enterprises unable to "make any meaningful contribution to long-term wealth creation if they cannot afford to pay a basic minimum wage" did not deserve to be in business.

Historical disparities between management and labourers' incomes needed to be addressed to bring differentials more in line with SA's trading partners. Again, it was debatable whether the market would rectify these imbalances or government intervention was required.

This could take the form of "a salary or wage freeze on those earning more than a specific annual figure, together with more stringent taxes on company perks".

Although unions were increasingly aware of the need to improve productivity and were open to discussions on incentive schemes, individual packages were treated with great scepticism. Unions were also opposed to subjective criteria being the sole basis on which merit pay was calculated. "Adequate performance assessment requires a holistic approach which takes account of not only management criteria, but also peer groups and subordinates."

"In addition, overseas research showed no conclusive evidence that merit pay improved performance standards or acted as a motivator in recruiting or retaining staff. However, recent evidence showed unions were more open to productivity bargaining and many companies were successfully negotiating agreements which contained performance pay components," McDonald said.

Bill 'will worsen labour relations'

INFORMATION disclosure provisions in the Labour Relations Bill - currently under discussion - were likely to fuel the adversarial nature of industrial relations, FSA-Contact managing executive Pierre Wolmarans said last week.

This clause would force parties to try to outwit one another.

In addition, the Bill conflicted with a Labour Appeal Court judgment which found an employer had not committed an unfair labour practice by failing to disclose confidential information to a union.

He said the Bill stipulated that employers should disclose relevant information to a representative trade union to enable effective consultation on collective bargaining issues.

"However, the draft Bill is silent on what should be regarded as relevant information, and management and employee representatives will have to negotiate about the relevance or irrelevance of certain information."

The Bill included a list of issues the drafters felt should be matters for consultation at workplace forums, but many would be seen by employers as sensitive or even confidential.

He suggested the Bill tried to force parties to the negotiating table to define what information should be disclosed rather than allowing the process to develop naturally, and might harden attitudes.
Bid to link trade with labour rights

John Dludlu

A ROW between labour, government and business at the National Economic Development and Labour Council is brewing over labour's proposal that SA trade agreements be limited to countries that comply with certain labour rights.

Labour wants trade partners to agree to a ban on child labour and all forms of discrimination. The partners should support the right to join unions, to strike and to engage in collective bargaining.

Labour spokesman Lionel October said yesterday labour wanted government to use trade to enhance worker rights. "In terms of our proposals, government should either impose positive tariffs against countries that fail to uphold four minimum rights or refuse to enter into any trade agreements with them."

The proposal, to be debated in detail at Nedlac's trade and industry chamber meeting next month, required government to withdraw any trade preferences given to countries that did not meet the criteria.

A trade and industry spokesman said four countries — Malaysia, Cuba, Thailand and the Philippines — had refused to sign trade agreements with SA because government had insisted on the inclusion of social clauses in the proposed agreements. The countries had said that they found the points objectionable.

A business source at the Trade and Industry chamber said business believed that a country's failure to uphold any of these rights should not prevent government from entering into trade accords. "These are noble ideals already enshrined in our interim constitution. But we feel SA should pursue them more at multilateral forums rather than on a bilateral basis."

Business and government were still studying labour proposals and would table their responses at the next chamber meeting. "To push for these clauses to be included in bilateral trade agreements is like building a new layer of trade protectionism following tariff reduction. You also lose the moral high ground if you force them on countries," the source said.

October also proposed the formation of a tripartite mechanism — consisting of labour, business and government — to enforce trade agreements.

"We've also asked government departments — foreign affairs and trade and industry — to take the issues to the world stage. SA must use its moral stature to mobilise support for them at the World Trade Organisation."

Labour also wants the clauses to be included in agreements involving the Southern African Customs Union, Zimbabwe/SA bilateral trade and other future bilateral arrangements.

Although government has apparently taken a stance on social clauses already, there seem to be differences of opinion on whether these should be primary or secondary clauses of trade accords.

Using them as "primary clauses" would prevent government negotiators from concluding agreements with violating nations, while their inclusion as "secondary clauses" would make them mere statements of principle — "therefore not functional terms."
Labour law dispute promises to turn into a rough match

The parties will be hard pressed to meet an extended deadline at the end of next month

A cloud of the tussle, disruption, dummy passes, frontend attacks, clash tackles, rough referee calls, the occasional foul. A description of the Rugby World Cup itself. Not all. That was small stuff compared with what is going on in the dispute over the government's planned labour relations reforms.

It is a battle that in many ways may only be decided on the Constitutional Court, even if Labour, the government and business reach a detailed agreement.

The "social partners" as they like to be called, have now lined up their troops. Labour and business used some 3000 gimmicks between them for their annual meetings to ruffle the feathers of the other side.

They stood around over coffee and biscuits for an hour waiting for the arrival of the companies. No one was impressed with the presence of one of the government's chief negotiators, Minister of Labour and Industry, Norah Zondo, who was due to arrive. She left to go to another meeting.

More importantly, the national and local Labour views were being heard. It seems that the government's plan to introduce a new labour law is not going to be easy.

The leaders of labour and business met their teams to face each other down, but for the next seven hours of 21 hours of round-the-clock discussions, it was not to be.

The result was a clear victory for business, who said they were not prepared to negotiate on the issues of wages and work conditions.

The government's delegation was not prepared to negotiate on the issues of wages and work conditions.

The relationship of the two countries and the Constitutional Court has been weakened by the strike action. The government's plan to introduce a new labour law is not going to be easy.

The government's plan to introduce a new labour law is not going to be easy.
End in sight to Nedlac deadlock

By Abdul Milazi
Labour Reporter

ORGANISED business and labour are closer to finding the seemingly elusive solution to the current deadlock at the National Economic Development and Labour Council negotiations.

This was disclosed yesterday by Nedlac spokesman Mr Lomn Simoh after business, labour and the Government were locked in a marathon two-day meeting in Cape Town last week. The talks at Nedlac deadlocked two months ago when business rejected organised labour federations' demands for compulsory, centralised bargaining, the right to strike and the banning of shop labour.

Other issues under dispute are closed shop and workplace forums.

This led to labour, comprising the Congress of South African Trade Unions, the Federation of South African Labour Unions and the National Council of Trade Unions calling a two-week mass action which saw thousands of workers take to the streets.

Business, led by Bumness SA, countered by embarking on their own kind of mass action which took the form of mass advertising in the print media.

However, Simon said last week's breakdead led the parties closer to each other. "Although no formal agreements were signed, considerable progress was made on centralised bargaining and the issue of closed shops."

Simon said the Government proposed to both parties that they should make concessions, adding that further meetings were planned for later this week.

Federal assistant general secretary Mr James Abrahams said he was positive the two parties would reach a compromise soon.

Cosatu, PACTS and Business SA were not available for comment at the time of going to press.
OFFICIALLY, labour and business cannot agree on three main issues: to negotiate at industry or company level, the right to strike, and whether companies should be compelled to establish workplace forums.

Unofficially, however, there is much more at stake—a move towards the socialist principle of worker control, or a retention of trickle-down capitalism with bosses retaining total control of the good ship Business.

Refereeing the dispute is the National Economic Development and Labour Council (Nedlac) which was formed in February with the aim of “building social partnership in South Africa”, in the words of Labour Minister Tito Mboweni.

On the sidelines—but hardly as mere spectators—is the African National Congress-led government, whose captain, President Nelson Mandela, has already publicly declared his support for labour.

Indeed, the ANC and Pan Africanist Congress have already stated that if business and labour cannot settle their differences at Nedlac, they will intervene on the side of labour when the bill is finally presented to parliament—probably in August or September.

Centralised bargaining is the main bone of contention between business and labour.

Labour wants national bargaining councils set up in each industry, Nedlac to demarcate the scope of jurisdiction of each council—and the Labour Relations Act to make it all compulsory.

In addition, labour has proposed that bargaining should take place once the affected trade unions have attained a membership level of more than 50 percent of employees engaged in any industry and that small business enterprise representation on bargaining councils be provided for separately.

Business would prefer centralised bargaining to be undertaken voluntarily, through the mutual agreement of the parties. It feels compulsory centralised bargaining would frighten off potential investors and make the growth of small business impossible.

Right to strike: Business wants to be able to hire replacement (scab) labour in the event of a strike, and wants to be able to fire strikers on the grounds of irreparable economic harm.

Labour says granting business either of those rights would undermine the entire purpose of striking.

Lockout: The employer’s right to “lockout” action is another contentious issue.

Business wants the determination of lockout to include breaches of contract by workers.

Labour proposes business should be restricted to defensive lockouts, and unions should have the legal right to challenge lockouts on grounds of equity (that the lockout was legal but unfair).

Workplace forums: Workplace forums were introduced by the draft Labour Relations Bill to promote the development of joint problem solving and worker participation at company level.

Business supports this objective but is concerned at what it sees as the “prescriptive” manner in which the draft Bill gives unions the right to establish forums.

Labour, on the other hand, objects to the Bill’s provision that forums be established only at workplaces employing more than 100 people.

Labour wants business to absorb the total costs of setting up the forums, while business wants the costs to be split.

The new Labour Relations Act is proposed to repeal all existing labour legislation including the Labour Relations Act 28 of 1956, the Public Service Labour Relations Act 1 of 1994, the Education Labour Relations Act 146 of 1993 and Chapter One of the Agricultural Labour Act 147 of 1993.
Union snags get attention

PRETORIA — The government is attending to problems arising from recent mass action by trade unions

President Mandela said he was to meet Congress of South African Trade Unions general-secretary Sam Shilowa "to discuss problems relating to the demonstrations that have taken place and how they should work together with employers."

Earlier yesterday he had breakfast with an important business leader

"So, we are not idle. We are attending to the problems that arise."

Relations between labour and business were receiving attention.

Defending his recent appearance at a Cosatu demonstration in Johannesburg, he said his critics had to keep in mind he was "put into power by Cosatu and others."

"The fact that I am now in government does not mean to say I should not sympathise with what they do."

Mr Mandela said he had addressed many employer forums and nobody had complained about that.

"Why should I not go to Cosatu, especially if I go there with a message of peace?"

He had underlined the importance of negotiations to Cosatu, emphasising that it should negotiate "instead of running to the street."

On foreign investment, he said many foreigners had complained about the number of agencies they had to consult before being able to invest. In some cases this had taken as long as six years.

"The first thing we are doing is to try to simplify that process, that there should be one agency dealing with foreign companies wishing to invest." — Sapa
Labour leaders meet Mandela

JOHANNESBURG: Labour leaders from the Congress of South Africa Trade Unions (Cosatu) will meet President Nelson Mandela this week to discuss union efforts to strengthen provisions for workers in new labour relations laws, a spokesman said yesterday.

Earlier, Mr Mandela said in Pretoria he would meet Cosatu general-secretary Mr Sam Shilowa and had already met "one of the most important business leaders" to discuss the deadlock in talks about proposed labour relations legislation at the National Economic, Development and Labour Council.

"I am . . . to discuss with (Mr Shilowa) problems relating to the demonstrations and how they should work together with employers," he said. He also dismissed criticism of his appearance at a Cosatu march in Johannesburg on June 6, saying no one had complained when he attended business events. — Sapa-Reuters
Labour seeks centralised bargaining 'six-pack'

THE context of our negotiations, indeed the reality which the labour laws will need to address, is of a society with huge wealth gaps and a low growth rate. The top 10% of earners, according to the recent Economist survey on SA, walks away with more than half the income in the society. We are, on the measure of the Gini coefficient, one of the societies with the most unequal distribution of wealth and income. Economic concentration is at a level not seen in other market economies.

What does labour argue for in SA? We have sought to establish a centralised bargaining mechanism in each industry. Trade unions have put forward a "six-pack" of reasons for this proposal.

First, it allows trade unions and employers to establish fair conditions of employment for all workers in an industry. To a movement which is fundamentally concerned with the quality of life of workers, this is a vital and desirable goal.

Second, it sets legal minimums, applying to all workplaces, and seeks to take wages out of competition. The success of a business is then dependent on the quality of its management, the training of its workforce and the entrepreneurial spirit which spurs market opportunities and seeks to meet such demand. Success does not depend on the level of a wage or the viciousness of a management.

Third, it makes collective bargaining possible in industries with a large number of workplaces - the engineering industry, with more than 7,000 workplaces will now have effective collective bargaining if

EBRAHIM PATEL

7,000 separate annual negotiations have to be conducted by a single trade union in that sector.

Fourth, it allows for the efficient use of union, and managerial manpower. Instead of 500 negotiators hours being used in 100 separate workplaces by a large number of full-time trade union officials to argue for a maternity agreement, this is achieved in five hours at a central forum, with one full-time official.

Fifth, certain matters, such as medical and provident funds, benefit from economies of scale which centralised bargaining brings. Other matters, such as training policy frameworks, are best dealt with at industry level.

Finally, centralised bargaining allows business and labour to deal, on a continuing basis with industrial policy, trade policy and the relationship between wages and other elements of policy. This is at the heart of creating dynamic competitiveness in our industries, for it permits constant restructuring of industries and sectors to meet the needs of changing world markets. And, importantly, it sets this as the joint task of business and labour.

With such a compelling case, how has labour fared in achieving its objectives? The results have been mixed. In some sectors, often after long union struggles, such arrangements have been established. In others, there has been little progress. Indeed, in certain sectors, long-standing centralised bargaining institutions were collapsed by employers in the late 1980s.

We now seek that the law address the absence of a bargaining framework which requires bargaining at sectoral or industry level. This will reduce industrial conflict in that parties will not be required to strike over the establishment of central bargaining structures.

It will do for the private sector what the Bill already does for the public sector - that is, set up wage and policy bargaining councils in every sector, as the place where the basic wage deal is concluded.

Already in discussions at Nedlac, some progress is being made in this area - it remains for each party's principals to consider whether the progress constitutes a basis for settlement.

P. Tel is labour's convenor at

F. M. W.
Mandela briefed on labour bill

CT(BR)29/6/95

BY BRUCE CAMERON

President Nelson Mandela last night called in his labour minister, Tho Mboweni, and Cosatu general secretary, Sam Shilowa, to discuss the disputed labour relations bill.

A government spokesman said "The president has called for a briefing on the position."

Meanwhile, a final round of make-or-break negotiations between the government, organised labour and organised business is scheduled to resume next week.

If agreement is not reached between labour and business next week, government is expected to make the final decisions on the shape of the legislation in time to put it before parliament in the second half of August.

The Confederation of Employers of South Africa yesterday briefed Cosatu for discussing its dissatisfaction with the bill with Mandela.

Hein van der Walt, the employers confederation's director, said Cosatu would achieve nothing by complaining to the president.

Cosatu has objected to the clause in the bill which entitles employers to make use of scab labour during strike action.

During last week's half-day mass action campaign by Cosatu, the confederation made more than 100,000 scab labourers available to its members.

He said several criminal cases were pending against the confederation's members and industrial councils were prosecuting them on a daily basis.

The bill would decriminalise labour actions and do away with industrial councils.

He said the confederation's legal team was preparing for a court application to protect its members against the "criminalisation of industrial conflict."
Cosatu in top-level labour talks

BY JUSTICE MALALA
LABOUR REPORTER

Leaders of the Congress of SA Trade Unions met President Nelson Mandela and Labour Minister Tito Mboweni in Johannes-
burg last night to discuss labour's position on the draft Labour Rela-
tions Act.

The meeting follows Mandela's discussions with a business leader in Pretoria on Tuesday in which business concerns on recent mass action and negotiations on the draft Act were raised.

Details of last night's meeting are expected to be released today.

Deadlocked talks between labour, business and the Government on the draft Labour Relations Act were given a new lease of life last week when Mboweni ta-
ed new deadlock-breaking proposals which the parties are now studying.

A new series of meet-
ings between the parties has been scheduled for Sunday and Monday, probably in Johannes-
burg.

Union federations Cos-
atu, National Council of Trade Unions and the Federation of SA Labour Unions have embarked on mass action over differ-
ces with Business SA on provisions in the draft Act on centralised bargaining, workplace forms and the right to strike. The mass action culminated with nation-
wide marches last week.

Cosatu said in a state-
ment yesterday that it had canvassed the opinions of its members and allies on the negotiations.

"Contrary to the media perception that the ANC component of the GNU has abandoned labour, and that the minister has sided with employers, we have found general sup-
port for the fundamental principles advanced by labour in negotiations," the union federation said.

It said that following workplace meetings between leaders and union members in the past week, "workers' expecta-
tions are high for a break-
through in the negotia-
tions". However, workers had expressed anger and frustration at what they perceived as a lack of movement from employees in the negotiations.

Fedsal general secre-
tary Danhauser van der Merwe said the three fed-
erations would hold cau-
cus meetings to decide on what task to follow in the next round of talks.
LIVING WITH UNIONS GIVES A LESSON ON WORLD BANK REPORT

SIMON BANNER IN WASHINGTON

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TP 3076/49

THE WORLD BANK and the unions give a lesson on how to live with unions. The Bank's report, "Living with Unions," is a comprehensive analysis of the role of unions in the global economy. It argues that unions can be a positive force in promoting economic growth and social progress, but that they must be managed effectively to avoid disruptions to development and stability. The report emphasizes the importance of dialogue and cooperation between unions and employers, and recommends a range of measures to facilitate this process, including better communication, training, and dispute resolution mechanisms. Overall, the Bank's message is that unions can be a valuable asset to development, but that they must be integrated into a broader framework of social and economic policies. This perspective is likely to be of interest to policymakers, business leaders, and union representatives around the world.
Bank’s report has implications for bargaining in SA

Simon Barber

WASHINGTON – The World Bank’s 1995 development report’s general recommendation favouring decentralised collective bargaining applied to SA, economist Michael Walton, the principal author of the report, said this week.

“We argue for bargaining at plant and enterprise level to ensure wages are closely linked to productivity”, Walton said.

Full global economic integration was key to higher productivity, employment and wages in SA.

Asked to highlight those aspects of the report that were most significant for SA, Walton cited the need to increase domestic investment and attract foreign capital.

Walton thought that SA’s transition from a “relatively protected” economy to an outward-looking development path would not be as traumatic as it would be for other countries.

Dislocations were inevitable as formerly protected sectors were exposed to international competition. But SA was “relatively well-placed”, in Walton’s view. “It did its tough stabilisation in the 80s when its economy was living beyond its means and it had to cut back on total demand.”

To attract its share of “highly mobile” international capital, SA, like everyone else, needed fiscal prudence, social stability and sound microeconomic policies.

In SA’s case, “effective industrial relations” were especially critical.

That did not mean that strong union federations were not important assets since they facilitated the negotiation of “social pacts” to “handle the displacement” caused by restructuring.

Sapa reports Arup Banerji, one of the report’s other authors, told a news conference in Johannesburg that collective bargaining was an effective strategy to protect workers’ rights.

He said successful collective bargaining depended upon a competitive labour market.

Government should therefore actively promote free trade, a balanced exchange rate and a lowering of protective barriers. Policies should avoid bias against labour demand.

Banerji said that 20th century labour policies had often been misguided.

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Labour

Continued from Page 1

would meet jointly and hear public representations on the Bill from August 7 to 11.

Conceding that little time was allowed for the parliamentary committees to deal with the Bill should they wish to consider significant amendments, Mboweni said he hoped they would consider that it was a product of lengthy negotiations.

Meanwhile, a breakfast meeting of the tripartite alliance secretariat met President Nelson Mandela yesterday to be briefed by Cosatu on the status of negotiations on the draft Bill.

The breakfast was attended by Cosatu general secretary Sam Shikowa and assistant general secretary Zanele Zama. President Cyril Ramaphosa and Jeremy Cronin also attended. Shikowa outlined the developments unfolding within the negotiations.
Make-or-break bosberaad on contentious labour relations bill

PARLIAMENT might pass the Labour Relations Bill with contentious clauses removed if consensus on the Bill is not reached soon, Labour Minister Tito Mboweni has warned.

The make-or-break bosberaad between labour, business and the government starts on Sunday, and Mr Mboweni said yesterday there was consensus on about 90 of the Bill’s provisions.

He said the government would prefer to see consensus being reached on all the issues.

But if there was no agreement then cabinet would assess the strengths of the differences and “if absolute consensus has not been reached then we will have to see whether the parts where there is consensus cannot be passed in the current parliamentary session”, he said.

Other parts might then go through parliament next year.

Labour and business have deadlocked on clauses related to centralised bargaining, closed shop agreements and replacement of striking workers with scab labourers.

Mr Mboweni said it was his impression that there was a lot of progress on the centralised bargaining issue. He said the government would also submit proposals on scab labour during strikes to the meeting on Sunday.

He refused to reveal details of his discussions yesterday with President Mandela and Congress of South Africa Trade Union leaders Sam Shlowa and Zwelijnzima Vavi.

The deadline for negotiations on the Bill was set for today (Fri) but Mr Mboweni said yesterday new dates to serve as guidelines and to ensure that the legislation goes through parliament this year had been approved by the Cabinet on Wednesday.

After negotiations, a report will be submitted to the National Economic, Development and Labour Council on July 7, then a new draft of the Bill will go to Cabinet on July 26 and it will be submitted to parliament for its first reading on August 3.
Labour bill
‘90% settled’

PRETORIA: Business and labour
have reached agreement on nearly
all of the provisions of proposed
new labour laws, but the issue of
scab labour was proving a prob-
lem, Labour Minister Mr. Theo
Mboweni said yesterday.

“There is consensus on about
90% of the bill,” he said.

The controversial issue of scab
labour is due to be discussed at a
“bosberaad” between delegates
representing the government,
business and labour.

The proposed Labour Relations
Bill programme sets August 2 as
the deadline for tabling a final
draft bill. The bill is scheduled to
be adopted on August 18. — Reuters
**LABOUR**

**Tito’s clever compromise**

**Business and labour** are carefully considering government’s compromise proposals on centralised bargaining, tabled by Labour Minister Tito Mboweni in parliament last week. Though business sources refuse to be drawn on the substance, they seem relieved that the proposals meet their bottom line — at least by not compelling centralised bargaining nor prescribing the level at which bargaining should take place.

In particular, Mboweni’s clever new idea of “statutory councils” looks like it could fly and break the deadlock over the core issue in the draft Labour Relations Bill — centralised bargaining, which the unions want made compulsory. As Mboweni explains them, statutory councils would seem to differ fundamentally from centralised bargaining councils.

Tabling the proposals in parliament, he frankly conceded that “it is government policy to promote collective bargaining at industry level.”

He also said, however, that “if collective bargaining is more efficient at decentralised levels, the decentralised process must be by agreement.”

Government’s central aim in promoting centralised bargaining is to get business and labour to forge consensus on the bigger issues facing the economy, such as industrial restructuring, training and a social wage. It is not aimed at securing sector-wide agreements on minimum wages and working conditions, which, as far as Mboweni is concerned, may be negotiated at any level the parties jointly decide.

This leaves an avenue for labour to pursue its quest — assuming it can convince employers.

In any event, Mboweni is not in favour of bringing in a law to “compel” employers to bargain centrally. “We are not convinced that the statutory duty to bargain at industry level is either wise or legally viable, and it may actually run counter to the constitution.”

Statutory compulsion would be too rigid, and assumes that there is a right answer to the question of bargaining levels and terms. The second difficulty is legal — how does the law compel employers, organised and unorganised, to bargain collectively at industry level? How are they to be identified? How is an agreement reached?

Mboweni maintains that government’s objectives in promoting centralised bargaining are mostly accepted by business and labour. The only question is how apply for a Wage Board investigation into wages and conditions in an industry. The board commissioner would then conduct an investigation and consult the statutory council before making recommendations to the Minister, who will make a determination in terms of the present Wage Board.

“While not making bargaining compulsory, the effect will in all probability induce parties to bargain in order to avoid the barrier being made for them by the Minister,” says Mboweni.

In this way, it would seem that the Minister could, almost by sleight of hand, go some way towards meeting the union demands by raising “apartheid wages.” He will, after all, appoint the Wage Board commissioner and has the power to make a decision.

The clarity that, while Mboweni recognises economic “imperatives,” he is ambivalent about saying a flat “no” to his party’s key ally, Cosatu.

Based on the experience in other countries, Mboweni is convinced that an adversarial labour relations system is not suited to this huge task. And where adversarial systems have not been supplemented by workplace-based institutions for worker representation and labour-management communication, this process has faltered badly, he says.

As Mboweni points out, the draft Bill allows the parties to determine their own arrangements. What is different is the nature of the “duty to bargain” (at any level) This is “organisational and institutional nature, rather than legal” — which business basically accepts.

Mboweni bases his case in favour of centralised bargaining on the following: first, there are 89 industrial councils in place, second, sectoral bargaining has an important role to play in society.

“As industries are faced with reduction of tariffs, and our re-entry into the global economy, they are going to have to change that change has to be managed. It is my view that industry-level bargaining arrangements are particularly well suited to assist in the transition and adjustment that will inevitably occur.”

**DEFENCE**

**To the core**

It’s longer than expected, but the country is at last moving towards a major reassessment of its defence needs. The findings are due to be presented to parliament by April next year and could result in a significant restructuring of the SANDF and the reallocation of some key activities to non-military organisations.

The future of the navy will be a particular focus, after the deferral of a decision to buy four corvettes for R1.7bn in the wake of massive pressure from within the ANC.

A draft White Paper tabled in parliament by Defence Minister Joe Modise last week sets the policy parameters for a wide-ranging review of defence needs. The review will be underpinned by extensive public consultation. The White Paper had been expected at the end of last year.

It is clear from the document’s sweeping terms that the SANDF’s transformation into an instrument of the new democracy will be painful for some professional soldiers and
other militants. Among the actions envisaged in the White Paper is a 30% reduction in troop strength over the next few years, from the current level of around 100,000.

Modise has already warned that defence spending has decreased below the level at which he can maintain even the minimum defence needs. Nevertheless, further cutbacks seem inevitable as ANC doves strengthen their position in the party's caucus. But they face a difficult task. They will need to acknowledge the validity of the national interests currently being protected by the SANDF and propose viable nonmilitary (and less costly) alternatives.

Maritime protection — highlighted by the corvette issue — is a case in point. There is no doubt that SA needs to safeguard its fishing grounds that stretch 200 km from its shores, but does it need warships to do so?

Those opposed to the corvette deal believe paramilitary offshore patrol vessels, under the control of the police or the Department of Fisheries, would be better suited to the task. The defence review will need to investigate this and other key issues — and provide answers.

But the prospect of a shrinking navy is by no means Modise's only problem. In parliament last week, he said: "With current levels of funding we are not even able to maintain a core force which is the minimum force level required to satisfy defence requirements. It is my duty and responsibility to warn parliament and our people that, if further cuts are made to the budget, we shall fall even further below this minimum core force level. The reductions in the defence budget have reduced the size and quality of our core force's defensive capabilities."

Apart from deferring a decision on the corvettes, lack of funds has also compelled the SANDF to:

- Scrap the Buffalo armoured personnel carriers and Eland armoured cars.
- Drastically reduce upgrading programmes for the Olifant tank and the Rookit tank destroyer, and the replacement for the Ratel armoured personnel carrier, and
- Reduce the number of aircraft in the SA Air Force by 50%, including the scrapping of seven of the 10 "frontline" squadrons, leaving only one squadron of supersonic fighters, the Cheetahs.

Capital spending now accounts for only 27% of the defence budget, with 73% being spent on operating costs.

The process of integrating the various military units has resulted in the black component of the full-time force increasing by 8%, from 53% to 61%, in the past year. The number of black officers increased from virtually none to 20% — including 11 black generals.

But parliamentary defence committee chairman Tony Yengeni says there are signs that the sort of transformation of the SANDF demanded by the interim constitution is not happening and that discriminatory practices are continuing.

PAC leader Clarence Makwetu believes the integration process has been bungled and that Umkhonto we Sizwe and Apla are being treated like "discredited" armies.

But Modise says the extent to which blacks have been brought into the defence force is "a considerable achievement" and not the "tokenism" of having one or two black faces on the board of a company.

Yengeni also has other reservations. He says his committee has expected more progress from Modise over the past year "at least in the form of comprehensive proposals." The committee, he says, is struggling to formulate a clear stance on the defence budget, because it is "insufficiently informed" and the "precise nature" of SA's defence capability has not been spelt out.

All that should change soon as the defence review gets under way and the SANDF tries to define a new role for itself on a continent where pure military might has seldom meant true national security.

LOCAL GOVERNMENT
Be-rating the rich

The parlous state of local government in SA is reaffirmed in Greater Johannesburg's "Robin Hood" budget, released this week. The business and wealthier residents were to be taxed more heavily to finance upliftment in poorer areas. But the newspapers on the same day revealed that, for all, that is one of the raisons d'etre of metropolitan government.

But the R6.5bn budget — making it the sixth largest government in the country — offered no assurances that the higher rates, business levies and service charges would actually bring about significant improvements in services and facilities for the poor.

Metro Budget & Finance Committee chairman Ian Davidson warned that the city could face a R190m deficit next year (requiring a 22% increase in the rate), unless service payments in black townships improves. Despite the much-publicised Masakhane campaign to improve services and payments in the townships, Soweto was still paying only 29% of its rates, and services fees and Alexandra barely 14% in April.

Such stunning disparities seem not to disturb TMC executive committee chairman Collin Matjila, who referred only fleetingly to the problem in his budget speech when he said that Masakhane's success should be measured not only by increased payments, but also by a local authority's ability to deliver affordable and effective services to its communities.

By these standards, too, the Johannesburg Metropolitan Council's record gives cause for concern rather than confidence. Its refusal to devolve full administrative powers to its structures, or local councils, that actually do function (notably, former Sandton, Randburg and Roodepoort) has brought a discernible drop in municipal standards in those areas in the last six months.

Traffic lights that remain broken for days and tardy rubbish removal are now commonplace, as is the rising ire of ratepayers. After all, they may be willing to subsidise improvements in Soweto and Alexandra, but why should they do so at the expense of their own neighbours in Sandton?

The problem is largely due to over-centralisation of administration. Metropolitan officials argue that they cannot devolve powers to some substructure councils without doing so for all. And as some substructure councils are dysfunctional (such as the south-eastern area, which never had a council of its own, and the western area, encompassing most of Soweto, which was rendered largely unworkable by the ANC) they must withhold powers from all the real reason for not empowering the substructures may reflect a centralist mentality among ANC and NP officials, who dominate the TMC. It may be that they simply don't want to diffuse power — condemning instead to bolster a centralised administration, only to find that it swiftly becomes overloaded with the minutiae of its municipal substructures. The result is a clogging of municipal functions and consequent decline in services.

But this is only part of the troubles besetting metropolitan government. Traditional metro councils — such as Johannesburg, Cape Town and Durban — will exist in their present form until the local government elections on November 1 replace them with the first fully democratic local councils. But the process itself is fraught with political power plays that may yet derail the elections.

Disputes over metropolitan boundaries (the number and extent of internal substructures) proposed by the district boards in Gauteng, KwaZulu-Natal and the Western Cape were still on course this week for adjudication in the Electoral, Supreme and Constitutional courts — time-consuming processes that could force local elections nationwide to be delayed until next year.

The interim constitution stipulates that all local government elections must be held on the same day, so any postponement would require a constitutional amendment.

While Provincial Affairs Minister Roelf Meyer insists that the elections will go ahead as scheduled, there seems little he can do to avoid a delay if the NP-controlled Western Cape government under Honor Kriel goes ahead with its Constitutional Court action. Kriel wants to overturn President Nelson Mandela's proclamation that seeks to wrest control from the NP of the Western Cape provincial council, the body that must endorse the province's local government boundaries.

The ANC wants to dilute NP domination of the area by having the populous — and largely ANCSupporting — Khayelitsha township included in the northern district.
Meetings start again on Sunday to break deadlock

New life in labour talks

BY JUSTICE MALALA  
LABOUR REPORTER

The series of meetings between labour, business and Government representatives which starts on Sunday will focus on Labour Minister Tito Mboweni’s proposals to break the deadlock which has plunged talks on new labour laws into crisis.

Revealed in his budget speech in Parliament last week, Mboweni’s proposals breathed new life into the stalled negotiations which had led to labour embarking on mass action and business retaliating with an expensive media campaign.

Since being presented to the players, consultations on the draft Labour Relations Act have taken place and it is expected that business and labour will table their responses to the Cabinet-approved proposals soon.

Mboweni said yesterday there was consensus on about 80% of the Bill’s provisions. The Government, however, would prefer to see consensus being reached on all the issues by all the parties.

Should there be no agreement, Cabinet would assess the strengths of the differences and “if absolute consensus has not been reached then we will have to see whether the parties where there is consensus cannot be passed in the current parliamentary session,” Mboweni said.

Labour and business have deadlocked on compulsion to bargain centrally, closed shop agreements and replacement of striking workers with scab labourers.

On the issue of centralised bargaining, the Government has proposed that the National Economic, Development and Labour Council democratise the industries in which “statutory councils” are to be established.

The powers of these councils may include determining industrial policy, establishing pension, provident and medical aid funds and arranging dispute resolution functions, particularly conciliation of disputes.

Each council may amend its constitution by allowing agreement between the parties to include new powers such as collective bargaining over wages and working conditions.

It may be formed by trade unions representing 30% or more of the employees in the industry or by bosses employing at least 50% of workers in the industry.

The new proposal strips away the enforcement of centralised bargaining, as labour demands, and yet encourages the principle of voluntarism that business requires. It also puts the ball in labour’s court by setting thresholds that unions may have to work hard to reach to ensure the formation of the councils. Yet if these thresholds are reached, the unions will have acquired the muscle necessary to call for the councils.

On closed and agency shops, Mboweni proposed that the draft Bill should include provisions on the ways closed shop agreements could be enforced.

He proposed that the agreements comply with requirements for collective agreements and that the introduction of a closed shop should require a ballot of all the employees covered by the agreement.

The Government said: “The proposals made by the trade unions go a long way towards resolving the Government’s primary concerns over the constitutionality of union security arrangements.”

A trade union that is not party to a closed shop may apply to become a party to the agreement if it is able to demonstrate that it represents a significant interest, or has the support of a sufficient number of employees covered by the closed shop.
Give workers dignity they deserve, pleads Shilowa

By ESTHER WAUGH
POLITICAL CORRESPONDENT

When Cosatu general-secretary Sam Shilowa had the ear of President Nelson Mandela this week, his message was: "Give the workers the dignity they deserve."

"That's really the issue. So that's my line with the President," he said. Shilowa met Mandela on Wednesday to brief him on Cosatu's position on the controversial Labour Relations Bill, but said he would not ask Mandela to intervene in the deadlock between labour, business and government.

"As far as I'm concerned, Tito (Mboweni, the Labour Minister) is capable of intervening in the negotiations. Bringing Madiba into the situation will mean that we have no confidence in ourselves — that is, those of us who are involved in Nedcor (the National Economic, Development and Labour Council).

In essence, the briefing had been designed to give the President a feel for the issues involved. In an interview with the Saturday Star before the meeting, Shilowa detailed the issues.

Categories

Shilowa said unions were prepared to be flexible in accepting that maximum wage levels could be negotiated at a plant or company level while minimum wages should be negotiated at a centralised level.

The movement accepted the creation of different categories, for example, the retail sector, but minimum wages for these should be agreed upon. This would, however, not mean that "OK Bazaars and Woolworths" workers would be earning the same salaries.

"The real debate between us and employers is not about voluntarism and flexibility. It is about whether issues related to redistribution will be dealt with as well."

Shilowa said business was prepared to have compulsory negotiations at a centralised level on the industrial policy, training, dispute resolution and pensions and medical aid benefits.

"But, it is when we say that issues related to wages, collective bargaining and conditions of employment should be part of that process, that they begin to say, 'No, no voluntarism and flexibility.'"

"This is the one issue I'm going to outline to Madiba. I will say it is an issue of productivity, production and wealth creation on one hand, and redistribution on the other. It is ideological differences."

Also high on his agenda was the issue of scab labour. He was to use the example of Germany, which has centralised bargaining, stable unions and a vibrant economy. Although scab labour was not prohibited by law in Germany, scab labour was not used during strikes.

Referring to last year's strikes at Pick 'n Pay and in the motor industry, Shilowa said the Pick 'n Pay strikes, which used scab labour, were characterised by police involvement, tension and lock-outs of workers. The motor industry, which did not use scab labour, was able to settle its differences with the workers.

Defensive

Another issue to have been raised during the briefing was that of lock-outs of workers by employers.

"I will be saying to Madiba that employers should have lock-outs as a defensive mechanism and not as an offensive one."

Shilowa said he would point out that Cosatu was in alliance with the ANC.

A new round of negotiations between labour, Government and business stirs tomorrow.
Deadlocked labour talks have been restarted

Deadlocked talks between labour, business and government on the draft Labour Relations Act are back on track.

It is expected that the proposed law will be passed by Parliament this year, negotiators said yesterday.

Progress

After a meeting to consider Labour Minister Tito Mboweni's proposals to break the deadlock, the parties said substantial progress had been made.

Mboweni said three task groups to discuss differences between the parties on the new laws had been formed.

The task groups would hold meetings over three days starting tomorrow, and they would then present their reports to a committee consisting of Mboweni, labour leader Sam Shikweni and Business SA's Bobby Godsell for fine-tuning.
After communism's fall
a revolution for labour

IN 1978 about a third of the world's workforce lived in centrally planned economies. By the year 2000 fewer than 10% are likely to be living in such economies.

These are revolutionary times in the global economy, says the World Bank in its latest World Development Report, Poverty in an Integrating World.

"The embrace of market-based development by many developing and formerly centrally planned economies, the opening of international markets, and great advances in the ease with which capital and ideas flow around the world are bringing new opportunities as well as risks, to billions of people." The bank concludes from its review of international experience in both the developing and developed world that successful labour policies are those that work in harmony with the market and avoid providing special protections and privileges to particular labour groups at the expense of the poorest.

James Wolfensohn, the bank's president, says in his foreword that "labour policies in many countries have been misguided in favoring those in good jobs at the expense of workers in the rural and informal sectors and the unemployed."

Governments have a distinct role in setting the legal and regulatory frameworks within which trade unions and firms can operate and in ensuring that those frameworks encourage their positive contributions to development.

Mr. Wolfensohn says governments need to define minimum standards and prevent exploitation and discrimination.

"Workers eventually benefit from economic reform as states move from central planning to market systems and from protectionism to openness. This change can, however, be wrenching as employment and wages often decline temporarily and as workers move from old to new jobs."

The report stresses the benefits of education and training in promoting sound labour market policy, but finds that education is not sufficient in itself to promote job creation.

"Neither does investment in physical capital stock automatically translate into higher growth and more better-paid jobs. Fast-growing economies invest more, but investment alone does not necessarily deliver faster growth - the link between investment and growth in productivity is far from automatic."

The report finds a strong correlation between export and wage growth and sees a role for governments in protecting the vulnerable, such as children in labour markets.

But it argues that while minimum wage legislation may be appropriate for developed economies it is difficult to justify in low- and middle-income countries.

"If international conditions are favourable and governments do their part to create the right environment, workers will be able to make the right choices, negotiate the conditions of work, and make the schooling decisions for their children which will improve the welfare of all groups of workers."

"That could begin to reverse the long-run trend of widening international inequality between workers that has been so marked a feature of the past century."
Scabs get no time off in labour debate

By KEVIN DAVIE

THE issue of scab labour — whether employers can hire workers to replace strikers — is likely to be the next big issue in negotiations on new labour law.

Labour Minister Tito Mboweni says this issue is giving him “sleepless nights”.

He says only two countries prohibit the hiring of scab labour. Most do not put prohibitions on scab labour into the law and employers and trade unions conclude agreements on how to manage the issue.

The draft Labour Relations Bill is silent on the question of scab labour — also known as temporary replacement labour — allowing parties to draw up their own agreements, but the Cosatu-led union alliance has said it wants scab labour outlawed.

The parties meet today for the first time since Mr Mboweni tabled proposals last week to break the deadlock over issues such as Cosatu’s demands for compulsory centralised bargaining.

Neither business nor labour have disclosed their responses to Mr Mboweni’s proposals, but Mr Mboweni has won Cabinet approval for a timetable which will see a Labour Relations Bill being debated in Parliament on August 14.

Government officials involved in negotiations are confident that sufficient consensus will be reached between the parties for the Bill to be sent to Parliament in August.

A union delegation led by Cosatu’s Sam Shilowa had breakfast with President Nelson Mandela on Thursday. Mr Mboweni says most of the meeting, which Mr Mandela had to leave early, was devoted to non-union discussions.

Cosatu’s Neil Coleman says Mr Mandela attended the meeting as president of the ANC. “It was an alliance meeting to give us a chance to explain our position to our allies.”

Mr Coleman says Cosatu has also briefed ANC MPs who have positions on Parliament’s standing committees on labour, and two provincial premiers.

He says there is no reason to be optimistic or pessimistic ahead of today’s meeting. Much will depend on what the parties, including government, tables for discussion.

Mr Mboweni says his department has received 2 000 pages of submissions including organisations representing small businesses, on the proposed law.

He says the needs of small business “have to be accommodated”.

ST 2/7/95
Talks resume to break deadlock on labour Act

JOHANNESBURG - Government, business and labour leaders resumed talks to break the deadlock in negotiations on the draft Labour Relations Act confident that progress they would ensure the passing of the Act through Parliament this year.

Both organised business and labour federations have been studying Labour Minister Tito Mboweni's dead-end-breaking proposals presented to them two weeks ago, although the parties had made no formal responses, Mr Mboweni said.

The parties were to table responses to Mr Mboweni's proposals on centralised bargaining, closed shop agreements and workplace forums at a "bosberaad" at the secret Gauteng venue which was expected to continue today.

The bosberaad was to consider further proposals by Mr Mboweni on the thorny issue of the replacement of striking workers by temporary workers.

"A solution to this is clearly very important to ensure stability and peace during lawful strikes," he said.

National Economic, Development and Labour Council spokesman Lomn Sayman said the meetings might continue tomorrow.
Deadlocked talks to be resumed

Business and labour groups may be moving towards solution

Sowetan Correspondent

G OVERMENT, business and labour leaders yesterday resumed talks to break the deadlock in negotiations on the draft Labour Relations Act, confident that progress that would ensure the passing of the Act through Parliament this year would be made.

Both organised business and labour federations have been studying Labour Minister Tito Mboweni's deadlock-breaking proposals presented to them two weeks ago.

Although both parties have made no formal response, Mboweni said last week that indications were that they were moving to a solution on the centralised bargaining issue.

The parties will table responses to Mboweni's new proposals on centralised bargaining, closed shop agreements and workplace forums at a bosberaad to be held at secret Gauteng venue. The gathering will also consider further proposals by Mboweni on the thorny issue of the replacement of striking workers by temporary workers.

"A solution to this is clearly very important in order to ensure stability and peace during lawful strikes," Mboweni said.

National Economic, Development and Labour Council spokesman Mr Lornu Sanyana said the meetings are scheduled to end today, but the parties have been requested to keep tomorrow free in case further talks are necessary.

Mboweni also revealed that the Cabinet had approved a new set of dates for the Act to be negotiated by the three parties.

He said despite the passing of the June 30 deadline originally set by the three players for the ending of negotiations, "the parties have shown their commitment to negotiations and we are therefore still on track for this year's legislative programme.

He said the draft Act would be presented to a special Cabinet meeting on July 26, and the final draft would be considered by the Cabinet on August 2 for final approval.

After further debate and hearings by the National Assembly and Senate select committees on Labour the Act will be presented to Parliament for adoption on August 18.

Labour embarked on mass action last month to force business to accede to its demands on the Act, but so far business has not budged.
Government, business and labour leaders resumed talks to break the deadlock in negotiations on the draft Labour Relations Act yesterday, confident that progress ensuring the passage of the Act through Parliament this year would be made.

Although neither party has made any formal responses, Mboweni said last week there were indications they were moving to a solution on the centralised bargaining issue.

The parties were expected to table responses to Mboweni's new proposals on centralised bargaining, closed shop agreements and workplace forums at the bomberand at a secret Gauteng venue. — Labour Reporter.
Comment on labour policy

The NEC's Labour Market Commission, appointed by Labour Minister Tito Mboweni, to formulate a comprehensive, labour market policy has called for written submissions by August 31 on aspects of the terms of reference.

The commission, established this year, consists of 17 members and is co-chaired by ministerial special adviser Dave Lewis and Gencor human resources manager Moss Ngoasheng.

The terms of reference attempt to address the RDP's employment-related objectives through the integration of labour market policy with macroeconomic and industrial policy.

The terms of reference cover issues relating to employment creation, wage policy, productivity enhancement, the social implications of economic restructuring, eliminating labour market discrimination, the access of non-SACC nationals to the SA labour market and the migrant labour system.
Labour bill debate near resolution

CT (BR) 417/95

By Thabo Leshole
and Brian Cameron

Major stumbling blocks — including compulsory centralised bargaining — appear to have been overcome and new dispute resolution structures have been created to resolve outstanding issues by July 17, which will clear the way for the adoption of the disputed Labour Relations Bill.

Negotiating teams, representing government, labour and business, decided to reveal the full extent of progress yesterday after a further round of late-night talks.

But Thabo Mbeki, the labour minister, said "I am smiling. There are wonderful and encouraging signs. We are confident that the process has regained potential momentum and we will be able to make progress.

Indications are Mbeki's commitment to reconciliation and a solution to the problem of compulsory centralised bargaining has been accepted.

At the media conference, many of the questions were sidestepped by the spokesmen of the different groups, who appeared intent on presenting a final win-win settlement package rather than a blow-by-blow progress report.

Mbeki said the "principals" committee of himself, Sam Shikowa, Cosatu's general secretary, and Bobby Godsell, Business South Africa's deputy president, had been formed to oversee the last negotiating lap.

Three working groups will meet on July 5, have been appointed with instructions to report back by July 7.

On July 7 the principals will consider the reports of the working groups and they in turn will report to a plenary session of the National Economic Development and Labour Council on July 11.

On July 14 the council's secretariat will make available a report on the plenary session to the council's executive committee, which will meet on July 17.

Mbeki said it would "be naive to think we can score 100 per cent on this issue. If we can score 99.9 per cent it will be a major breakthrough."

He has recalled his legislators' demands to start redrafting sections where agreement has already been reached.

The three working groups are working group one which will deal with issues such as statutory lockouts and strike balloting, working group two, which will deal with organisation rights issues, including decertification of union sub-committees, company disclosure of information, workplace forums, and termination of employees, and working group three which will deal with issues such as redundancies and alternatives to job losses.

Mbeki said the major issues, such as compulsory centralised bargaining, would be dealt with by the committee of principals.

Shikowa said: "From the exchanges it was clear we can make one another to ensure we drive the process home. The country does not want details of the differences but wants to know whether we are moving towards a settlement."
JOHANNESBURG. — Business and labour leaders say they have made progress in talks on new labour relations laws, but no settlement is imminent on centralised bargaining, scab labour or strikes.

The largest labour and employer groups met at a Johannesburg hotel on Sunday and talked into the early hours of yesterday in an effort to reach consensus on key issues blocking agreement on labour laws due to be presented to parliament.

"We are exploring the issues where we are now is that we understand where the other side is coming from and wherein lies the meeting point. We’re inching towards a settlement even if it is slow," COSATU general secretary Sam Shulowa told a news conference.

"Taking into account the exchanges we have had, it makes all parties confident that with the political will we have, it is possible for us to find one another. Even though it looks like we are

Business South Africa co-ordinator Bobby Godsell told the news briefing his delegation had found the weekend talks useful.

"The discussions aren’t concluded yet but I think we are making progress. We are committed to getting a new (Labour Relations) Bill this year."

Mr Godsell said the talks had unified white and black business leaders.

"We are absolutely unified in our sense of the policy issues and our sense of strategy (in the labour negotiations). I think we have a unity which is a pleasing by-product of this process."

Labour Minister Tito Mboweni told the briefing that the social partners of business and labour had agreed to establish a "committee of principals" — himself, Mr Godsell and Mr Shulowa — to oversee a negotiated agreement and to form three working groups to thrash out a deal.

"We are introducing a new system which will seek to quicken a process so that we can meet our deadline," Mr Mboweni said.

The working groups would meet tomorrow and report to the principals’ group by Friday.

A plenary meeting of government, business and labour would meet on July 11 to accept a report from the principals and in turn present its own report to the secretariat of the National Economic Development and Labour Council (Nedlac) by July 14.

Nedlac’s executive would then examine the report on July 17. "This is in order to give the process sufficient time to proceed," Mr Mboweni said.

"We hope there will be no outstanding issues on July 17 that will delay the passage of the Bill (through parliament).

"But I think we would be naïve if we expected 100 percent if we score 99.9 percent, that would be a major breakthrough," he said.

— Reuters."
LRA stumbling blocks beginning to crumble

BY THABO LESHILO AND BRUCE CAMERON

Major stumbling blocks – including compulsory centralised bargaining – appear to be settled and new dispute resolution structures have been created to resolve outstanding issues by July 17 to clear the way for adoption of the disputed Labour Relations Bill.

Negotiating teams, representing the Government, labour and business, declined to reveal the full extent of progress at a media conference in Johannesburg yesterday after a further round of late-night talks.

But Tito Mboweni, the Minister of Labour, said: “I am smiling. There are wonderful and encouraging signs. We are confident that the process has regained potent momentum and we will be able to make progress.”

Indications are Mboweni’s compromise position of two weeks ago, which includes the rejection of compulsory centralised bargaining, has been accepted.

At the media conference, many of the questions were sidestepped by the spokespeople of the different groups, who appear intent on presenting a final win-win settlement package rather than a blow-by-blow progress report.

A new structure of committees and deadlines has been established.

Mboweni said a “principals” committee of himself, Cosatu General Secretary Sam Shabowa and Business South Africa deputy president Bobby Godsell, had been formed to oversee the last negotiating lap.

**Working groups**

Three working groups, which will meet on Wednesday, have been appointed with instructions to report back by Friday.

On that day the principals will consider the reports of the working groups.

They in turn will report to a plenary session of the National Economic Development and Labour Council (Nedlac) on July 11.

On July 14 the secretariat of Nedlac will make available a report on the plenary session to the Nedlac executive committee, which will meet on July 17.

Mboweni hopes most issues will have been resolved by then.

“It would be naive to think we can score 100% on each issue. If we can score 99.9% it will be a major breakthrough.”

He has recalled his legislation drafting team to start redrafting sections where agreement has already been reached.

“We are building a new labour relations system for the 21st century.”
Mboweni sets up new committee

Hopes rise for deal on labour law

Renee Grawitzky

GOVERNMENT, labour and business representatives emerged from their second National Economic, Development and Labour Council (Nedlac) meeting yesterday talking of a renewed commitment to ensure the enactment of the labour relations Bill this year.

Labour Minister Tito Mboweni announced a new timetable and the establishment of new structures to speed up the process to reach agreement on the core issues in dispute.

Mboweni said he was confident the process had regained its momentum and there was a readiness and capacity on the part of the parties to settle.

The parties were not prepared to elaborate on what had transpired during the two-day meeting.

This included the response by labour and business to government's proposals tabled on centralised bargaining, workplace forums and agency/closed shop.

No detail was given about whether government had tabled any proposals with regard to scab or replacement labour. Prior to the meeting, Mboweni indicated that resolution of this issue would be crucial to agreement on a final package.

Cotton General secretary Sam Shilowa said after the meeting: "Taking into account the exchanges and explorations, it makes all the parties confident that with the political will existing among ourselves we will achieve progress."

Business SA negotiator Bobby Godsell said the discussions had not yet been concluded, but said progress was being made.

Mboweni said the new process would entail the establishment of a principal committee consisting of himself, Shilowa and Godsell, while Nedlac executive director Jayendra Naidoo would be brought in from time to time.

This committee would oversee the successful functioning and operation of three working groups required to consider a wide range of issues, yet to be finalised.

The working groups would refer issues they were unable to resolve back to the principal committee.

The principal committee would consider issues such as centralised bargaining and possibly the question of scab labour.

The three working groups, the composition of which had not yet been finalised, would consider the following:

- Union authorised strikes, ballots and defensive lock-out;
- Organisational rights and the disclosure of information in the proposed workplace forums; and
- Dismissals and the disclosure of information with regard to retrenchments.

Mboweni said that the working groups would meet tomorrow and report back to the principal committee, which would meet on Friday.

He said he hoped all issues could be resolved by mid-July.

However, he pointed out that "it would be naïve to believe we will score 100%".

Mboweni also announced that an ministerial task team commissioned to draft the negotiating document on the Labour Relations Act would be reconvened to commence drafting areas "where there is enough room to draft".
Labour bill D-Day this week

BY BRUCE CAMERON

Friday is crunch day for the disputed Labour Relations Bill, when organised labour is due to give its final view on the key issue of compulsory or voluntary centralised bargaining.

With both government and organised business now determined that centralised bargaining cannot be enforced through legislation, Cosatu has apparently reviewed its demand.

The other major outstanding issue is "scab labour" Cosatu seeks its prohibition, which business continues to refuse.
MEETING EXPECTATIONS Roelf Meyer, the minister for constitutional development, gives the opening address at the Rebuild South Africa conference in Kempton Park

PHOTO JOHN WOODCOOK

Make labour deal now, says Motlana

BY THIRED LEHELE

CT (HR) 5/7/95

Prominent businessman, Ntatio Motlana, yesterday made an impassioned plea to the parties at Nodlac to immediately strike a deal on the disputed labour relations bill in order to encourage foreign investment in the country.

Speaking at the Rebuild South Africa conference at the World Trade Centre in Kempton Park, he appealed to all stakeholders in the economy to show a greater dedication to education and training, an improved work ethic and discipline in the workplace.

Domas Fultor, from the department of trade and industry, said the country was well on the way to normal economic conditions.

He said South Africa's return to the global economy had hugely increased effective demand for local goods and services.

Opening the conference, Roelf Meyer, the minister of provincial affairs and constitutional development, said South Africa would have to meet its people's expectations for socio-economic development in order to safeguard its new democracy.

The business opportunities and exhibition conference comprises a tourism forum and a small and medium enterprise development conference. It ends on Friday.
Strike LRA deal ‘now’ to aid investment – call

BY THABO LESHILO

Businessman Dr Nhato Molana yesterday made an impassioned plea to all parties at Nedlac to immediately strike a deal on the disputed labour relations bill in order to encourage foreign investment.

Said Molana “Unless labour, Government and the corporate sector can come up with some agreement that would give investors assurance, we have a big problem.”

Molana was speaking to local and international visitors at the Rebuild South Africa conference held at the World Trade Centre in Kempton Park.

Dennis Fulton, from the Department of Trade and Industry, said the country was well on the way to normal economic conditions after a lengthy “anti-competitive and anti-export” era during apartheid. He said South Africa’s return to the global economy hugely increased demand for local goods and services, which was previously restricted to the small white population.

Opening the conference, earlier, Minister of Provincial Affairs and Constitutional Development Roelf Meyer said South Africa would have to meet its people’s expectations in order to safeguard its new democracy.

The conference comprises a tourism forum and a small and medium enterprise development section.

It ends on Friday.
Still no consensus on the draft labour Act

Renee Grawitzky

The three working groups established to speed up consensus on issues in dispute around the draft Labour Relations Act did not complete discussion on all agenda items, but a report is still expected to be presented to the principal committee tomorrow.

The principal committee comprising Cosatu general secretary Sam Shikwana, Business SA Bobby Godsell and Labour Minister Tito Mboweni would consider any issues which were not resolved in the working groups.

Two of the three working groups finished early and did not complete discussions as Federal general secretary Dainhauser van der Merwe in group one had to leave early to attend the federation's executive committee meeting to finalise its position on some substantive issues in the negotiations.

Cosatu is holding its executive committee meeting today to finalise its position and Nactu meets tomorrow.

The first working group comprised government's Les Kettledas, Business SA Adrian du Plessis and Rob Perott and Labour's Cunningham Ngoukana, Van der Merwe and Kgalema Motlanthe. Union authorisation of strikes, strike ballots, picketing, defensive lock-outs and sympathy strikes formed some of the agenda items. Discussion appeared to have taken place around union authorisation of lawful strikes and issues around strike ballots.

Working group two consisted of government's Dave Lewis, Steve Lenahan and Graham Damant and Labour's Ebrahim Patel and Ben van der Walt. Organisational rights, workplace forums and disclosure of information formed part of the discussion.

Working group three included government's Jesse Maluleke and Papi Moloto, business's Barry Shipman, Dave Carson, Pak le Roux and a Federal representative from labour. Issues under discussion included dismissals, incapacity due to ill health and the commission for conciliation, mediation and arbitration.
It's not too late to heed this warning

STERN criticism of the draft Labour Relations Bill has come from what many South Africans would perceive to be an unexpected source, writes Graham Giles

The present draft Labour Relations Bill has evoked considerable interest and comment because of the serious consequences for this country if a sound and enduring employment relations system is not established at this critical stage.

Soyere criticism of the Bill has come from what some may perceive to be an unexpected source. Professor Martin Bra-sssey, who is also an advocate, and attorney John Brand have been in the forefront of the struggle for the recognition of the rights of workers and trade unions. They were among the earliest contributors to the Industrial Law Journal (published by Juta) which first appeared in 1988.

The latest issue of Employment Law, they regard the Bill as conceptually flawed,EUR (in the same publication), they criticized the process of drafting a Bill as a negotiating document. Both Ndelac and warned of the dangers that lay ahead.

Countries adopt and develop different models to regulate employment and industrial relations, depending on a number of factors, including the country's stage of economic and political development. For example, in 1991 New Zealand scrapped a 100-year-old system which encouraged union and compulsory arbitration and effectively deregulated its system by reducing the status of trade unions to that of voluntary associations and favoured individual contracts of employment. The State of Victoria in Australia is moving in the same direction.

In South Africa, there is a particular need to reduce the exceptionally high rate of unemployment by creating new job opportunities and to stimulate growth and competitiveness and attract local and foreign investment. South Africa is moving in the direction of a consensual relationship between management and labour, but Brasssey and Brand point out that the parties must have a measure of confidence in each other. This can only come about voluntarily.

They criticize the drafters of the Bill for failing to appreciate the distinction between integrative problem-solving and collective bargaining. They are critical of the proposed "workplace forum" and suggest "it will become yet another bargaining forum whose proceedings are characterized by aggressive distributive bargaining in the plant itself."

They point out that majority trade unions will have the statutory power to create the workplace forum as the effective bargaining agent and thereby force the employer to negotiate over a wide range of topics in their words: "Going far beyond what the courts currently demand, the drafters give this agent the power to veto or re-terminate the implementation of certain (as yet unspecified) managerial decisions. It is compulsory bargaining in full force.

And if the unions only recognised it as such, they would welcome it with open arms.

Brasssey and Brand discuss the question of centralised bargaining, and suggest it is really a new form of management because industrial-level bargaining has existed since the mid-1920s and most of the major developments in the extension of that system.

In their opinion, the drafters have failed to provide a mechanism for the resolution of disputes and they regard this aspect of the Bill as unworkable and one of its foremost failings.

"Though intended, by encouraging co-operation, to enhance productivity and generate higher wages, it can, if too restrictive, hamper the mobility of labour and capital, stifle entrepreneurial initiative and discourage investment. Finally, it can threaten fundamental rights to liberty, equality and proper-ty."

"Liberty is lost if employers and, to a lesser extent, workers cannot freely contract, equality is compromised if developments in the market by barriers to opportunity, and proper-ty rights are undermined if the acquisition, control and disposal of land and other assets is too tightly constrained. As a result, proper balances have to be struck."

They draw attention to the thousands of standing disputes in the industrial court, the high cost of sustaining the system and the additional time that is wasted because industry-level bargaining has existed since the mid-1920s and most of the major developments in the extension of that system.

In their opinion, the drafters have failed to provide a mechanism for the resolution of disputes and they regard this aspect of the Bill as unworkable and one of its foremost failings.

"Though intended, by encouraging co-operation, to enhance productivity and generate higher wages, it can, if too restrictive, hamper the mobility of labour and capital, stifle entrepreneurial initiative and discourage investment. Finally, it can threaten fundamental rights to liberty, equality and proper-ty."

Very few, if any, other South African practitioners have had as much "hands-on" experience of employment and industrial relations as Martin Brasssey and John Brand. Their concluding remarks in the article deserve particular attention.

The sentiments expressed also come from responsible citizens who have remained in this country and fought hard for more than 15 years in adverse circumstances for the recognition of the rights of trade unions and workers.

"This Bill goes further, far further, than any other labour dispensation of which we are aware. Its drafters would doubtless argue, with some justification, that desperate conditions demand desperate remedies. But these are altogether too desperate. They may work for a while, but as they gradually collapse, the results will become increasingly paralysing."

"Employers will discover that they are at the mercy of unions that opportunistically exploit the powers confered on them for their own self-interest and individual workers will wonder what happened to the rights of labour and capital. Serious industrial conflict will be the result, with consequences for the economy that are hard to over-estimate."

It is too late to do what they suggested in the first place and follow the usual "acceptable procedure for introducing or amending important legislation. The Minister of Labour should have been asked to take certain steps, urgently."

Halt the "negotiations" at Ndelac.

Establish a representative expert commission of inquiry.

Instruct the commision to obtain information and opinions from a wide range of experts, examine all the issues properly and make recommendations to him.

Formulate a proper response and allow all interested parties to comment and then only create an affordable and workable employment and industrial relations system that is capable of achieving the necessary objectives and meeting the real needs of the majority of people."
Cosatu lashes oil firms

JOHANNESBURG: Cosatu condemned yesterday the withdrawal of the South African Petroleum Industry Association from the Liquid Fuels Task Force (LFFF), describing the move as churlish and short-sighted.

The union federation questioned oil companies' commitment to democratic restructuring in the industry.

Oil companies pulled out of the National Economic Development and Labour Council's LFFF on Wednesday in protest against acceptance by most task group members of a report on tariff protection for Sasol, saying it favoured Sasol and had been swayed by the synthetic fuel producer.

"The withdrawal followed a month-long disagreement between oil companies and Sasol over the report, which recommends that Sasol's tariff protection - which was R1 billion last year - be phased out until July 1999."

Prospects on deregulation talks, which started in 1993, are likely to be delayed by the withdrawal. - Sapa
DURBAN: The Labour Relations Bill could go straight to Parliament to bypass a deadlock in the National Economic Development and Labour Council, Labour Minister Mr Tito Mboweni told a labour conference here yesterday.

"One scenario is that we will submit the draft bill with all elements where there is agreement, fully intact," he said.

"It is a scenario I don't particularly like, but it may be unavoidable. We have to govern the country - we can't wait forever."

The deadlock between employers and workers' organisations had created uncertainty within South Africa and abroad.

If the deadlock continued the government would consider submitting the bill to Parliament, hoping for agreement between the negotiating parties afterwards.

South Africans should not expect full agreement between business and labour.

Mr Mboweni said the Labour Ministry might have to intervene and use "the tools at its disposal" to facilitate agreement.

Business and labour organisations recently reached stalemate in talks on a new labour relations bill, mainly over the issue of centralised bargaining. — Sapa
Labour negotiations hit new obstacle

Negotiations between the trade union movement and organised business have stalled, apparently because of divisions within Cosatu, sources close to the talks said last night.

Meetings between the parties went ahead Wednesday morning as scheduled, but labour delegates left the closed-door venue without warming up lunchtime, leaving only chief Cosatu negotiator Ebrahim Patel to explain labour's position, sources said. Sam Shikowa, the Cosatu general secretary, had apparently not been fully mandated to reach agreement on the new negotiating framework derived from talks involving Tim Mboweni, the labour minister, earlier this week.

A meeting of the principals from government, labour and business was still scheduled to take place today. Cosatu's negotiating team met yesterday to consider its position on the outstanding issues, which include replacement labour and centralised bargaining. — Bruce Cameron.
Will the ANC hyena outsmart the jackal?

By Jim Smith

Nedlac has been given a baptism of fire by the dispute between business and labour

COLLMYONE

Rato Mboweni, the labour minister uses allegory to depict the tortuous path he is trying to negotiate towards a new labour-management paradigm. The hyena is pursuing the elusive jackal. The hyena finally corners his quarry, only to find the jackal propping up a rock ledge with a pole. The jackal persuades the hyena to help him hold the pole — saying this is the only way to save both of them from being crushed by the falling rock. The hyena holds the pole with the jackal. Then the jackal says the pole will not hold and he must find another. He trots off into the brush, leaving the hyena holding the pole.

Some months later, the hyena — still holding the pole — wonders, “Where is that jackal and how can he leave me stranded like this?” The hyena surely is more than the pole. The pole does not fall, it is perfectly solid.

As Mboweni reveals with a grin, the hyena in this tale is the ANC, personified by the minister himself, and the jackal is, interchangeably, organised business and organised labour.

Business and labour have indeed managed to get Mboweni to hold the pole and to attract the lightning at the centre of what has become the main political electrical storm of the year.

There are two good reasons why this storm has become so noisy. The first is the sheer scope of the task, which is no less than the transformation of the way in which organised business and the trade union movement relate to each other.

For business, these changes include: a major increase in the degree of disclosure of financial information to employees, more consultation between management and unions on the way the enterprise is run, and joint decision-making with employees on some issues such as affirmative action.

For labour, the legislation calls for acceptance that non-union employees also form part of the workplace community and need to be included in consultative mechanisms. The closed shop is also likely to be a casualty. Further, labour will probably have to accept the absence of a ban on scab or replacement labour during strikes.

Finally, both sides will need to come to terms with a middle-ground method for dealing with each other at industry level.

Managers will learn to take part in industry forums on issues such as training and employee benefits.

Labour, in turn, will have to accept that its political alliance with the ANC does not translate into automatic acceptance by the government of a law that would compel businesses to bargain centrally.

The level at which bargaining should take place is best left to the players to bargain themselves. They should use the conventional bargaining tools of persuasion and shopfloor power to determine not only what issues are to be bargained but also to agree on the level of bargaining and the membership of the bargaining units.

The second good reason for the explosive nature of the labour relations bill debate is that it is the first bout for the National Economic Development and Labour Council.

As the council is destined to become central forum for South Africa’s socio-economic problems it is healthy that it has started its life by grappling this complex issue.

Mboweni, the hyena, is now jawboning the parties toward a comprehensive agreement. Fortunately, the jaws of the hyena are particularly fierce.
Labour Relations Bill deadlock set to break

The labour ministry has brokered a compromise on the stalled Labour Relations Bill, report Eddie Koch and Marion Edmonds.

ABOUR Minister Tito Mboweni is set to break the deadlock over the new Labour Relations Bill with a set of compromises that have won broad support from organised labour and also industry on flashpoint issues which have left the parties bitterly divided in recent weeks.

Tripartite talks between the ministry, unions and employers are taking place to reach rapprochement on the ground-breaking proposals, so that the draft law can be submitted to parliament by the middle of the month — and some commentators are predicting a breakthrough as early as the weekend.

After last month's spate of rolling mass action by disgruntled union members, the labour ministry and a team of advisers, headed by Halton Chedle, moved rapidly to hammer out a set of concessions to both trade unions and employer organisations on key divisive issues in the draft law.

Mboweni held extensive discussions at Cabinet level and with officials from the International Labour Organisation (ILO) over ways of resolving the differences. It appears a broad consensus has already been reached on most of the bill's flashpoint clauses.

Bobby Godsell, chief negotiator for business in talks on the bill, said it was a "little early" to predict a major breakthrough. "But considerable progress has been made in Cape Town and Johannesburg. The proposals which government put on the table made a real contribution to the progress," he said.

Cosatu general secretary Sam Shilowa was not available for comment.

The Mboweni proposals offer compromises on the key issue of compulsory collective bargaining at industry level. Organised labour has steadfastly demanded that a statutory duty to bargain over wages and conditions of employment be included in the bill, much to the chagrin of employers, and small business in particular.

The new proposals appear to have already defused most of the conflict around other contentious issues. Union demands for a ban on the right of employers to use subcontract labour during strikes are probably the only major area of conflict that has not been successfully addressed by the ministry's consensus-seeking process.

Issues on the verge of being resolved include union demands for rights to implement closed shops — a system that makes it obligatory for members of a company or industry to join a representative union — and also the heavily debated question of whether companies can lock workers out of the factories as a tactic to ensure compliance with management strategies.

After discussions with officials from the ILO, Mboweni's advisers confirmed that there is no industrial relations system anywhere in the world that imposes a legal duty on all employers in a sector of the economy to negotiate wages at industrial level — although there is agreement in the Cabinet that the country should have a strengthened system of centralised collective bargaining.

The ministry's new proposals suggest that trade unions or employer associations representing a significant section of the industry and its workforce can apply for an industrial council — or statutory council — to be set up in industries where such bodies do not currently exist. The ministry's job will be to establish such a body by consensus, but can do so even if no agreement is reached.

This "statutory council" will then have the right to resolve major disputes in the industry, promote training and education schemes to enhance productivity, set up social welfare funds, and develop proposals on policy and legislation which may affect the industry.

Importantly, the proposals do not prescribe a duty on these councils to bargain over the critical issue of wages and conditions of employment. Employer associations and unions on the statutory council will be able, by agreement after negotiations, to add wage bargaining to the council's list of duties, thus converting the institution into a fully-fledged industrial bargaining council.

The proposals thus meet the Cabinet's requirement that centralised systems for industrial relations be strengthened, goes a long way to satisfying union demands for statutory industry-wide councils and, at the same time, satisfies concerns expressed by industry that the law should not impose rigid prescriptions on the collective bargaining process.
Labour negotiators

now in injury time

Hans Grawitzky

DURBAN — The prolonged labour legisla
tion negotiating process had created a
sense of uncertainty inside and outside the
country, Labour Minister Tito Mboweni
said last night.

The protracted process had caused un-
certainty abroad over what kind of labour
reform legislation the country would adopt,
he said at the opening of the eighth annual
labour law conference in Durban.

At some point the country would need to
create a level of certainty.

"We have run out of time. We are in
injury time now."

There were broad areas of consensus but
also many areas of disagreement.

However, it would be naive to expect
that agreement would be reached on all
issues, he said.

Mboweni outlined three possible scenar-
ios. The first was to delay the enactment
of a new Bill until next year or
abandoning the drafting of a new Bill — be
rejection. He did not comment on the third
scenario, in which parties would submit a
draft Bill that included areas of agreement
as well as areas in which agreement was
not reached.

If this happened, it would be with the
proviso that the Bill could later be
amended.

He cautioned that the cost and the bene-
fits of this option would have to be weighed
carefully against one another.

In recent weeks the National Economic,
Development and Labour Council (Nedlac)
had been criticised as a waste of time. This
was incorrect, he said. "Nedlac still offers
important institutional mechanisms to
build social consensus."

Nedlac’s principal committee meets to-
day to consider reports compiled on pro-
gress made by its working groups this
week.

Mboweni asked how a government de-
vised new labour legislation in a highly
charged atmosphere where government
had an alliance with the largest trade
union federation.

Major differences were unavoidable as
the parties were separate and independent.
However, these differences would not
break the alliance, he said.

Prof William Brown of Cambridge Un-
iversity, speaking on banning at industry
level and pressure to decentralise, said
SA’s nurturing of centralised bargaining
was not necessarily taking the country in a
wrong direction.

It was necessary to create a flexible
system to allow for consensual relations-
ships. To ensure economic growth and de-
mocracy it was necessary to put down
“deep roots” for collective bargaining,
he said.

Cape Town service rated ‘poor’

Ingrid Salgado

SHORTCOMINGS in Cape Town’s service
performance during the rugby World Cup
have indicated the city would have to im-
prove its infrastructure and service deliver-
y if it was serious about its 2004 Olympic
Games bid, a Wits Business School survey
says.

Many of the 800 local and international
respondents to the survey expressed dis-
satisfaction with a “total lack” of public
transport, especially in Cape Town and
Johannesburg, and more than 60% of
foreign participants believed service back
home was better than Cape Town’s.

South SA was rated excellent by 21% of
all respondents, 55% thought it was
acceptable and 24% believed it to be “downright bad”.

The medium and bad ratings were “too
large for comfort” and could do SA a lot of
harm, researcher Siri Cohn said. SA did
better than expected but not well enough to
deliver world class service, he said.

Visitors gave fast food outlets and air-
port facilities bad ratings but SA fared
well in its foreign exchange, airline, car
hire, hotel, restaurant and cellular phone
facilities.

Its rugby stadiums scored top points and
were rated the best in the world by inter-
national visitors.

Johannesburg came in first among SA’s
largest cities — 16% of respondents be-
lieved service to be better at home and
46% felt it was the same. Cape Town
lagged behind the national average, in
which 46% felt service back home was
better and 22% thought it worse. Only 13%
felt service was better in Cape Town.

But foreigners had expected “Turbo
World service” and had been pleasantly
surprised, the survey said.

Cohn said service levels were inconsis-
tent. “When service was good it was very
good but when the service slipped it was
very bad.”
**LEADING ARTICLES**

**NEDLC**

**Golden triangle on trial**

This undemocratic, secretive forum should not be given too much power

*FM 7/7/95*

Nedlac's executive council was due to meet on Saturday. But the gathering of the 72 members, in the new council chamber at Auckland Park, has been postponed to July 17, because the main issue on the agenda—the drafting of the new Labour Relations Act—remains unresolved, despite assurances.

There are those who might be forgiven for thinking that Nedlac's task is precisely that resolution. And that, indeed, if it cannot resolve this issue, should it ever bother to meet again? After all, when labour took to the streets, it was an attempt to sideline Nedlac on a critical issue.

Nedlac (the National Economic, Development & Labour Council) is supposed to reconcile the interests of labour, business and government (the "golden triangle") into a consensus that will advance through compromise the interests of all three.

The FM has always been sceptical about Nedlac's ability to deliver. And we feared that, if it did reach consensus, the outcome would have inflationary implications. So, we would have to sustain the sustainability of whatever economic growth was allowed to flow from its deliberations.

Some businessmen say Nedlac has expended energy and many man-hours going nowhere, often occupied more with process than matters of substance. And what should have been discussed calmly within the chamber was instead dealt with through disruptive action in the streets.

Certainly, the speed with which labour fell back to mass action, last month, dismaying organised business. Some business organisations have debated whether Business SA should pull out of Nedlac.

David Brink, who represents organised business through Business SA, disputes that Nedlac has been sidelined: "There have been many hours of constructive negotiations within the Nedlac structure." He does not share the gloomy perspective. Nedlac, he says, "is alive and well and operating. The Labour Relations Act is being negotiated and debated constructively."

Raymond Parsons, director-general of the SA Chamber of Business, says: "Business is willing to give Nedlac its best shot. But perhaps we have been too ambivalent in our expectations. Perhaps Nedlac should not be asked to formulate legislation. It should rather be seen as a forum in which the stakeholders present their views as a basis for consensus. When there are serious differences, it may be more productive if both sides simply make direct representations (outside Nedlac) to the relevant Minister and the Minister hears them out and makes his own decision. This will avoid the endless delays which could occur when consensus cannot be achieved."

This may fall short of the original concept of government by consensus but it could be more practical in the long run. "We will always eventually reach a point where government must govern," says Parsons, "and take the consequences if the decisions are wrong."

Nedlac executive director Jayendra Naidoo, however, does not consider Nedlac's role has been undermined. "It would be na"ive to expect this institution to mediate all contact between the stakeholders and government. In any negotiations there are discussions on the table and interactions off the table."

The problem may simply relate to the logistics of the moment. But some businessmen, economists and politicians do have doubts about the feasibility of a social accord, given SA's political environment and its conflicting ideologies. "Tripartism," says Parsons, "doesn't create a shared vision. It flows from a shared vision."

Where tripartism has worked elsewhere there usually has been a strong consensus on economic objectives. In social democracies (such as Sweden) there has tended to be consensus on issues such as Leti Delasumet's point, with the community bearing the cost of social services that reduced the need for individual self-sufficiency. In the East there has tended to be consensus on the need to create wealth for the individual, who, through his own ingenuity and prosperity, would be increasingly self-sufficient and able to look after himself.

Though the Swedish model was considered an unalloyed success, the events of recent years have shown that it has limitations. A case in point is the impact of centralised bargaining, an important element in Sweden's accord, on wage structures and the economy.

The argument in favour of centralised bargaining is that it mitigates unemployment. In a paper presented at an international conference, researches for Toms Van Ven and Tom Van Veen, from the universities of Utrecht and Limburg in the Netherlands, explain: "With centralised bargaining, parties may assume that other sectors in the economy will take care of pre-existing unemployment, or simply shift the unemployment problem onto the rest of the economy, and ignore the effects of their actions on the job opportunities for others."

Centralisation bargaining, the argument goes, puts a brake on wage demands. In the event, it did not. Delasumet and Van Veen point out: "For centralised bargaining to work, wages must be set by the sector exposed to international competition and then the rest of the economy must step in line. What happened in Sweden was that public-sector jobs expanded (to over 35% of the work force) and the public-sector unions became too powerful, shifting wage leadership partly to this sheltered sector. In this environment, centralised bargaining becomes flawed."

The growth of the public sector and the influence of wage increases on prices had macro-economic consequences. Hans-Goran Myrdal, of the Swedish Employers Confederation, made the point in a paper compiled in 1991.
Renewed thrust by labour bill
Labour negotiators 'now in injury time'

Kenee Grawitzky

DURBAN — The prolonged labour legislation negotiating process had created a sense of uncertainty inside and outside the country, Labour Minister Tito Mboweni said last night.

The protracted process had caused uncertainty abroad over what kind of labour relations system the country would adopt, he said at the opening of the eighth annual Labour Law Conference in Durban.

At some point the country would need to achieve a level of certainty.

"We have run out of time. We are in injury time now."

There were broad areas of consensus but also many areas of disagreement.

However, it would be naive to expect that agreement would be reached on all issues, he said.

Mboweni outlined three possible scenarios. The first two — delaying the enactment of a new Bill until next year or abandoning drafting a new Bill — were rejected. He did not comment on the third scenario, in which parties would submit a draft Bill that included areas of agreement as well as areas in which agreement was not reached.

If this happened, it would be with the proviso that the Bill could later be amended.

He cautioned that the cost and the benefits of this option would have to be weighed up carefully against one another.

In recent weeks the National Economic, Development and Labour Council (Nedlac) had been criticised as a waste of time. This was incorrect, he said. "Nedlac still offers important institutional mechanisms to build social consensus."

Nedlac's principal committee meets today to consider reports compiled on progress made by its working groups this week.

Mboweni asked how a government devised new labour legislation in a highly charged atmosphere where government had an alliance with the largest trade union federation.

Major differences were unavoidable as the parties were separate and independent. However, these differences would not break the alliance, he said.

Prof William Brown of Cambridge University, speaking on bargaining at industry level and pressure to decentralise, said SA's nurturing of centralised bargaining was not necessarily taking the country in a wrong direction.

It was necessary to create a flexible system to allow for consensual relationships. To ensure economic growth and democracy it was necessary to put down "deep roots" for collective bargaining, he said.
Confidence grows for business, labour deal

By ESTHER WAUGH
POLITICAL CORRESPONDENT

Negotiations on the controversial Labour Relations Bill remained on track after talks yesterday. Government, labour and business said yesterday

Three working groups, set up a week ago, reported to Labour Minister Tito Mboweni, Cosatu general secretary Shabazz Shaik, and Business South Africa’s Bobby Godsell at a meeting in Johannesburg.

The meeting also discussed further outstanding issues on which Mboweni would submit proposals at a “bosberaad” on Monday.

The Government – in a first for South African law-making – referred the draft legislation to the National Economic, Development and Labour Council (Nedlac) in the hope that consensus would be achieved among Government, business and labour.

However, talks deadlocked last month on the issues of centralised bargaining, lock-outs by employers, organisational rights and workplace forums.

Mboweni proposed deadlock-breaking measures to business and labour on June 21 during a 12-hour meeting. Since then several rounds of negotiations took place, leading to the establishment of the three working groups last week in an attempt to nail down agreement on the draft legislation.

Nedlac said in a statement last night that yesterday’s meeting confirmed the negotiating process was on track.

The parties reiterated their commitment to seeking agreement on the Bill “within the agreed time-limits.”

(132) 8/7/95
The question that has been in the forefront of most South Africans' minds is whether the labour movement has made real — qualitative — gains since the ushering in of the new dispensation of an ANC-led Government of National Unity.

There is a real desire to know whether the interests of the working class have become paramount in the economic order of things since they are responsible for producing all the country's wealth.

The workers deserve the same as everyone in society. Owning a house, a car and a television and receiving good education should not be made to look like a luxury but rather a basic necessity for everyone, especially black workers who stay far away from their places of employment.

The workers have borne the greatest brunt of the struggle to dislodge the apartheid capitalist regime. They declared that they wanted to create a society free of exploitation of man by man — in short, they wanted to build a Socialist order.

The people who built South Africa's major cities live in abject poverty. They have no houses, no education or adequate hospitals. Are workers nearer to their goals now than in the apartheid years?

The labour movement has been one of the cornerstones of the struggle in South Africa. Over the years it was engaged in a struggle to democratise not only the workplace but the whole country.

They were always unyielding in their demands. They did not regard themselves as allies of the capitalist bosses and their executive sections who call themselves government.

Over the years, the labour movement refused to have joint forums with the employers and the government.

They refused even to buy shares (ESAPS) when offered them because they were aware of the treachery of the capitalist class.

It is called co-responsibility.

In my view, it is common sense that the workers must tirelessly work towards extricating themselves from forums of the bosses and those of governments.

The only government which deserves support of the workers is the government that is truly committed to the workers, and is unapologetically willing to attack and smash the privileged positions of the capitalists and thereby provide for the needs of the people.

Such a government, therefore, would be a government of workers. The workers cannot expect the morticed class to work towards freeing them.

As things stand, the present government, with a known preponderance of trade union leadership, has failed to support even one of the strikes of workers, except to say 'they appreciate and understand'.

Is it not true that they are responsible for unemployment through retrenchment, sackings and dismissals? Are they not responsible for illiteracy, disease and starvation through low wages?

This government has been at great pains to explain why workers should not strike. They fail to address issues around which strikes are taking place and trivialise issues in terms of the size of the union's membership. They want to insist on a moratorium on strikes to give the new government a chance — but they have joined those who are plundering the resources of our country.

The call by Azapo in the National Forum for the building of independent workers' organisations free of all bourgeois influences and trappings is still relevant. The essence of that call is that there is a need to organise working people away from the status quo, away from demands of big business and government.

All over the world the process is the same: the bureaucratic unions are being bought off.

They are being co-opted and made to believe that it is possible to be co-responsible for protection, surplus and profits while the captains of capital fully control the means of production and distribution. On the whole the struggle of the working class is being subverted and their gains are short-circuited.

Their independence — material, financial, and otherwise — is being subjected to an assault from forces of international monopoly capital.

These forces, in the name of organised labour, advocate together with the capitalist bosses the destruction of labour codes, reduction of employment, doing away with social security benefits and encouraging the formation of forums of co-operation between government, big business and unions. The greater the number of union leaders going into these structures the greater the risk of co-option of the entire labour movement.

In certain countries the labour unions are not able to make any move because their leadership has become a "pimp" leadership in the payroll of these mafia.

In Africa, Europe, Latin America and elsewhere, there is a great awakening: the labour movement is forming its own independent working class organisations geared to serve its own class interests.

In South Africa, there is no middle road for the working class. There is no socialism without working class control of the means of production and distribution.

The problems that face the working class in South Africa are the same facing the working class elsewhere in the world.

They may vary in degree but they remain basically the same because the capitalist system is organised globally.

The same capitalist multinational will exploit workers in Africa, Europe, the Americas and elsewhere. That is why it is prudent for the workers to forge links all over the world to discuss the inter-connectedness of their struggle.

Artificial boundaries that facilitate exploitation must be broken as the workers find the commonness of their fate.

In every country when the workers rise and crush the capitalists, they do it not only for themselves, but for their class and humanity as a whole.
Labour Bill talks 'in a shamblies'

By KEVIN DAVE

Labour Minister, the Honourable

12/5/94 11:45
Labour and business on path to peace

By CAROL PATON

The boardroom war between business and labour over the new Labour Relations Bill was almost over, with agreement in sight on all the "big issues", Labour Minister Tito Mboweni said this weekend.

But there was still no indication whether the parties would reach full agreement or whether it would be left to the minister to make recommendations for legislation to the cabinet on issues on which there was disagreement.

The three parties, which have been meeting in the National Economic and Development Labour Council (Netlaco) must reach agreement by July 17 if the legislation is to be passed by parliament this year.

Mr Mboweni said the latest round of talks had "narrowed the scope of the areas of disagreement."

A joint statement by the principals committee, composed of Cosatu general secretary Sam Shilowa, Business SA's Bobby Godsell, Mr Mboweni and Nedlac executive director Jayendra Naidoo, said the parties were committed to meeting the deadline.

All outstanding issues have been referred to the principals' committee which aims to tie up all major areas by Tuesday.

Despite the tension between labour and business during last week's talks, Mr Mboweni was optimistic. The ministry put forward new proposals, which appear to have bridged the concerns of labour and business, and provided for a law "where everyone will come out winners".

*See Page 4*
Baptism of fire as the heavyweights clash

BY CAROL PATON
JAYENDRA NAIDOO IS looking remarkably calm and relaxed — which given that he has only a week in which to deliver agreement on a crucial piece of labour legislation, is surprising.

Mr Naidoo, the executive director of the National Economic Development and Labour Council (Nedlac), is under severe pressure to forge an agreement between business, labour, and the government on the Labour Relations Bill.

Agreement must be reached by July 17 if the Bill is to be passed by Parliament this year.

After three months of negotiations and late-night hotel room caucuses, Nedlac’s credibility is on the line.

Some of the criticisms are that Nedlac lacks the ability to broker a social partnership between business and labour; that it failed to sufficiently facilitate negotiations, and that there is no transparency in decision-making.

The Labour Relations Bill was Nedlac’s first big task. Mr Naidoo, a former trade unionist, a skilled negotiator and one of the architects of the Free South Africa Peace Accord, was to have been the deal-maker.

“It’s been a hell of a fiery baptism,” he says, describing the Bill as “the biggest issue since the political negotiations.”

He says it would have been easier if Nedlac had started with a “softer issue” than a Bill that will shape the working lives of all South Africans. When Nedlac was launched in February, it was not anticipated that negotiations dealing with labour legislation would be so bitter.

After Coetzee’s half-day strike on June 10 and threats by business to pull out, it appeared that the ability of business and labour to form a social partnership had been underestimated. It also seemed that Nedlac couldn’t provide the framework for a common approach.

The adversarial relationship between business and labour took Nedlac by surprise, says Mr Naidoo. But this doesn’t mean that in South Africa such a partnership is impossible. “It was unexpected and underestimated but with hindsight, understandable.”

“The we are in South Africa — a deeply divided South Africa with an enormous legacy of conflict. To expect that all differences would be resolved is unrealistic.”

Mr Naidoo is a master of process. He believes that many of the problems Nedlac experienced in negotiating the Bill can be solved by redesigning the negotiations process.

He suggests that more attention be paid to joint problem-solving methods and that there be an earlier identification of problem areas and ways to resolve them.

He also identifies the need for the Nedlac secretariat to play a greater facilitating role.

“My role in Nedlac was described as the deal-maker,” he says. “But with the labour Bill, I’ve had less space to play the role of the facilitator than I wanted.”

Partly this was because the Bill was already on the table. It was also because Nedlac was a new institution and was still finding its feet.

Backing up the need for better facilitation, an observer’s comment comes in: “When you put eight heavyweights in one room, you need to find a more.”

When negotiations reached the final countdown this week, Nedlac changed tack, establishing three working groups and a committee of principals to tackle outstanding issues.

In a break with practice, committees were chaired by the Nedlac secretariat.

Responding to the criticism of the lack of transparency, Mr Naidoo says that while he foresees the possibility that some sessions will be opened to the public, he insists on the need for privacy when it comes to deal-making.

“We have to find a balance between the moments where the parties are exploring which is tentative, in order to take back joint recommendations to their members, and the points which are open.”

As the minutes pass in what he describes as the “countdown to midnight,” Mr Naidoo remains confident that Nedlac will find its feet. “As long as we remain alive to the issues, don’t become complacent and learn as we go along.”
Business and labour set for showdown over scab labour

BY THABO LESHELO
STAFF WRITER

Given its critical importance to employers and trade unions during strikes, it comes as no surprise that the issue of scab or replacement labour is now the most important issue separating organised labour and business on the labour relations bill in the National Economic Development and Labour Council. Zweliza Vavi, Cosatu's assistant general secretary, said: “Scab labour is the real do or die issue for unions. To us, it is a very emotional issue and a direct threat to any worker.”

If effectively weakens the power of workers against that of employers, who already derive immense power from the fact that they own the factories, have a right to employ or dismiss workers and make technological decisions.

“If there is no settlement on the scab labour issue, we will not be part of any deal on the new labour relations act.”

Mahlomola Sikoana, the assistant general secretary of the National Council of Trade Unions, said allowing scab labour would greatly increase the potential for violence on the shopfloor.

Andrew Sparks, a researcher at labour consultancy Andrew Levy and Associates, said alternative labour was crucial to companies due to its diluting effect on strikes.

“It allows the company to continue production and withstand the impact of strikes for a much longer time.”

However, Sparks denied that scab labour could break the power of trade unions. “I think it is overstating the case. Ever since the beginning of trade unionism, employers have been able to get alternative labour.”

Incentive

“...In fact, the poor quality of the work done by replacement labour is a very strong incentive for the employer to end the strike.”

George Araujo, a partner at law firm Webber Wentzel Bowers, said outlaying temporary labour would artificially skew the power balance in favour of strikers and was contrary to the principle of collective bargaining.

Araujo said “The idea of a strike is to force the employer to give in to a demand by the strikers withdrawing their services. The minute the employer is also deprived of the services of temporary staff, it artificially increases the power of the strikers whereas central bargaining enables the parties to conclude agreements based on their true strengths and weaknesses.”

“Traditionally, unions are strong when there is high unemployment and a shortage of skills. If employers withdraw their labour, the employers cannot find the skills elsewhere — that is a perfectly legitimate way that unions are able to get better conditions of employment for their members.”

On the other hand, in times of high unemployment, the employer is normally able to replace the strikers more easily. Therefore, the unions find it much more difficult to increase the price of labour.”

Araujo argued that the fear of violence during strikes was no reason why scab labour should not be allowed. “One needs to address issues which are unacceptable.”

“If one were to say that everything which has the potential for violence or harm must be done away with, then it could mean that we would do away with protest marches or strikes because there is often the potential for violence in each of them.”
Scabbing now do-or-die issue in the Nedlac debate

BY THABO LESHILIO

Given its critical importance to the power of both employers and trade unions during strikes, it comes as no surprise that the issue of scab or replacement labour is now the most important issue separating organised labour and business on the Labour Relations Bill in Nedlac.

Cusatu assistant secretary-general Zwelethu Mavuso and "Scab labour is the real do-or-die issue for unions To us, it is a very emotional issue and a direct threat to any worker. "It effectively weakens the power of workers against that of employers, who already derive immense power from the fact that they own the factories, have a right to employ or dismiss workers, and make technological decisions. "If there is no settlement on the scab labour issue, we will not be part of any deal on the new LRA."

Violence

According to Mahlomola Sichosana, assistant secretary-general of the National Council of Trade Unions, allowing scab labour would greatly increase the potential for violence on the shopfloor.

Andrew Sparks, a researcher at labour consultancy Andrew Levy and Associates, said alternative labour was crucial to companies because of its diluting effect on strikes. "It allows the company to continue production and withstand the impact of strikes for a much longer time."

However, Sparks denied that scab labour could break the power of trade unions. "I think it is overstating the case ever since the beginning of trade unionism, employers have been able to get alternative labour. "In fact, the poor quality of the work done by replacement labour is a very strong incentive for the employer to end the strike," he said.

George Araujo, a partner at law firm Webber Wentzel Bouwens, said outlawing temporary labour would artificially skew the power balance in favour of strikers and was contrary to the principle of collective bargaining.

Said Araujo "The idea of a strike is to force the employer to give in to a demand by the strikers who are withdrawing their services. "The minute the employer is also deprived of the services of temporary staff, it artificially increases the power of the striking workers, whereas central bargaining is a mechanism to enable the parties to conclude agreements based on their true strengths and weaknesses." He added "Traditionally, unions are strong when there is high employment and a shortage of skills. "If employees withdraw their labour, the employers cannot find the skills elsewhere - that is a perfectly legitimate way that unions are able to get better conditions of employment for their members.

Replace

"On the other hand, in times of high unemployment, the employer is normally able to replace strikers more easily. "Therefore, the unions find it much more difficult to increase the price of labour."

Araujo argued that the fear of violence during strikes was no reason why scab labour should not be allowed: "One needs to address issues which are unacceptable. " If one were to say that everything which has the potential for violence or harm must be done away with, then it could mean that we would do away with protest marches or strikes because there is often the potential for violence in each of them. It is inappropriate to deal with issues in that simplistic manner."
Labour gathering told court can still play role

Renee Grawitzky

THE news expressed at the eighth annual labour law conference in Durban last week indicated that the Industrial Court still had a role to play despite being sidelined by the draft labour relations Bill.

The legislation favours a move away from the court, which was a key focus of the conference, to conciliation, mediation and arbitration as the most effective mechanisms of dispute resolution.

Wits University Centre for Applied Legal Studies director Dennis Davis said the draft Bill reflected a profound distrust of the law and was predicated on this assumption.

He said with the limited resources and facilities made available to the court it had developed a wealth of prudence.

KwaZulu-Natal Supreme Court judge Keith McColl said the area of dispute resolution exposed one of the greatest difficulties in previous legislation.

He said the new SA presented parties with a unique opportunity of rectifying these deficiencies.

While welcoming the proposed move away from litigation, he warned it was insufficient to legislate to this end.

In addition, adequate human and financial resources were necessary to ensure the efficient resolution of disputes.

Estimates of the cost of establishing the Bill's proposed conciliation, mediation and arbitration commission ranged from R70m to R100m.

A similar agency in the UK costs the government about £22m a year, according to Advisory, Conciliation and Arbitration director Tony Shepherd.

In defence of the court, many delegates said the industrial and labour courts had been effective in moulding SA labour relations over the years.

Kenyan Labour Court head Sied Koffkar cautioned delegates "not to forget we are part of Africa".

In Kenya, the court had a unique role in making orders on financial issues, including wage disputes.

For this purpose, a roster that was attached to the court.

Mandela Shell House claim is part of police probe — Fivaz

Ingrid Salgado

Officials will pay full rent

Business Day Reporter

EASTERN Transvaal officials would be paying market-related rentals for government housing following a report commissioned by the legislature which had determined the actual rental value of all properties, spokesman Duma Pilane said yesterday.

Reacting to a Sunday newspaper report that officials — including premier Mathews Phosa — were paying rentals of between R100 and R150 a month for houses valued at close to R1m, Pilane said instructions had been given to rectify the situation.

He said Phosa had rejected an offer of a luxury house in Nelspruit and had instead chosen to live in a farm house within a community of farm workers.

Phosa had renovated the house at a cost of R700 000 for which he had raised a bond on which he paid instalments of about R10 000 a month.

Allegations that officials Jacques Maphathe and Johannes Kabelangu had used more than R1m from a R15m provincial housing budget to renovate their rented homes without seeking prior treasury approval were also dismissed.
Sam Shilowa in talks to unite business and labour

PORT ELIZABETH.—Cosatu general secretary Sam Shilowa met Port Elizabeth businessmen and industrialists to discuss the establishment of a firm relationship between business and labour to rebuild the country's economy.

Mr Shilowa, who arrived in Port Elizabeth on Monday for a four-day visit to brief workers on negotiations on the draft Labour Relations Bill, said his meeting with members of the Port Elizabeth Regional Chamber of Commerce and Industry (Perci) would primarily be used to "hear each other's views".

Speaking shortly before the meeting in North End yesterday, Mr Shilowa said: "One of the areas of co-operation with employers that we need to find a common approach on are issues on which we, as labour, take a confrontational approach.

"We will also look at what business and labour should do to rebuild the economy, and the role of both employer and labour.

"Another issue is the misnomer that productivity as a national policy should be the only thing that we should push for, and that there is no room for what I call re-distributive issues.

"My view is that you cannot separate these two," Mr Shilowa said.

During his stay in Port Elizabeth, Mr Shilowa said in addition to briefing workers on the draft Labour Relations Bill, he would seek to reinforce the union federation's relationship with the African National Congress and its alliances, especially in relation to the Masakhane campaign.

He said: "We, as Cosatu, need to ensure that the Masakhane campaign is well understood by all and people generally realise that both the government and the community have a role to play in delivering."

On the current negotiations at Nedlac on the Labour Relations Bill, he said although progress had been made, he would not like to comment until after the meeting in Johannesburg.

Mr Shilowa's itinerary until tomorrow includes several visits to factories and other workplaces.
'Make or break' talks on labour Bill

By Anne Gwirzicky

LABOUR leaders and government representatives began negotiations last night in what all parties acknowledged was a "make or break" meeting on new labour legislation.

The labour market chamber of the National Economic, Development and Labour Council (Nedlac) met in what has been dubbed the final scheduled meeting to meet the deadlines set for submission of new legislation to Parliament next month.

The core issues which led to deadlock at the end of May are the focus of discussions.

Contentious issues are centralised bargaining, workplace forums and disclosure of information, strikes and lock-outs, secondary strikes and protest action and organisational rights.

Prior to the meeting, Labour Minister Tito Mboweni said despite a number of outstanding issues he was hopeful the parties would reach consensus and submit a report to Nedlac's executive council on Monday. This would form the basis for drafting a Bill.

Business SA spokesman Adrian du Plessis said: "There are some tough issues to be dealt with in the closing stages of these negotiations. We hope we can settle the core concepts.""f

Cosatu assistant general secretary Zwelene Maleo said: "This is the real deadline and is a 'do or die' meeting."

See Page 3
Proposal allows access to Nedlac

John Diu Dhik

MINISTER without Portfolio Jay Nando is expected to decide soon on a proposal to allow interested parties access to the National Economic, Development and Labour Council's (Nedlac) development chamber.

Nedlac co-ordinator for the development chamber Obed Zimande said yesterday the proposal, for a special dispensation to enable parties not represented in Nedlac to participate in the chamber's activities, had been tabled for the minister's decision.

Among key parties who are not represented in Nedlac's development chamber are non-governmental organisations, donor agencies and religious groupings involved in developmental work.

"We'd like to involve policy institutes, donor agencies and groups such as parliamentary standing committees which are responsible for whatever issue will be discussed in the chamber to have a chance of making an input," Zimande said.

He emphasised the need for the chamber to be inclusive and flexible in its approach.

"Unlike its sister chambers, the development chamber has representatives from four constituencies labour, business, government and organisations involved in community development.

A special selection procedure was put in place by Nando to identify representatives for the community development interests.

The community development constituency includes representatives from the National Women's Coalition, the National Youth Development Forum and the SA National Civic Organisation.

Recently, a recommendation was passed to include disabled people.

Further investigation of the possibility of including religious groupings with an interest in development work has been suggested.

In another development the chamber — which has been dubbed a problem child by cynics — has appointed four working groups to discuss key items on the programme, and terms of reference.

They will deal with social development issues, development at local government level, capacity building and organisational development, and infrastructure development.

The groups, which are to meet for the first time tomorrow, will comprise representatives from each of the constituencies.
Nedlac: focus on 'charged' issues

John du Plooy
NEGOTIATORS from business, government, labour and community organisations are meeting today in the four specialist chambers of the National Economic, Development and Labour Council (Nedlac) ahead of a crucial meeting of the executive council on Monday.

Nedlac sources expect the spotlight to fall on the trade and industry and the labour market chambers, which are dealing with what one business source termed "highly charged issues" - an apparent reference to the running wrangle between business and labour over the draft Labour Relations Bill.

According to Nedlac documents, today's meeting of the labour market chamber may see the tabling of a report on the draft Bill on labour relations law.

The chamber's programme also includes discussions of International Labour Organisation conventions, National Training Board, public holidays and health and safety issues.

Government and business representatives will table their responses on the contentious labour proposal to link SA trade to social clauses at the trade and industry chamber.

Labour wants SA trade partners to agree to a ban on child labour and all forms of discrimination.

The partners should also respect the right to union unions, strike and use collective bargaining.

According to Nedlac, business has already formulated its proposals. However, it was not clear yesterday whether government would table its response today.

While business generally felt that pushing for the compulsory inclusion of these clauses in trade accords might amount to new forms of trade protectionism after tariff reductions - an unlikely alliance between business and labour around social clauses might emerge.

Four countries - Malaysia, the Philippines, Cuba and Thailand - have refused to sign trade accords with SA because of the insistence on including social clauses.

A business source said government appeared to be divided on the subject of social clauses because of its historical alliance with labour.

"Some (within government) feel morally bound to push for these principles to be included in bilateral trade accords," he said.

The business constituency is expected to suggest amendments to the proposed establishment of a new investment promotion agency "Business wants the existing infrastructure to be retained, although some reshaping might be needed."

Business, it is understood, felt the Industrial Development and Investment Centre - a sub-directorate of the trade and industry department - should be retained, but be made a quasi-government agency with representatives from the private sector.

This is one of the areas of agreement that Nedlac sources feel will be tabled for rubber-stamping at next Monday's meeting of the executive council.

Another central item on the chamber's agenda is government's presentation of a discussion document on long-awaited supply-side measures.

The public finance and monetary policy chamber is expected to discuss SA's exchange rate and the country's foreign exchange controls which are said to continue to haunt prospective investors.
Business, unions in deal on labour law

JOHANNESBURG: Business and labour said yesterday they had reached an agreement on key aspects of new labour laws contained in the draft labour relations bill.

Business, labour and government representatives told a news conference they had agreed on centralised bargaining, closed shops and socio-economic strikes.

The agreement must be approved by the National Economic Development and Labour Council's executive.

Agreement must still be reached on picketing rights, scab labour and employers' recourse to lock-out.

See Page 15.
ACCORD close on three remaining disputes — scab, labour, picketing and lock-outs.

BY JUSTICE MALALA
LABOUR REPORTER

The Government's bid to put in place a stable and investor-friendly labour market is back on track after 30 hours of talks between labour, business and Government culminated in agreement on key aspects of new labour laws.

Leaders of the three stakeholders agreed yesterday that their deal marked the beginning of a new era in labour relations.

The agreement was reached in a series of National Economic, Development and Labour Council (Nedlac) meetings in Johannesburg over the past three days. This marathon negotiation session followed two months of intense negotiating on the draft Labour Relations Act released by Labour Minister Tito Mboweni in February.

Mboweni, who confessed to having slept for only four hours in the past three days, said: "A couple of months ago no one would have believed that labour and business could agree on centralised bargaining, for example. But this has been a very important process and it has scored a first on many important and difficult issues."

He said the finer details of the agreement, which have now been forwarded to the drafting team, will be put before Nedlac's executive committee on Monday and, after approval, will be forwarded to Cabinet's special meeting on July 29.

After Cabinet's decision the draft Act will be presented to Parliament on August 3 for debate and adoption this year.

A Johannesburg press conference was held yesterday that the parties had agreed on the thorny issue of centralised bargaining; closed shops; strike ballots; agriculture as a non-essential service; the establishment of bargaining councils; disclosure of information on organisational rights and socio-economic strikes (aimed for example at putting pressure on the Government over policy matters).

But the crucial issues of "temporary replacement labour" or scab labour, the right to picket and the right to lock-out have still not been resolved.

Labour leader Sam Shilowa, however, said "agreement was imminent" on these issues.

Labour deal is imminent

From Page 1

which have been referred to a technical committee for resolution before Monday.

Government negotiators were led by Mboweni, business's by Business SA president Andre Brink and labour's by the general-secretaries of the three major union federations in the country.

Brink said the process leading up to yesterday's agreement was like giving birth to a roll of barbed wire, but had been worth it.

In the two months that talks have taken place, labour embarked on mass action and the parties' positions seemed irreconcilable.

"This agreement is a watershed for the tri-partite process in SA. Our hopes in the future will be less gruelling as we get used to it," Brink said.

A labour negotiator said: "We have managed to secure a great level of protection on strike ballots, socio-economic strikes and organisational rights. The talks around scab labour looks quite promising for us and we truly believe that to a great extent we have done well for workers. If you compare our victories in these negotiations with laws in other countries, you will see that we have come out looking quite good," he said.

Shilowa said: "The issues we have agreed to here will represent a quantum leap into the future for workers."

To Page 3
NEWS FOCUS

Transparency is not just a matter of convenience

Renee Grawitzky

IN THIS era of supposed openness and transparency, negotiations around new labour legislation in the National Economic Development and Labour Council (Nedlac) have provided food for thought. In essence, the talks have been shrouded in secrecy except when media or public attention has suited one or other of the parties.

When Nedlac was launched in February the intention was that discussion and processes within the four chambers would be accessible to the various constituencies and the public. This was, not least, because participation in similar institutions such as the National Economic Forum had caused problems for both labour and business in terms of obtaining mandates and interaction with their membership — because those members felt excluded from the process.

These good intentions have come to little. The parties to the labour chamber tabled their initial responses to the draft negotiating document on the Labour Relations Act on May 4. The media, instead of being briefed on the opening positions tabled and on what had transpired, were treated to a round of mendacious statements.

The next day labour presented its position to the media while business "leaked" its position. It was unclear whether this was business's official position. Government was not at all forthcoming in presenting its initial position.

This auspicious start set the tone. The media, realising that they were not going to be privy to discussions taking place within Nedlac, began to rely on their own speculation.

Thereafter, Nedlac officials called an informal discussion with a few journalists. They indicated they were not, in principle, averse to the labour chamber (or any other) proceedings being opened. However, the parties to Nedlac evidently feel less comfortable about this idea. In effect, it is the parties within the labour chamber which have prevented Nedlac from ensuring that interested parties are kept up to speed on developments.

At the recent labour law conference in Durban, Wits Centre for Applied Legal Studies director Dennis Davis indicated that Nedlac, in effect, operated like a "super-Parliament" as the constitution provided that it had to be consulted before any labour legislation could be tabled in Parliament. Advocate Martin Brassey pointed out that deliberations in Parliament were open to public scrutiny, so why should Nedlac be closed? He said it was acceptable that party caucus meetings be closed.

It would be naive to expect all forms of interaction between the parties to be open to the public. In delicate and sensitive negotiations where the stakes are high, a certain amount of leeway should be given to the parties during certain periods — for example, when parties are trying to find common ground and they pursue certain options without obtaining mandates from their constituencies.

This excuse has, however, been used throughout the process in an attempt to keep information from the media and the public, hampering efforts at informed reporting.

Perhaps as important as open Nedlac sessions would be regular and informative information briefings.

For the parties to Nedlac, however, glimpses of transparency have been reserved for those times when a particular party wants some leverage over its opponent. In the weeks and months to come, the public will need to be educated on the "new face of labour legislation". Government, labour and business will have to use the media to achieve this. Will this be a convenient time to become transparent?
Labour may drop social clause

Labour realised what was practically possible. Labour listened to other parties in the chamber on the issue.

Business felt that insisting on the inclusion of social clauses in bilateral trade accords could amount to new forms of trade protectionism after tariff reduction practised by the developing world. Instead, these principles, already enshrined in the interim constitution, should be pursued vigorously in multilateral trade forums such as the World Trade Organisation, the source said.

A possible compromise might be to insist on the inclusion of social clauses in preferential accords. An example was the system of the generalised scheme of preferences, which dropped tariffs for developing countries. However, the source cautioned that such a practice, if it became official policy, could open a floodgate of requests from countries requesting preferential accords with SA.

Four countries, Malaysia, Thailand, the Philippines and Cuba, have refused to enter into trade accords with SA due to the insistence that these agreements include social clauses.

Negotiators from both government and business also approved a proposal for the creation of an investment promotion agency, although business felt that such a structure should be non-statutory in nature to avoid prescriptiveness.

However, business would not commit itself to funding such a structure. In terms of proposals prepared by SRI International, the investment promotion agency should be jointly funded by government and business.

Government asked for more time to study proposals prepared by the Industrial Development Corporation on suitable GATT-friendly supply-side measures.
Only three issues still in dispute

Parties reach accord on Labour Bill

Coatoo general secretary Sam Shalowa said the new legislation would represent a "quantum leap for workers and for the management of industrial relations."

He said the combined initiative of Coatoo, the National Council of Trade Unions and the Federation of South African Labour Unions marked a step towards the establishment of a single trade union federation in SA.

Godsell said the deal struck the right balance between growth and equity, and between establishing labour rights while facilitating an economic capacity to compete in the world.

Nedlac director Jayendra Nadoo told a news conference the agreement on collective bargaining was roughly in line with Mbeweni's recent compromise proposal.

Where no bargaining council existed in an industry, either management or labour could apply for the establishment of a statutory council to consider issues such as social welfare funds and training.

By mutual agreement, such a council could negotiate industrial policy questions, as well as wages and conditions of employment. It provided for the establishment of statutory councils which initially would not be able to consider wages and conditions of employment.

Labour won an agreement that closed shops should be permitted, subject to regular ballots testing workers' views on the arrangement.

Participants in socioeconomic strikes would be protected from dismissal — subject to certain tests and procedural requirements. Details were not spelled out.

Business SA won agreement that strikes should be preceded by a strike ballot, although their conduct would not affect the lawfulness of a strike.

It was agreed that organisational rights would be based on "sufficient representivity." Disputes between management and labour on this question would be adjudicated by the proposed council, on mediation and arbitration.

The parties indicated that the final positions adopted were being drafted and more detail would be available after the Nedlac executive council meeting on Monday.

Continued on Page 2
No delay in labour Bill, says Tito

BY ESTHER WAUGH
POLITICAL CORRESPONDENT

The Government, labour and business reached agreement on the draft Labour Relations Bill this week — but the public sector has yet to make its recommendations on it.

Labour Minister Tito Mboweni said he did not foresee the public sector's recommendations delaying the Bill. He was expecting a report from Public Service Administration Minister Dr Zola Skwetye on negotiations in the public sector bargaining chamber.

Sources close to the negotiations said agreement had been reached on "most of the issues" dealt with in the Bill.

It was understood that the public sector had reaffirmed its current position on centralised bargaining, which was that it took place within the bargaining chamber.

However, the view has been expressed that the bargaining chamber should be restructured to deal with public servants in different sectors. It has yet to be decided whether the police service will take part in the bargaining chamber.

Sources said there was agreement that the State, as an employer, would have the right to lock out workers, while workers would have the right to strike. The chamber agreed that workplace forums should be open to all workers and should not be union-based.
Moatweni gets labour reforms flying again

By KEVIN DAVIE

TRIUMPHANT Labour
Minister Tito Moatweni
has forged a deal be-
tween business and la-
bour, setting the scene
for a new era of labour
relations in South
Africa.

The deal shows tripar-
tate negotiations can pro-
duce results as long as
the parties are given strict
deadlines and government
provides the necessary
leadership.

"Government's role took
business and labour by sur-
prise. They're used from
the National Economic Fo-
rum days to a lame duck
government," one govern-
ment negotiator says.

"Mr Moatweni said in an
interview on Friday that," "left to themselves, busi-
ness and labour could have
discussed the draft Labour
Relations Bill forever."

He sat through 30 hours
of negotiations this week,
including a 15-hour session
on Wednesday.

The government's inter-
vention during the past
three weeks got the pro-
cess back on track, meet-
ing this week's deadline to
conclude negotiations in
time to get Cabinet ap-
proval this month before
the draft law goes to Parlia-
ment later in the year.

Mr Moatweni says he is
"pro-labour", but "that
doesn't mean that I en-
dorse every demand of the
union movement."

Labour also knows that
we need good business hir-
ing. We want better wages
but also want to improve

competitiveness."

He stresses that if con-
sensus is not reached on the
relatively minor outstand-
ing issues, these will none-
theless be covered by the
new Act in terms of recom-
mendations he will make
to the Cabinet.

A remaining contentious
issue is the sympathy
strike. Labour supports the
right to sympathy strikes,
business is opposed.

Business is understood to
have proposed that these
strikes can only be ex-
tended to employers direc-
tly involved in the dispute.

Both parties had suffi-
cient time from February,
when the draft Labour Re-
lations Bill was tabled, to
develop their positions.

Mr Moatweni was guided
by international labour
practise in his interven-
tions, but "this is some-
thing unique in SA."

Agreements struck this
week fall short of union de-
mands for compulsory cen-
tralised bargaining.

Statutory forums will
be set up for industries not
covered by voluntary cen-
tralised bargaining, but
there will be no compul-
sion to negotiate wages.

Workplace forums can
be set up at the union's re-
quest, but all workers rath-
er than just union officials
can participate.

The issues to be dis-
cussed by the forums will
be by agreement.

Closed shops will be per-
mitted, but will be set up
by agreement rather than
by legal compulsion.

Cosatu wanted exemp-
tions from bargaining
council agreements to be
decided by the councils, but
an independent body will
rather decide exemptions.

Halton Cheadle, princi-
pal author of the Bill, is re-
drafting the Bill to include
the agreed changes.

Professor Cheadle says
the "quite substantial"
changes improve the Bill
while not altering its spirit.

The new statutory coun-
cils will manage pension
schemes and other benefits
for workers. Workers who
remain employed in the
same industry will be able
to transfer their pensions.

"This will help relieve
the burden on the fiscus to
provide social pensions," says
Professor Cheadle.

The statutory councils
offer the potential for im-
proving skills.

While individual em-
ployers may be reluctant
to train workers who may
leave to work for opposi-
tion firms, training schemes at industry level
should increase the skills
base without hurting indi-
vidual employers.

Mr Moatweni says the
negotiations have improved
the legitimacy of the pro-
posed law. "This gives it a
better start when we begin
to implement it."

Cosatu's Sam Shilowa
called the agreement "a
quantum leap for workers" while Business South
Africa's Bobby Godsell
said "it strikes the right
balance between growth
and equity."
'Toys' help seal labour's new deal

BY CAROL PATON

FIFTEEN minutes before signing the new deal on labour relations, the labour contingent broke into a hurried caucus. Anxiously drawing on cigarettes, they huddled around the tall figure of Cosatu boss Sam Shilowa before rushing back into the Carlton hotel ballroom.

With only minutes to go before tying up an agreement on all but three points of the new Labour Relations Bill, there were still things that could be said only in whispers.

Later, at a hastily convened news conference to announce the deal, unionists, bosses and government officials alike were still reluctant to talk, afraid that anything they said would spark another debate.

Their last-minute deliberations, in the National Economic Development and Labor Council (Nedlac), had been shunted off into a partitioned section of the ballroom after the delegation had over-stayed its welcome by two days.

At 6 am on the second day, weary hotel staff kept up all night by orders for coffee, eventually persuaded the diehards - business's Bobby Godsell, Mr. Shilowa and Labour Minister Tito Mboweni among them - to leave.

A makeshift conference table was set up in the middle of the ballroom and talks resumed a few hours later under the light of the giant chandeliers.

After 50 hours of talks in three days Mr. Shilowa, Mr. Godsell, Nedlac executive director Jayendra Naidoo, Mr. Mboweni and exhausted members of their negotiating teams faced the media red-eyed. They issued a brief statement. "The talks were short on detail, but great on humour," Mr. Godsell told reporters.

But by the time the news conference was convened, Mr. Godsell no longer cared about the quality of the humour. He seemed to have lost the ability to discriminate, and laughed through most of the proceedings.

Mr. Godsell's hankering also provided light relief during negotiations. After a particularly long government caucus during which business and labour were kept waiting, Mr. Godsell took out his cellular phone, dialled Mr. Shilowa - who was sitting across the table from him - and tried to cut a deal, while Naeto president Cunningham Ngunzane bargained with Raymond Parson.

On returning, the government team was surprised to find the room filled with talk and laughter. "The boys had taken out their toys, " said government spokesman Shreen Singh.

But if there had been an award for stamina, it would have gone to labour's key negotiator, Ebrahim Patel. "He can carry on and on ..." said Nedlac's Lamin Saaiman.

"It was tough," said Mr. Mboweni, who said he had managed only three hours sleep in three days. "You lose concentration for a minute and you're in trouble ... then people want to go outside and smoke, others get difficult ..."

The minister also had other problems. He had run out of fresh shirts, and had resorted to buying new ones.

But although the Bill took more than 15 days of meetings to negotiate, it still cannot be described as a deal struck by exhaustion.

Even after two sleepless nights, there was still time to refer the stickiest issues to another committee.
Nedlac reviews its chambers

John Dladlu

The executive council of the National Economic, Development and Labour Council today holds its second and most crucial meeting since its inception last February.

In terms of Nedlac's founding documents, the executive - which is charged with defining broad mandates for Nedlac's structures - meets at least quarterly.

Nedlac programme manager Debra Marsden said the meeting would discuss reports on the work of various chambers and review their programmes.

"Importantly, the meeting will consider agreements reached by the chambers to date. We don't have a myriad of agreements, but there has been progress."

The meeting, initially scheduled for July 7, was postponed to allow parties at the labour market council to thrash out a deal on the disputed aspects of the Labour Relations Bill.

Agreement on the critical issue of centralised bargaining, strike ballots, disclosure of information and organisational rights was reached last Thursday, and Nedlac was on Friday busy drafting a report to be tabled at today's meeting.

The trade and industry chamber had agreed on a framework for the promotion of inward investment, including the creation of an investment promotion agency, and this would be submitted to the council for consideration, Marsden said.

However, further work on the thorny subject of policy instruments, including fiscal incentives, to be used to buoy investment still had to be done.

The proposal for an investment promotion agency was based on proposals drafted by SR1 International, an international firm of consultants.

The development chamber, which started its work later than its sister chambers, had recommended that government and Nedlac co-manage both the municipal infrastructural development project as well as the Masakhane campaign, she said.

Today's meeting would also consider Nedlac's proposals prepared by the public finance and monetary policy chamber - one of the less talked about chambers in Nedlac - on the budgetary process.
Agreement on draft labour act

The Argus Correspondent

JOHANNESBURG — Business, labour and government agreed that the draft Labour Relations Bill should become law in spite of differences on three critical issues.

The National Economic Development and Labour Council's (Nedlac) executive council agreed yesterday to recommend to cabinet that the draft bill be adopted subject to revisions on contentious issues.

The bill will now be submitted to cabinet on July 22 before going to parliament.

The parties are still deadlocked on employers' right to use scab labour during lockouts and the notice period when it comes to using such labour, the tightening of the bill's provisions regarding picketing, and the agenda and dissolution of workplace forums.

Congress of SA Trade Unions general secretary Sam Shilowa — speaking on behalf of labour — said the fact that there were still reservations on all sides on the three issues did not mean there was opposition to agreed clauses in the bill.

"The bill, as a package meets the criteria that we set ourselves at the beginning of this process," he said.

The meeting yesterday, attended by Labour Minister Tito Mboweni, brings to an end the bill's passage through the body, which was supposed to ensure there was agreement on it before it was put before cabinet and parliament.

Mr Mboweni said a committee of himself, Mr Shilowa and Business SA deputy president Bobby Godsell would continue to work on the outstanding issues.

The parties indicated they were close to agreement, except on scab labour. Labour wants restrictions on the right to hire replacement labour.

The parties yesterday emphasised that negotiations had been fruitful and said agreements far outweighed the disagreements.
Bill on table by next month

Renee Grawitzky

A REDRAFTED Labour Relations Bill will be tabled in Parliament next month although several outstanding issues have not been resolved. Labour, government and business have expressing reservations about the outstanding issues.

The report on the negotiation process which outlined areas of agreement and disagreement on the draft Bill within the National Economic Development and Labour Council (Nedlac) labour market chamber was approved by Nedlac’s executive council yesterday.

At a media briefing the parties remained tight-lipped on the final stage of the negotiations and the status of the unresolved issues. The parties would not disclose whether they would use the parliamentary committees to press their positions on the unresolved issues.

Cosatu general secretary Sam Shilowa and Business SA’s Bobby Godsell said the draft Bill “enjoyed full support from the social partners”.

This view was expressed despite differences of opinion on the limitation of replacement labour during lock-outs, the use of replacement labour during strikes and the right to strike over unfair dismissals.

These differences could either be left to the Cabinet or the committee of principals — Labour Minister Tito Mboweni, Godsell and Shilowa — to resolve.

Labour proposed the restriction on the replacement labour.

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Nedlac

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use of replacement labour during lock-outs while business did not support this but indicated it would not prevent agreement being reached. Government indicated its willingness to accept this limitation.

Shilowa said labour had reservations about the use replacement labour during a strike. Provision is made for such use provided an employer gives seven days’ notice to the commission for conciliation, mediation and arbitration or the relevant bargaining council. Business and government opposed labour’s call for a right to strike over unfair dismissals. The draft Bill ensures dismissals will be subject to third party arbitration.

Shilowa said reservations from both sides “will not stop the process”. He said “we will use whatever channels” to reconcile these differences and “we will manage the parliamentary process”.

Nedlac executive director Jayendra Naalo said Nedlac as an institution had been strengthened by the resolution on the Bill and the parties were ready for social partnership.

Mboweni said the drafting team would incorporate the agreements reached.

Of the issues referred to the technical committee, agreement was reached on picketing, sympathy strikes and workplace forums. Workplace forums would not be union-based but accredited trade union representatives would participate in forum meetings. The forum would be called by a representative trade union and could not be dissolved at the union’s request provided a majority of workers voted for this.

Issues for consultation would include the partial or total closure of a business, mergers and transfers, job grading, education and training, workplace reorganisation and criteria for merit increases or discretionary bonuses.

Joint decision-making issues would include the formulation of disciplinary procedures as well as rules relating to performance of employees, changes in the rules of pension funds and the appointments to boards of such funds.

Sympathy strikes would be permitted provided a balance was found between the “right to engage in a meaningful sympathy strike and its functionality”.

At the same time unions would have to comply with the same procedure of giving notice as an employer who wished to use replacement labour.
Union vows to continue fight

By F. S. Phakathi

DELEGATES at the Food and Allied Workers Union national congress at the weekend resolved to continue fighting for union-based workplace forums and centralised bargaining.

Fawu assistant general secretary Ernest Buthelezi said delegates resolved to continue supporting Cosatu's original position on centralised bargaining and, despite a compromise reached on the issue, the union would continue to fight for amendments to the proposed new Labour Relations Act.

Discussion around the National Economic Development and Labour Council (Nedlac) had focused on the process of report-backs and the flow of information throughout the union, Buthelezi said.
Differences but Nedlac goes ahead

BY JUSTICE MALALA
LABOUR REPORTER

Representatives of business, labour and government have agreed that the draft Labour Relations Bill should be passed in spite of remaining differences on three critical issues.

The National Economic Development and Labour Council's (Nedlac) executive council agreed yesterday to recommend to the Cabinet that the draft Bill be adopted subject to revisions on contentious issues.

1. A Bill will be submitted to the Cabinet on July 22 before going to Parliament.

2. The parties are still deadlocked on employers' right to use temporary replacement or scab labour during lockouts and the notice period when it comes to using such labour, the tightening of the Bill's provisions regarding picketing and the agendas and dissolution of workplace forums.

The parties indicated that they were close to agreement on two of these issues. The exception is replacement labour. Labour wants the right to hire replacement labour during lockout restricted in law, while business is opposed to this.

The parties emphasised yesterday that the negotiations process leading to the agreements on the Bill had been fruitful and the agreements far outweighed the disagreements.

Congress of SA Trade Unions general secretary Sam Shilowa, speaking on behalf of labour, said the fact that there were still reservations on all sides on the three issues did not mean that there was opposition to the clauses in the Bill as agreed upon.

"There have been far more agreements than disagreements and the Bill, as a package, meets the criteria that we set ourselves at the beginning of this process," he said.

The meeting yesterday was attended by Labour Minister Tito Mboweni.

He said a committee of himself, Shilowa and Business SA deputy president Bobby Godsell would continue to work on the outstanding issues while the parliamentary process was going on to ensure that as much agreement as possible was reached.
Draft Labour Bill can become law

Sowetan Correspondent

Representatives of business, labour and government have agreed that the draft Labour Relations Bill should be made into law in spite of remaining differences on three critical issues.

The National Economic Development and Labour Council's (Nedlac) executive council agreed yesterday to recommend to Cabinet that the draft Bill be adopted subject to revisions on the contentious issues.

The Bill will now be submitted to Cabinet on July 22 before going to Parliament.

The parties are still deadlocked on employers' rights to use temporary replacement or scab labour during lockouts and the notice period when it comes to using such labour, the tightening of the Bill's provisions regarding picketing, and the agenda and dissolution of workplace forums.

Congress of SA Trade Unions general-secretary Mr Sam Shulowa, speaking on behalf of labour, said the fact that there were still reservations on all sides on the three issues did not mean that there was opposition to the clauses in the Bill as agreed upon.

"There have been far more agreements than disagreements and the Bill, as a package, meets the criteria that we set ourselves at the beginning of this process," he said.

Yesterday's meeting, attended by Labour Minister Tito Mboweni, brings to an end the Bill's passage through Nedlac, which was supposed to ensure that there was agreement on it before it was put before Cabinet and Parliament.
**Labour pact: Win some, lose some.**

The one party which has clearly come out tops is government, represented by Labour Minister Tito Mboweni. Besides the fact that the Bill is central to his bid to put in place an investor-friendly and stable labour market, on Monday the parties reached agreement on what is referred to as his baby, the workplace forums.

They agreed that a representative trade union, or more unions in a workplace acting jointly, may apply to the new Council for Conciliation, Mediation and Arbitration for a workplace forum to be put in place. This agreement, which is supported by both parties, ushers in a new era for co-operation between employers and workers.

The main issue which the councils will need to address is whether the Bill is the best vehicle for achieving this goal. The Bill must be enforceable and easily implementable. It should be in the best interest of all parties to ensure that the Bill is implemented in a way that will benefit all workers.

This agreement will shift the balance of forces in workplaces where the past mainly white unions have had closed shop agreements with employers. The unions which can now do more the most organising. The labour movement, particularly Congress of SA Trade Union affiliates, will gain power with this new dispensation as they command majority membership in most workplaces.

Workplace forums: Business held that it should not be the sole right of a representative trade union to apply for the establishment of a workplace forum, but that those unions should be extended to all employees or the employer.

This issue marked a significant victory for labour, in the sense that the parties agreed that the workplace forum must be set up by the trade union. Although most of the issues it could handle will be confined to wage bargaining forums, the forums will have wide-ranging powers to handle matters of co-operation between the parties such as retrenchments and restructuring.
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**Sexwale to help Fassie**

Singer Brenda Fassie, who has admitted to being addicted to drugs, will spend the next six months in a rehabilitation clinic following advice from Gauteng premier Tokyo Sexwale and singer Chicco Twala, who responded to her plea for help.

Sexwale said yesterday he had returned from a holiday in Cape Town to attend President Nelson Mandela's 77th birthday and finalise arrangements for Fassie's treatment.

Sexwale and Twala also plan to set up a helpline to assist all drug addicts. This follows the death of Fassie's friend and housemate Patricia Nhlabisa who died from a drug overdose.

Fassie said this would be her second visit to a rehabilitation centre. Fassie admitted to still being on drugs, but said she hoped the rehabilitation would help her "discover" herself.

She challenged everyone to "check on me" and asked her followers to "pardon me" if she disappointed you enough, she said.

Twala and Fassie would put her career on hold until next year. Twala, who is paying for the rehabilitation, refused to name the clinic or reveal how much the treatment would cost.

Referring to Fassie, Sexwale said "we can't let this diamond wither away".

**Business and unions must make choices**

The agreement between labour and business on the draft Labour Relations Bill was the most important achievement and represented everything which the union movement had stood for in the past, Minister without Portfolio Jay Naidoo said yesterday.

At the fourth Tham and Us worker and management conference organised by IR Network, Naidoo said that in order for the RDP to succeed, all constituencies including labour and business had to make certain choices.

Labour had to decide whether "we meet the needs only of workers in the formal sector" while business, if it wanted to become competitive in world markets, would have to consider investing more heavily in training and education.

Delivery on the RDP necessitated the "collective responsibility of government through the process of the National Economic Development and Labour Council (Nedlac) to make this successful", Naidoo said.

He said the job of the RDP office was to create a strategic framework for government. It was not his responsibility to deliver on the RDP.

National Union of Metalworkers of SA (Numsa) general secretary Enoch Godongwana said the intention of labour during the negotiations process around the draft Bill was to try to bring business closer to labour's position which was to the left of the Bill.

He said it was difficult to ascertain whether the final agreement was to the right or left of the Bill.

Transport and General Workers' Union general secretary Randall Howard said regardless of the infighting and the process around the negotiation of the draft Bill, the parties had arrived at a new industrial relations framework.

He said the Bill "allows more for a voluntary system of labour relations to allow both parties to conduct labour relations more effectively".

Howard said the bill had been laid and how it was implemented was dependent on labour and business.

Government, he said, was attempting to ensure that a balanced approach was adopted in dealing with the social partners.

"The Bill also endorsed majoritarianism" and it was important for employers to accept that it was in their interests to deal with strong industrial unions."
What does SA gain with new labour Bill?

A

aid the eighteen bolts, wires, nuts and
nails to a piece of wood in the manner
of a cross-section of a tree. The wood
was then cut into pieces and the bolts
and wires were inserted into the pieces
in such a way that they formed a pattern
that resembled a tree. The pieces were
then glued together to form a larger
piece of wood that resembled a cross-
section of a tree. The pattern was then
split in half to form two smaller pieces
that resembled the cross-sections of
two trees. These pieces were then glued
together to form a larger piece of wood
that resembled a cross-section of a tree.

Looking good Transport workers demonstrated in Johannesburg last week but labour leaders believe that with the agreements on the draft Labour Bill, strikes will be thing of the past.

n movement, particularly in the public
sector, has been rising. In the past, public
sector workers have often gone on strike
to demand better wages and working
conditions. However, with the new labour
Bill, the government has implemented
measures to prevent strikes and ensure
that negotiations take place. The new
Bill also includes provisions to improve
wages and working conditions for public
sector workers. Overall, the new labour
Bill is seen as a positive step towards
improving the lives of workers in South
Africa.
The true challenge to tripartite deals is yet to come

Eddie Webster

Mboweni

The “consensus” reached at the National Economic Development and Labour Council (Nedlac) this week over the draft Labour Relations Bill has been proclaimed rightly as a breakthrough for the “social partners”. But experience from new democracies elsewhere is that the real challenge is yet to come when ordinary workers lose confidence in tripartite arrangements which fail to deliver in the short term.

The significance of this week’s achievement is best illustrated by comparing it with the Eighties. In 1988, after extensive consultation with employers, government tabled new labour legislation in the form of the Labour Relations Amendment Bill. The purpose was to curb union power and rights won through industrial courts.

The threat posed by the Bill galvanised the unions. Over the next two years the labour movement held summits, meetings and launched a campaign of picketing, stews and bans on overtime in protest against the Bill, which became law in a dramatically toned down form after negotiations with labour, triggered by the protests in September 1990.

The contrast between 1989/90 and 1995 is dramatic. Labour “took to the streets” twice during the two-and-half week negotiations following the tabling in February of the draft Labour Relations Bill. But real negotiations took place elsewhere in the 149 hours spent in formal meetings between labour, employers and government in late-night “conversation groups”.

“The conversation group made more progress that night (between 11pm and 6am last Tuesday in the Carlton Hotel) than had been achieved from that date backwards,” a triumphant Labour Minister Tito Mboweni declared.

Comparative experience suggests that the new dispensation has put its finger on the key to successful economic reform in new democracies. Put simply, tripartite arrangements are the basis of political support for economic reforms during the transition from dictatorship to democracy. Nedlac is also the clearest institutional manifestation of a shift towards “corporatism” as a state.

Corporatism is a policy style that involves consultation and negotiation beyond the parliamentary apparatus, by trade unions, employers’ associations, or other interest groups. It emerges when the state is sufficiently powerful to dictate public policy but is powerful enough to resist being captured by particular interests.

Those who argue that democratic government there is no longer any need for the consumer and elusive attempts to build consensus in a civic society, misunderstand the role of tripartite consultation in policy formulation. There are three reasons why tripartite policy style matters.

First, consultation may improve the quality of decisions. The proposed statutory councils are a case in point. They emerged in the process of consultation and were agreed to as amendments. They will manage pension and other benefits. By promoting and establishing training schemes they will help overcome the reluctance of some employers to invest in employee training.

Second, negotiation may build support for policies. Tripartite arrangements are the basis of political support for the proposed reforms. The central objective of Nedlac is that agreement is reached by representatives who act on the basis of proper mandates. In other words, the negotiation process draws all parties into an identification with the policies they support.

Third, consultation helps consolidate democratic institutions. This is central. Many commentators saw the mass action campaign in June as a challenge to the democratic process. Quite the opposite is the case. By engaging in peaceful protest, the leadership of one of the key social partners was signalling to its membership that it was an autonomous actor.

Corporatism assumes a pluralistic society where autonomous groups with diverse interests recognize each other’s existence while promoting their own distinctive views. By channeling their demands and organizing their conflicts within the framework of representative institutions, the conflicts that took place in and around the Labour Relations Bill were playing a real role in shaping policies that influence working and living conditions.

Concern has been raised that “the Nedlac process” may usurp the function of Parliament and turn it into a “rubber stamp”. But this will happen only if parliamentarians do not do their job. The idea behind tripartite co-operation is that representative democracy is complementary to parliamentary democracy. While the interests of employers and workers are promoted by political parties, these interests are diluted in national parliaments, which are forums where the needs of all constituencies are considered.

The heart of the challenge facing Nedlac is that SA’s transition to democracy is taking place under conditions of intense global competition. This writer argues that a key ingredient in SA’s success at a political level is the “dilemma of leadership” — the need to respond to the demands of workers during a period of economic reform, while simultaneously drawing out long-term objectives. The dilemma can be resolved only by a more nuanced approach to the mobilization of power, to the use of influence in the heart of decision-making at the plant, enterprise, industry and national levels.

But a condition of successful corporatism is that the organisations representing workers (and employers) must be sufficiently representative of their members to have control over internal matters. It is precisely the perceived “failure to deliver” which contributes to the collapse of the process.

The link between Cosatu and the ANC is likely to facilitate this gap in the labour movement. Ironically, it is the existence of this “left pressure” which is likely to ensure the success of the policy framework. In this sense, all South Africans have an interest in labour’s continuing alliance with the ANC.

* Webster is professor of sociology at Wits University.
EBRAHIM PATEL

Toeing the hard line

Labour's convenor in Neildae, Ebrahim Patel (32), is strictly hardline when it comes to worker rights. Even comrades in government's corner of the tripartite talks on the labour Bill refer to him as the fundamentalist — in the legal sense, that is.

The youthful deputy general secretary of SA Clothing & Textiles Workers' Union (Sactwu) clearly has a naive faith in the ability of the law — provided it's pro-union — to regulate industrial conflict and deliver harmony. And therein, some contend, lies his biggest miscalculation as Cosatu's would-be chief strategist that an ANC government would simply kowtow to union demands and ignore business anxieties in framing a new Labour Relations Act.

The story is told of how during one session of protracted talks on centralised bargaining, "EP" as he is fraternally known, seriously proposed that the composition of an industrial wages council be 50% union — with the rest drawn from government appointees and academics. Everyone was dumbstruck until somebody popped the obvious question: "What about employers?"

This illustrates his approach. Unlike many who would tend to tailor their bargaining position by gradually pitching towards the centre, Patel's negotiating style appears to be to stick to his opening gambit — backed by a sharp intellect and grasp of the issues second to none.

His hard line may be behind Labour Minster Tito Mboweni's observation that labour and business, left on their own, would have haggled over the draft Bill till doomsday. It may also have been the reason for Mboweni's decision last week to set up a three-man committee of principals — including himself, Business SA's Bobby Godsell and Cosatu's Sam Shilowa — to speed up the search for consensus, duty wrought after talks through the night.

When the parties reached effective agreement, Patel was one of few who still looked completely unruffled. Romance aside, his indefatigable stance on legal certainty in the Bill (as opposed to dreamy notions of the "spirit" of tripartism) has a lot to be said for it. He is, after all, a unionist who will exploit to the hilt the openings left for unions to pursue centrally determined wages and working conditions.

To his credit, Patel seems utterly committed to the union cause. His involvement dates from high school, where he ran a students' support committee for striking workers. After obtaining a BA at UWC he joined the labour research unit at UCT, where he started a union for university employees, becoming its first general secretary in 1985. He later joined and led the National Union of Textile Workers, forerunner of Sactwu, and played a strong role in the National Economic Forum, Neildae's predecessor. With regard to restructuring clothing and textile, Patel favours the gradual lifting of tariffs to protect jobs and local industry.

Yet he remains an enigma — which is not helped by his refusal to talk to the "reactionary" FM unless and until Cosatu takes a collective decision on this burning issue.

On Sunday, Patel was involved in a car accident; he's recovering in Groote Schuur.
DEVIL IN THE DETAIL

Despite failure to agree on certain crucial issues — notably replacement labour during employer-initiated lockouts, picketing, and strikes over unfair dismissals — Nedlac’s full executive council resolved this week to recommend that Cabinet adopt the Bill "subject to the necessary revisions and stated reservations of the parties," promulgate it into law this year, and that the committee of principals (Labour Minister Tito Mboweni, business’ Bobby Godsell and labour’s Sam Shulwa), "remain seized with the matter during the parliamentary process."  

"That is the deal," Mboweni announced to a somewhat sceptical press corps on Monday night. "I think you should congratulate us. I must say the executive council clapped hands and was very pleased with our report."

However, as Sacad’s Raymond Parsons points out, there is still unfinished business on certain provisions to be negotiated before legislation can be finalised: "The road through the parliamentary process will be characterised by further debate, negotiation and drafting. No doubt we will find, as always, that ‘God is in the principle — but the devil is in the detail.”"

There seemed to be a touch of anxiety on Mboweni’s part regarding the Bill’s passage through parliament, as if to suggest that it could just unravel at some stage.

On the issue of replacement labour in lockouts, labour proposed its restriction; government "indicated its willingness to accept such limitation" and business opposed but this "would not detract from its support of the Bill and the agreement as a whole.”

It was, however, agreed that an employer would be required to give seven calendar days’ notice of his intention to use replacement labour after a dispute had been referred to the conciliation commission, or bargaining council, or in terms of any collective agreement.

Similar notice provisions would apply to sympathy strikes where it was agreed that "a balance had to be struck between the right to strike as a meaningful sympathy strike and its functionalty" To give effect to such balance, the three parties are to appoint lawyers to find a formula or mechanism within a week.

On the right to strike over unfair dismissals, business felt strongly that where a remedy for unfair dismissal was a drastic invasion of managerial prerogative, there could be no right to strike on the issue. Government’s concern was to reduce the level of strikes and where an effective alternative remedy was provided workers should not have the right to strike. Labour did not support this position.

On picketing, it was agreed that a non-statutory code of conduct on the right to picket be drafted by Nedlac and that the conciliation commission play a greater and more proactive role.

On workplace forums, it was agreed that the powers and functions include the following additional proposals for consultation: partial or total plant closures; export promotion: product-development plans; mergers and transfers of ownership in so far as they affect labour.

Various outstanding matters are listed, including severance pay, retrenchment criteria, dismissal for misconduct and vicarious liability of union officials.

God is in the principle, though conceding that the parties have reservations. "I think this Bill will emphatically make labour a full and equal partner in the economy. It’s going to create a situation where we have a legitimate, post-apartheid set of rules and institutions to play by.”

Shilowa concedes that the new law will not end all strike action but says it will ensure rights and procedures which will move strikes on "slimsy, made-up issues" and "discourage the need to start from the point of fighting.”

Parsons says we must be realistic about what tripartism can achieve and not allow timetables to become more important than substance. "Negotiation by fatigue is not conducive to good decision-making.”

Nothing worse than that was said during the entire process.

TRANSNET STRIKE

SIGNS OF SANITY

Though the Transnet strike lasted only a week, and seemed therefore to have been a victory for reason, it need never have happened. The unions were clearly mobilising for industrial action before Transnet had made its final offer.

The demonstration was expensive, especially at container-ports where there was already congestion. "Sacab’s Peggy Drodhokie says it’s impossible to estimate the overall cost of disruption to public transport but the delay for container vessels alone is estimated at US$1 000/00/hour/ship. At the peak of the strike, ships were delayed by between 36 and 150 hours. Add to that the short-term knock-on effects of late or non-delivery and the long-term effects on SA’s reputation as a reliable exporter and the cost in the sector raises dramatically.”

Drodhokie stresses, however, that Sacab is delighted that the parties have settled, particularly as the signs were that the strike had the potential to last a lot longer.

But, if the strike was a case of using a hammer to crack a nut, the settlement appears to have been reasonable. In terms of the agreement, workers at the lowest end of the scale will receive an increase of about 20% — bringing the minimum to R1 200/month in a pensionable income plus R300/month non-pensionable pay. The previous minimum total was R1 227.

Workers earning above R16 000/year will get a 10% across-the-board increase plus a sliding non-pensionable allowance of R130/month at the lower end, down to R75/month for higher earners.

There is also an agreement to hold more discussions on pensionable income in August. Basic annual leaves increases by four days and a committee is to be established to discuss ways of reducing working hours but increasing productivity.

According to Pat Stone of labour rela...
Negotiating Council Passes First Major Test

Forum
Labour acquires rights ‘equal to the world’

Ronze Grewitzky 132/1995

The National Economic Development and Labour Council (Nedlac) had stood and survived its first test with compromises having been reached on key areas of the Labour Relations Amendment Bill and in areas where differences were wide, Business SA spokesman Adrian du Plessis said.

Speaking at a joint Afrikaanse Handelsinstituut and International Labour Organisation seminar this week, he said labour had emerged with rights and entitlements equal to any labour movement in the world while not denying business their’s.

Du Plessis said business needed to get back to business in a new era of industrial relations and address the broader economic issues.

On the question of tripartism, Du Plessis said it was not a process of collective bargaining and the social partners within a tripartite structure should not import a system of collective bargaining into their behaviour or the agenda.

He said ultimately the government should govern, but it would do this better with advice from its social partners.

Seifisa’s executive director Brian Angus said the agreement to establish statutory councils would result in increased pressure being placed on employers by unions in sectors where industrial councils did not exist to bargain at a centralised level.

He said consideration would have to be the provision of exemptions when considering the type of centralised bargaining system. Angus said he supported the draft Bill’s proposal that the granting of exemptions be considered by an independent body. He said exemptions should be dealt with in a fair and equitable manner.

Vice-Chairman of the IMSSA Board of Trustees Felicity Steedman said, in contemplating whether to embark on centralised bargaining at industry or company level, it was not always necessary to make a choice on a specific level.

She suggested an approach which could accommodate benefits of both national and plant level bargaining.

O Page 71
The process leading to the emergence of a new era.
Parliament could still delay labour Bill

Renee Grawitzky

AFTER Monday's tripartite agreement on the terms of the Labour Relations Amendment Bill, and almost certain Cabinet approval of it next week, the attention will turn to the parliamentary process. At issue is whether the select committee on labour will, in effect, rubber stamp the agreement, or even override the compromise reached within the National Economic Development and Labour Council (Nedlac).

Earlier this week, Labour Minister Tito Mboweni fudged the question, saying the momentum needed to be maintained in the parliamentary committee to ensure the Bill is passed this year, but at the same time said: "We do not want to take away their democratic right to process the Bill."

The committee of principals, consisting of Mboweni, Cosatu general secretary Sid Sishuba and Business SA's Bobby Godsell, has yet to decide on how the parliamentary process will be managed.

A compromise which meets to hear public submissions during the second week in August, could quite easily become bogged down with new submissions by outsiders or attempts by the Nedlac parties to "have another bite at the cherry". This could not only delay the process but also undermine the consensus reached.

The intention of the original draft Bill published on February 2 was to promote labour peace, economic development and social justice. These objectives are an attempt to balance labour and business concerns - entrenching worker rights and promoting growth and equity. The Bill also claims to take into account unorganised workers and small- and medium-size enterprises, which are generally not influenced in larger employer bodies.

A number of issues remain outstanding, such as the inclusion of the SA Police Services within the scope of the Bill, the specifying of severance pay and selection criteria for retrenchment and issues around dismissals.

There are also issues where the parties have expressed reservations. These issues - the limitation on use of replacement labour during lockouts, the use of replacement labour during strikes, the right to strike over unfair dismissals and some wording around sympathy strikes - will either be left to the Cabinet to decide or to the minister's technical committee to resolve.

How different are the areas of agreement reached to the draft negotiators' document tabled in February?

On centralised bargaining, which gave rise to the deadlock in negotiations, the draft Bill said it promoted collective bargaining to sector or industry level but it did not wish to "pre-scribe or impose this policy".

The Bill did provide for Nedlac to devise a "coherent industrial or sectoral division by agreement".

The agreement reached provides for centralised bargaining only by mutual agreement. Where no bargaining council exists in an industry a union or employer association representing the required threshold of 30% of employees in the industry can apply to the Commission on Conciliation, Mediation and Arbitration (CCMA) to facilitate that establishment. If no agreement is reached the minister can establish a statutory council.

The draft endorsed agency shops but made provision for the phasing out of closed shops as it was seen to be in contravention of the constitution and freedom of association.

Now, closed shop arrangements can be introduced if two-thirds of employees vote in favour. A ballot to test continuation can occur every three years at the request of 35% of employees.

In terms of industrial action, the basis of the draft is largely retained.

Agreement was reached that striking workers would be protected from dismissal. BSA submissions that firms should be able to dismiss "indefensible" workers were not addressed. Employers will however be able to retrain strikers based on "operational requirements". Packetting will still be allowed with CCMA involvement in facilitating agreement on packetting rules.

On the disclosure of information, the draft provided that where an employer was engaged in consultation or collective bargaining all relevant information should be disclosed "so as to allow the representative trade union to engage effectively in such consultation or collective bargaining".

Provision was made where an employer was not required to disclose information, some of which have now changed. Provision is now made for the CCMA to determine whether the information is relevant and whether it will prejudice either the union or employer. The CCMA will determine disclosure "subject to appropriate measures for the protection of the confidentiality of the information".

The draft endorsed agency shops but made provision for the phasing out of closed shops as it was seen to be in contravention of the constitution and freedom of association.

The question is whether this "Rolls Royce" Bill will be able to guide SA through a path of reconstruction and development to a new economic order?
Mbweni knows when to cajole and when to be firm

STEVEN FRIEDMAN

Even if that happens, however, Mbweni may be justified in arguing that the costs of having to patch up the Bill in a year's time are less than those of waiting at least a year to start labour law reform.

It is also worth remembering that Mbweni represents only one arm of government, the executive. The legislature, Parliament, is also supposed, through its committee system, to play a vigorous role in a democracy. If Parliament's labour committee decides it does not like parts of the deal the minister hammered out, the tension between the private interests' powers and those of the elected authority will reappear. Thus, of course, applied not only to this deal but to any others cut at Nedlac.

It will, therefore, be some time before we know whether the need to include private interests in decisions can be balanced with Parliament's power over law-making. But if that does happen, Mbweni's minority, having shown a taste for governing as well as being allowed to work just as hard to bring Parliament on board as it has to take labour and business along

one of these necessarily means that Mbweni's tactics can be cloned by other government ministers. Labour and business may be our most powerful interests, but they are also the ones most able to cut deals under pressure: they have had 20 years to work out that they have to live with each other. So the Mbweni method is not a sure-fire winner in conflicts between students and university administrators, medical companies and health pressure groups and the like.

But the minister has shown some of his colleagues that the chance between governing and negotiating is not as stark as it seems.

Friedman is Centre for Policy Studies director.
New deal to prevent strikes

In the midst of a massive strike by municipal labourers, the Cape Metropolitan Council (CMC) and the SA Municipal Workers' Union (Samwu), among other parties, have reached an agreement aimed at preventing future strikes.

The Metropolitan Chamber Agreement will not affect the present strike as it will take three months to set up the structures under the new deal.

Yesterday the CMC resolved to sign the deal, negotiated between various unions and local authority groups, that will establish a 13-side wage negotiation forum called the Metropolitan Chamber, under the auspices of the Industrial Council for local government.

The chamber will deal with annual wage and salary adjustments for all employees in the metropolitan area. Disputes will go to mediation and then arbitration, and the arbitrator's decision will be final and binding on all parties.

The separate wage negotiation forum of the Cape Town municipality will fall away when the city signs the new deal.
Labour law move on ex-homelands

Renee Grawitzky

THE harmonisation of labour laws — extending the Labour Relations Act (LRA), the Basic Conditions of Employment Act and the Wage Act to the former homelands — was discussed by the labour market chamber of the National Economic Development and Labour Council (Nedlac) yesterday.

According to a government report-back, regulations giving effect to this extension have been drafted and should be promulgated shortly.

The commencement of Integration of Labour Laws Act, No 49 of 1994, published on December 2 1994, provided for the extension of all SA labour legislation to homelands.

However, regulations providing only for the extension of the Unemployment Insurance Act and the Workmen's Compensation Act have been promulgated, with some delay experienced in the drafting of regulations giving effect to the extension of the LRA, Basic Conditions of Employment Act and Wage Act.

According to union sources, since the reincorporation of the homelands, unions have been unable to extend existing industrial council agreements to these regions.

The committee of principals established within the negotiation process to reach consensus on the draft Labour Relations Bill — it consists of Cosatu general secretary Sam Shilowa, business's Bobby Godsell and Labour Minister Tito Mboweni — meets today to continue finalising outstanding issues.

John Dielle reports that Nedlac's government representatives had again asked their business and labour partners for more time to finalise a discussion document on appropriate supply-side measures. Nedlac programme manager Debra Marsden said last night.

In terms of the new timetable, government would now unveil the long-awaited document — being drawn up with the help of the Industrial Development Corporation at the next meeting of the trade and industry chamber planned for August 10.

Marsden said the document, covering human resources development, investment incentives, training and technology enhancement by firms, would become a central feature of the chamber.

Because of the detailed nature of the document and its sensitivity among partners, the paper was expected to take more than a single-chamber meeting to discuss, to allow negotiators more time to study the proposals and formulate responses.

Government has said that alternative supply-side measures would be financed, among others, through savings made from the controversial general export incentive scheme, which was to be ended in 1997.

Government has failed to respond to the labour proposals aimed at linking trade to social clauses. Labour asked SA trade partners to agree on a ban on child labour and all forms of discrimination as well as to uphold workers' rights to join unions and to go on strike.

Marsden said government was still working on its "consolidated response" which could be tabled at the next chamber meeting.

Regarding studies on economic sectors to assess the competitiveness of the SA economy, negotiators agreed that the chamber and its sub-committee known as the Japanese Grant fund would determine future studies to be carried out.
Labour Bill still in for sticky ride

Celebrations over an agreement between business and labour on the draft Labour Relations Bill may have been premature. The bill could still be in for a sticky ride before it becomes law, according to Johan Baard, human resources director at the Cape Chamber of Commerce and Industry.

A Department of Labour task team is working round the clock to redraft the controversial Labour Relations Bill, due to be debated by the Cabinet early next month.

Mr Baard, who has represented the Chamber on the SA Council of Business labour committee, said sticking points for business included the question of "scab labour", protection for workers against dismissal, joint decision-making in workplace forums, and disclosure.

The last two issues would be a crucial test of whether or not South African legislation could "make Wall Street smile".

The existing draft bill would allow workplace forums to debate a range of issues from retooling, investment, relocation, to career paths, training. But, said Mr Baard, the legislation was silent on how the agenda was to be drawn up and on whether there had to be joint decision-making or just consultation.

"Decisions in business have to be taken fast. What if management can't afford to delay for consultation on some issues?"

"And what if a joint decision has to be taken and the parties disagree?"

"We're supposed to refer the issue to the Commission for Conciliation, Mediation and Arbitration and then to arbitration if necessary. So the tough ones will go to arbitration for crucial decisions. We'll have an economy managed through arbitration, by arbitrators who don't need to live with the consequences of their decisions."

Mr Baard said business would like the parties to the forums to structure their own agendas.

On disclosure, he admitted that Europe and the United States had tougher legislation than South Africa — as foreign investors were not likely to be frightened off by changes in the South African law.

"But capital and labour in these countries have shared values. In South Africa, the trade unions — and some parts of business — as a rule have a more narrow, short term, self-serving outlook. We need to change mindsets before we change the legislation on disclosure."

"We need to develop a common vocabulary."

Other sticky issues included:

- Employers' rights to use replacement or "scab" labour, where, said Mr Baard, "the debate seems to be going against business".
- The level of protection against dismissal for striking workers, and
- Definitions of representativeness.

He said Minister of Labour Tito Mboweni "can take lots of credit" for the progress made but on some issues business and labour were still "miles apart".

What was hailed earlier this month as a "breakthrough" was not really an agreement, he said, in the sense that neither the business nor the union representatives at the negotiations had mandates to sign an accord.

The new draft will be referred to a committee consisting of Mr Mboweni, Cosatu's Sam Shilowa and Business South Africa's Bobby Godsell, before being discussed by the Cabinet.

It is due to be debated in parliament next month.

Decisions will also have to be taken on labour relations in the public service and on whether the police should be subject to the new law.

"Cosatu spokespersons could not be reached for comment yesterday."
Nedlac agrees on promoting SA

The management committee of the National Economic Development and Labour Council (Nedlac) accepted recommendations yesterday by the body's trade and industry chamber for the development of a framework to promote investment in South Africa.

The suggested framework was based on the report prepared by Washington-based SRI International, which was commissioned by the trade and industry working group of the National Economic Forum, which preceded Nedlac, to investigate the best practices of investment promotion for South Africa.

The report, which calls for the establishment of a national investment promotion agency, has been accepted by the partners in Nedlac.

The SRI report said that since South Africa's transition, "foreigners have not rushed in, but instead have taken a wait-and-see approach until they are convinced that fundamental political and economic stability has taken root."

The report recommended that South Africa should maintain a policy that promotes macro-economic stability. The country's policies in this regard were seen as responsible by international standards, said the report.

The researchers urged South Africa to maintain investment stability, "In the past South Africa's commercial policies changed often, with tax rates rising and falling and incentives introduced and removed," it said.
Trade unions the worst enemy of the jobless — Rupert

Trade unions are the worst enemy of the unemployed, says Rembrandt group chairman Johan Rupert.

Speaking after the group's annual general meeting in Stellenbosch yesterday, Mr Rupert said "The unions hold themselves out as friends of the unemployed, but it's the opposite. Those countries that try to protect jobs, lose jobs."

The United States, where it was easy to fire workers, had the best job creation record in the world, he said.

Tough policies on dismissals and minimum wages would scare away investors.

"Money and ideas are mobile. People disinvested with their hearts, but they will reinvest in South Africa with their heads. It has to be worth their while."

"Otherwise, Eastern Europe has just as much moral right (to investment flows) as we do in the eyes of investors."

Mr Rupert said business had to win the battle over the right to lock out striking workers.

"If a mine or a company can't lock out, they might as well throw the keys away."

"Then foreign investors won't be interested. Instead of bringing their portable computers, they'll come here with their wives and kids and play golf."

Mr Rupert said the terms of trade would turn against importers of intellectual property.

"The government had to make the country attractive to investors so that hi-tech businesses would come to South Africa."

"Then we can share in the new world. Otherwise, we will have to export more and more raw materials to import more technology."

"In the end we will be a holiday resort with holes in the ground which used to be mines."

"Those who dominate new technologies and can generate, process, disseminate and control knowledge will control power."

Rembrandt was considering partnerships with black businesses, but would not "give assets away."

"It's easy to spin off assets, but it's harder to make the thing work."
Nedlac proposes investment body

CAPE TOWN -- The National Economic, Development and Labour Council (Nedlac) management committee yesterday recommended the establishment of a national investment promotion agency, but it deferred a decision on reducing the corporate tax rate.

The committee's decisions follow discussions on recommendations in a report commissioned by Nedlac's predecessor, the National Economic Forum, on measures to improve SA's attractiveness as an investment destination.

The report, conducted by the Washington-based Stanford Research Institute in consultation with SA role players, recommended the establishment of a national agency to promote investment.

Nedlac yesterday recommended government establish such an agency to coordinate investment promotion and provide a point of contact for local and foreign investors.

Among other terms of reference, Nedlac proposed that the body create a database for economic and investment-related information to facilitate joint venture matchmaking and monitor investment trends.

Nedlac agreed that the agency would not have the power to be prescriptive with regard to investors or investment and that it should not be a statutory body but a section 21 company.

Business representatives indicated that business would not commit itself to financing future expenses of such an agency.

The Stanford report also proposed that SA should consider other measures, including the reduction of the corporate income tax rate, combining STC into the general tax rate and a shift from a grant-based incentive system to a tax-based system.

In its discussions Nedlac recommended that a "specific co-ordination process" be developed to ensure that the issues be effectively addressed. It agreed debate was necessary on the mechanisms for realising the suggested options.

In other cases the parties would need to debate the merit of the option itself, the management committee said.
Union undeterred by failure at Nedlac

Renee Gwizdie

THE Chemical Workers' Industrial Union said yesterday it was disappointed the parties at the National Economic Development and Labour Council (Nedlac) had not concluded an accord providing for compulsory centralised bargaining on wages and conditions of employment.

The union's national centralised bargaining campaign co-ordinator John Apollis said although the union was disappointed with Nedlac, it would refer to the spirit of the agreement, which made provision for industrial action in order to pursue demands relating to centralised bargaining.

He said: "Our assessment is that employers are not intending to reach agreement on the question of centralised bargaining and we are of the opinion that they are employing delaying tactics."

He said if the conciliation board did not facilitate an agreement, the union would call its members out on a national strike, which would cover all demands, including wages.

The vast majority of union members in the chemical industry had not received wage increases this year as the union had suspended plant level negotiations pending agreement on centralised bargaining.

Apollis said the union was not under pressure from membership because of this - "members see this as the fight of a lifetime."

He said if employers agreed to centralised bargaining, wage negotiations could continue at plant level. The union's wage demand this year was for a 20% increase across the board.

Apollis said certain preconditions for agreement tabled by employers were intended to frustrate agreement on centralised bargaining. For example, he said, employers wanted to negotiate productivity at plant level while the union said a broad framework should be agreed to at central level.

He said agreement could not be reached only with those employers agreeable to demands relating to centralised bargaining. He said the establishment of centralised bargaining forums could not work if a large number of employers remained outside the process because that would fragment industries.

BP, Engen, Sasol, Shell and Total yesterday said petroleum employers had agreed in principle to the union's demand to centralised bargaining.

Employers said the union's response had been that no agreement would be reached with the oil industry alone and "they have reiterated their wish to assess where the other sectors within the chemical industry stood."

Apollis said meetings were continuing with the other unions operating in the chemical industry. He said all of them were supporting centralised bargaining.
Labour bill nears passage

CJ (BR) 4/8/95

BY THABO LESHEGO

Staff Writer

Protracted negotiations on the labour relations bill are about to end, enabling Tito Mboweni, the minister of labour, to concentrate on his five-year job stimulation plan.

Mboweni said yesterday “The ministry of labour has come out of the labour relations process satisfied that South Africans can indeed sit down and negotiate agreements.”

This week the cabinet ratified agreements in Nedlac on the proposed law. The agreements include a ban on the use of scab labour during employer-initiated lockouts and that employers give a seven-day notice before employing replacement labour during strikes.

Mboweni said his drafting team had already started working on the final wording of the bill. It had to be finalised before it could be considered by Cabinet and debated in parliament.

Dave Brink, the president of Business SA, said organised business was committed to a law that balanced rights of both workers and employers.
Labour institutions need to be rebuilt

New labour commission will weigh dilemma of union rights versus job creation

By Karl von Helden

What policy options are available for preventing rapid, job-creating growth and at the same time protecting workers' rights, ensuring decent pay and conditions of work? That is the core question being faced by the labour market commission established earlier this year by Thabo Mbeki, the minister of labour.

South Africa has an extremely fragmented labour market. At one pole are the relatively skilled, higher paid permanent workers engaged in the formal sector, mostly with trade union and collective bargaining rights. Then there are vast numbers of permanently unemployed people. In between there is every kind of permutation of the more or less employed worker: contract temporary, casual and sub-contracted workers, small business employees, informal sector workers and the self-employed.

For too many South Africans éke out an existence on insecure, transient jobs and informal activities. They are at the bottom of the formal political sense — but they are excluded from the rights of economic citizenship.

Job creation is therefore the most urgent priority for our newly democratic society. But how to create those jobs?

Many business and free market economists argue that a powerful trade union movement with strong union rights is a barrier to the potential to create jobs. They argue that the unions simply drain their economies through low-wage, low-skill, export-oriented, mass-manufacturing industries. That is the way to attract job-creating investment into South Africa, they say.

Model

Quite apart from the important economic questions as to whether low wages and the lack of union rights are in fact the decisive factors in this growth, this argument fails to explain how such a model of industrial development is to be institutionalized in a country where democracy has been won after a long struggle, and where trade unions already play an important role in the economy.

Context. On the other hand, it tends to argue that the challenge of international competition should be met with a high-skilled, high-productivity, high-wage strategy, rather than seeking competitive advantage in the base of cheap labour.

However, while this strategy may be appropriate for the most advanced sectors of our economy, it is labour-reducing, rather than labour-creating, and cannot help solve the unemployment problem.

The answer is more complex and the differences more nuanced than I have presented them here. Nonetheless, it is clear that the debate involves sharp differences and conflicting interests.

It is a struggle of dilemmas that the labour market commission, chaired by Mosisa Ngobeni and David Levitt, has to try to resolve. As Levitt said: "Are growth and equity incompatible goals, so that the more you have of one, the less you have of the other? Or are they compatible, or complementary?"

The challenge is how to put together a framework that can produce labour-abundant growth and protect minimum standards and collective bargaining, he said.

The commission has been given a wide-ranging mandate to investigate a range of questions:

- Wage policy, including whether it is desirable to introduce a national minimum wage and other minimum conditions of employment, particularly in unregulated sectors.

The commission is also investigating whether wage levels and bargaining arrangements are an impediment to small and medium enterprises, and if so, how this problem should be dealt with.

- Reducing discrimination in the labour market, in particular through a framework for affirmative action.

- The need for a policy framework for dealing with access to South African jobs by non-South African nationals.

Distinct

Apart from labour market policy creating distinct labour markets — with the black labour market differentiated between coloured, Indian, urban African and migrant African segments.

For whites there were training schemes and social benefits such as unemployment funds and workers' compensation. For blacks there were restrictions on movement and employment, distinct housing, land and education policies, and at the core the machinery of the pass laws.

By the mid-1990s the black labour market policy had come apart, and white labour market policy had ceased being capable of serving either white interests or the economy's needs.

The result, said Levitt, was that when Mbeki took office, he was faced with discrimination but collapsing labour market institutions, and a legacy of desperate unemployment and skill shortages.

The commission aims to provide a broad framework for new labour market policies. This is a complex but urgent task, given the impact of a labour market crisis on people's lives and on the economy.

The commission's final report is expected by the middle of next year. It is likely to generate intense debate on what is among the most critical and controversial areas for democracy and development in South Africa.

Karl von Helden is a consulting editor of the SA Labour Bulletin.
BSA split over draft labour Bill averted

Renee Grawitzky

A POTENTIAL split within the ranks of Business South Africa (BSA) over the draft Labour Relations Bill has been averted after the Afrikaanse Handelsinstituut (AHI) clarified its position regarding its stated reservations on the proposed law.

The AHI, a member of BSA and party to the negotiations on the draft Bill at Nedlac last week, circulated a document to all Cabinet members in which it outlined its reservations on certain clauses of the draft Bill and highlighted possible negative consequences.

However, following a sharp reaction by Labour Minister Tito Mboweni, the AHI sent another letter to Cabinet members saying it supported the Nedlac agreement, despite its reservations.

The AHI said Mboweni had advised it that its comments could jeopardise passage of the Bill and could undo unanimous support for the Bill in Nedlac.

AHI manpower policy committee chairman JP Landman said the AHI's aim all along had been "to promote small businesses, job creation and economic growth".

Mboweni said he did not foresee the agreement being unravelled during the parliamentary process.

AHI's areas of concern relate to centralised bargaining, lock-outs, scab-labour, workplace forums, severance pay, the manning of the dispute settlement system and the closed shop.
Open labour council to public

Staff Reporter

THE Institute of Personnel Management has urged that deliberations of the National Economic Development and Labour Council (Nedlac) be made accessible to the public.

Nedlac, which is in final deliberations on the proposed new Labour Relations Act, is a tripartite partnership of labour, business and the state.

"One of the promises of the government of national unity was transparency," the institute said.

"While some areas have been truly transparent, it is of concern that the negotiations at Nedlac have been subjected to so much secrecy, with each party 'leaking' information to suit its own agenda."

While the draft Labour Relations Act was "broadly lauded" as an auspicious start to improved labour relations, it would be measured on its ability to deliver to business and hundreds of thousands of workers.

"If the Department of Labour is not to fall into the criticism of non-delivery besetting so many government departments, it is imperative that its proceedings at Nedlac be totally transparent and involve - even as observers - as many stakeholders as possible," the institute said.

"The fact is that whatever deal is brokered at the Nedlac negotiations, implementation is going to occur on the shopfloor - the exact area where members of the institute are involved.

"To this end the institute will lobby Nedlac for observer status. Such participation would allow us to thoroughly brief our members on the legislation as it is being drafted and ensure that comments from the coalface can be fed into the process timeously."
Union warns: scrap Nedlac

Newly formed trade union federation the South African Independent Trade Unions Confederation has called for the disbanding of the "government-created" National Economic, Development and Labour Council (Nedlac) and the scrapping of the agreement which was reached on the draft Labour Relations Bill.

Federation co-ordinator Themba Ncalo said the body's 15 unions had agreed to form a new federation because they had not been consulted on the Bill.

He said the federation would fight for the disbanding of Nedlac and for the LRA negotiating process to start afresh.

Labour Minister Tito Mboweni would be informed that if these demands were not met the federation would consider nationwide action, he said.
Calls to uphold labour rights

John Dladlu

SOUTHERN African countries using special investment incentives which contravened labour and human rights could risk termination of their preferential trade links with SA, it emerged at the weekend.

Trade unionist Lionel October, spokesman for the labour constituency at the National Economic Development and Labour Council, said labour hoped to strike an agreement with its government and business counterparts to have all SA partners in preferential trade agreements agreed to uphold social rights.

These included rights to join unions, rights to collective bargaining, and a ban on child labour as well as all forms of discrimination.

October felt a new bilateral agreement with Zimbabwe should include these four clauses.

October felt a revamped customs union agreement, currently being thrashed out, should also have social clauses in it.

Agreement on the social clauses has been delayed by government's failure to table its response to the labour proposal.
Centralised bargaining demand rejected

Renee Greavely
B0 15/8/95

THE Chemical Workers' Industrial Union said yesterday that close to 20 out of 400 companies had rejected its demand for centralised bargaining and refused to endorse the agreement reached at the conciliation board last week.

The union said companies including Lever Brothers, Continental China and Rand Rubber had rejected the agreement.

A Lever Brothers spokesman said it was still considering the agreement and had requested the additional time on which to consider and respond on the agreement. He said "the company had not rejected the agreement out of hand".

The union said members in those companies which did not agree to centralised bargaining would begin balloting soon. The union warned that "workers from companies exempted from industrial action will embark upon solidarity action against those intransigent employers".

The union said plant level bargaining in those companies where agreement had been reached on centralised bargaining would begin after August 21.
The dramatic decline in industrial action this year marks the beginning of a new realism in employer-employee relations, writes Labour Reporter Justice Malala.
unions find a common goal

Workers were getting increasingly impatient with the uhuru they had fought for not being translated into food on the table - and a section of conservative businessmen were moving into openly hostile positions with unions

Workers were getting increasingly impatient with the uhuru they had fought for not being translated into food on the table - and a section of conservative businessmen were moving towards an openly hostile position with the unions, feeling that the government was pro-worker and anti-business.

The unions were set on transforming the world of work, taking it beyond the apartheid model into a brave new future. This was seen, for example, in the National Union of Mineworkers and National Union of Metalworkers of South Africa's demands made at pre-negotiation bargaining forums.

Both these unions coupled increased productivity in the workplace with better remuneration, the removal of apartheid wage models and their replacement with a phased-in, improved wage model which would jack up the pay packet of the poor.

In essence, their demands were intended to shake the very foundations of business in the country. Both sides were getting ready for battle.

For business, giving most of their workers increases of up to 100% to turn the apartheid wage cycle around was seen as tantamount to suicide.

But despite these seemingly irreconcilable differences when the talks - essentially the first under the new dispensation - began, pragmatism won the day.

Although many of the talks were resolved through mediation, the agreements that came out displayed both a commitment to change on the business side and a readiness to compromise and be patient on the side of unions.

There are many reasons why there is a new turn towards pragmatism on all sides.

The unions have come face to face with the reality that change cannot come in a day or a year. Nor perhaps in the lifetime of the government of National Unity.

The demand for the closing of the apartheid wage gap, a demand that goes to the heart of the transformation of South African society, is both a laudable and necessary one.

But the fulfilment of this demand, the unions and their militant members have come to recognise, will be a process rather than one moment of great change which will drop luxury and equality in their laps.

For employers, many of them only now starting to realise that the installation of a new government will not mean the beginning of plunder by workers, a new outlook and maturity has started to set in.

That profits must be made is still central to employers, of course. That is the nature of the capitalist system and businessmen would argue that without profits they would simply close down for there would be no money to grow businesses.

But within this perspective has come a realisation that the wrongs of the past need to be rectified. A workforce that continues to be rewarded on the basis of sex and race is not the stuff that great economies are made of.

Thus, the drive to close the wage gap has not found as much resistance from business as one would have expected.

The new political dispensation has also meant that the economy no longer belongs to one sector of the country alone.

Where once Congress of South African Trade Unions and National Council of Trade Unions demonstrators were looking at not only cutting a fair deal for the worker and bringing down the apartheid economy they are now thrust into the position of a partner in the revival of this economy. Both sides now recognise that stability is a prerequisite for much needed foreign investment.

Hence, when unionists sit down in negotiations, there is a greater awareness of the whole, of being a partner in the process.

The successful conclusion of the negotiations on the new Labour Bill also sent out good signals. Despite the seemingly insurmountable hurdles that lay in the path of the negotiators, agreement was reached.

Nonetheless, the agreement - brokered by the Labour Minister Tito Mboweni - sent out the message that despite differences solutions are possible.

Much of what labour justly wants still has to be achieved in many industries, pay and conditions remain dreadfully poor. It will take strong and concerted action over very many years to turn this around.

It may be slow, but this process is starting to take shape. We are becoming a normal country, strikes and all
Common Touch not Lost in Mboweni’s ministry

DST budget to fuel growth, not future

The South African economy has been in a recession for two years, and its growth prospects remain clouded by uncertainty over the global economic outlook. In this context, the budget has been viewed as a key opportunity to provide a stimulus for growth.

Mboweni’s budget has been widely praised for its emphasis on growth and investment. The DST’s budget is expected to provide a significant boost to the economy, with a focus on infrastructure and technology.

The budget allocates funding to various sectors, including transport, energy, and water. The transport sector is expected to receive the largest allocation, with a focus on improving rail services and road infrastructure.

The DST’s role in driving growth and development is critical. The budget provides a strong foundation for the future, with a focus on innovation and technology.

Overall, the budget has been seen as a positive step towards economic recovery. The DST’s role in driving growth and development is key, and its budget is expected to be a significant contributor to the country’s growth prospects.
Cosatu slates state intervention

BY THABO LESIBLO

The government should stay out of core industrial relations issues, John Gomomo, the president of Cosatu, said yesterday.

"We do not believe in a commandist approach to the economy, just as we do not support commandism politically," Gomomo told delegates at Cosatu’s fourth annual Them & Us conference in Johannesburg.

However, he said the state had a role to play in reversing years of accumulated disadvantage and discrimination.

Gomomo said: “Economically, (the state) needs to ensure that it addresses the need for appropriate industrial and technology policies, investment in research and development, national training and education, trade and tariffs, and beneficiation of our natural resources.”

The government needed to reform labour laws and labour market institutions.

But core industrial relations issues, including negotiations over wages, working conditions and industrial restructuring needed to be driven by centralised and localised bargaining between employers and trade unions.

“In this respect, Cosatu is opposed to heavy-handed state intervention. With regard to minimum wages, for example, we don’t believe that state regulation should replace agreements between employers and workers,” he said.

However, this did not mean that the state had no role in these matters. "Where organised workers are involved, for example, the state has a duty to protect them from super-exploitation," said Gomomo.

"Further, where employers are not prepared to address issues through negotiations, they force the state to resort to direct intervention," he said.

Cosatu did not favour power plays between employers and workers, characterised by employers defending what they saw as their managerial prerogative against the tide of change and workers using their collective strength to enforce democracy on the shopfloor.”
Parsons takes the reins from Godsell

Renee Grawitzky

SA CHAMBER of Business (Sacob) director-general Raymond Parsons has succeeded Anglo American director Bobby Godsell as Business SA’s convener for the National Economic, Development and Labour Council (Nedlac).

The move is seen by some as an attempt to accommodate small- to medium-size business and to deal with a perceived hostility by Sacob towards BSA. Godsell resigned from the position after his appointment as Anglo gold division CE

Nedlac executive director Jayendra Naidoo said he had been notified of Parsons’s nomination and “it is acceptable to Nafoc if it is entirely their business to choose their own convener.”

The decision was taken at BSA’s meeting of the board of trustees last week where discussion also took place on the current and future role of BSA as the voice of business and recent allegations of lobbying by various members of BSA to undermine the Nedlac agreement.

Parsons said he was fully aware of the heavy responsibility he was taking on as chief spokesman for business.

BSA president Dave Brink said Parsons would be overall co-ordinator of the four conveners of the Nedlac chambers.

The current conveners would retain their positions.

Brink said he welcomed the appointment of Parsons, who headed up the big-

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Parsons

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Parsons has been appointed business convener then he will have to change his ways and conduct with the SA public and in relation to his dealings with labour.”

Shilowa said the Nedlac negotiations proved that mandates did not result in a settlement being achieved but rather individuals and their personalities. He said past dealings with Parsons had shown that he was “not willing to listen to reason.”

Brink said BSA reinforced the view that its role should be restricted to those matters its members wished it to deal with.

BSA would concentrate at a national level on Nedlac and internationally on the relationship with the International Labour Organisation and the International Organisation of Employers.
Black business rejects Parsons

Renate Grabowsky

The National African Federated Chamber of Commerce (NAFECO) yesterday rejected the appointment of Raymond Parsons to replace Bobby Godsell as business convenor at the National Economic Development and Labour Council (NEDLAC).

NAFECO president Joe Hlongwane criticised the manner in which Business SA (BSA) appointed Parsons without consultation or discussion with NAFECO, which formed part of the business caucus within NEDLAC. The move was undemocratic and showed that BSA "takes us for granted".

He said Parsons was not the kind of person with a mind to drive black economic empowerment. Parsons would rather push SABC issues than issues affecting the broader business community.

BSA said its failure to consult NAFECO was an oversight.

Parsons was elected to replace Godsell, who resigned from his BSA position after his appointment as Anglo American gold division CE.

BSA president Dave Brink said Parsons had been appointed to replace Godsell and to take over his job and the functions he performed on behalf of BSA in relation to NEDLAC, including that of overall business convenor. He said it was assumed that his election would be accepted within the business caucus.

Brink said "BSA certainly needs to sit in a caucus with NAFECO to choose a convenor from caucus level.

"We will have to consider a nomination from their side."

Hlongwane said he had written to NEDLAC to advise it of NAFECO's opposition to the election of Parsons.

BSA had had its chance to appoint a business convenor from within its ranks and now NAFECO should be given a chance, Hlongwane said.
Cosatu condemns alleged lobbying to alter draft Act

BY JUSTICE MALALA
LABOUR REPORTER

The Congress of SA Trade Unions has slammed business organisations lobbying to bring about changes to the draft Labour Relations Act as agreed upon by labour, business and government leaders last month.

Cosatu general secretary Sam Shilowa said on Monday the attempts to bring further changes to the Act, which still has to be passed by Parliament, was either an attempt at changing the agreements reached in the National Economic Development and Labour Council (Nedlac) or was a repudiation of business negotiators in the talks.

The union federation’s accusations came as concern over the process of reaching agreement on the new labour laws, particularly surrounding their perceived lack of transparency, continued to grow among observers.

Labour Minister Tito Mboweni also complained last week that certain organisations were trying to bring changes to the Nedlac agreement by lobbying parliamentarians.

Shilowa added that the lobbying, which he said was being conducted by the SA Chamber of Business (Sacob) and the Afrikaanse Handelsinstituut, was part of the organisation’s strategy to delay passage of the Bill through Parliament this year.

But Sacob labour affairs...
Nafcoc rejects Parsons

(132)

By Than Leshin

A new convenor would probably be chosen to head the business caucus in Nedlac after Raymond Parsons, the director-general of the South African Chamber of Business, was rejected by the National African Federated Chamber of Commerce and Industry, sources said.

Joe Hlongwane, the president of Nafcoc, said yesterday he had been told by Dave Brink, the president of Business South Africa, that the chamber would be involved in choosing a new convenor.

A source in BSA said Boldge Botha, the general manager of human resources at AECL, was the likely contender for the position. Botha is also the convenor of the business caucus in Nedlac’s labour chamber and heads a BSA committee drafting policies on AIDS.

Parsons was appointed by BSA last week to replace Bobby Godsell, who resigned after being appointed chief executive officer of Anglo American’s gold division. Nafcoc complained that BSA’s failure to consult it was undemocratic.

Hlongwane said Nafcoc rejected Parsons because he had no history of supporting black empowerment, was more inclined to push only Sasol’s interests in Nedlac, and was not popular with trade unions.
Parsons' nous

FMM 1/1995

Is the National African Federated Chamber of Commerce (Nafoco) employing spoil sport tactics by rejecting SA Chamber of Business (Sacob) chief Raymond Parsons as overall business convener of the National Economic, Development & Labour Council (Nedlac)?

Nafoco president Joe Hlongwane this week claimed that Business SA (BSA) appointed Parsons without consulting Nafoco, which, he says, forms part of the business caucus within Nedlac. "The move is undemocratic and shows that BSA takes us for granted," claims Hlongwane.

But while BSA claims its failure to consult Nafoco was an oversight, it appears to have been under no duty to have consulted Nafoco which formally withdrew from BSA late last year after a great deal of acrimony. Nafoco claimed BSA was unlikely to best serve black business interests at Nedlac so it decided to go it alone. BSA then gave up two of its six Nedlac seats to accommodate Nafoco.

But when Bobby Godsell resigned from BSA to become Anglo American's gold division CEO, Parsons was elected unanimously to replace him. This included the Nedlac functions Godsell had performed on behalf of BSA, including that of overall business convener. Says a BSA member: "It's quite understandable that no-one remembered to speak to Nafoco since they are no longer — by their own desire — part of BSA."

Hlongwane sees things differently. "BSA has had its chance to appoint a business convener from within its ranks and now Nafoco should be given a chance."

Parsons' appointment as overall business convener is, however, supported by Fabocos, also a BSA member.

But Hlongwane's objections appear to be tainted by more than a concern for equal opportunity. He claims that Parsons is not the right person to drive black economic empowerment and would rather push Sacob issues than those affecting the broader business community — an unlikely scenario since Parsons has the support of 18 organisations, who appear to be confident of his ability to advance broad business interests. Certainly BSA's unanimous endorsement of Parsons could also be motivated by the fact that labour issues, which have taken up most of this year, have almost all been settled and that someone with a broad experience of economics is needed to replace the largely labour-relations skills that Godsell offered Nedlac.

Just how Nafoco's objection will be dealt with is uncertain. Says BSA president Dave Brink: "We need to sit in a caucus with Nafoco to choose a convener from caucus level. Clearly Nafoco will be unlikely to return to BSA and BSA's members are un-
Finalists for small business award deliver the goods

DAVID BREIER

ASK not what the RDP can do for you — rather what you can do to develop South Africa

In a country of chronic underemployment, that is the magic formula that has helped small Western Cape businessmen become their own bosses and provide jobs for many who would otherwise be unemployed.

Six of the Western Cape’s most enterprising small businesses have been selected as finalists for the Sakanti/Small Business Development Corporation (SEDC) entrepreneur of the year award to be announced on Tuesday at Sevenwatches Wine Estate, at association with Ernst & Young.

The winner will go to the national finals at Gallagher Estate in Gauteng on September 26. There will also be an award next week for the socially responsible entrepreneur of the year.

In these days of retrenchments and unemployment, a common thread running through the success stories of the finalists is that they were prepared to give up their careers for quaint jobs to seek their fortunes in the business world.

Like Ilse Neethling, who resigned her teaching job three years ago to become a highly successful chicken farm owner employing 90 people.

With many Western Cape teachers facing an uncertain future because of education budget cuts, Ms Neethling may have set a trend.

Then there was Graeme Wells of Nothoburg, who left a job at GolfTech, the copying machines people, with little more than an order from his former bosses for 170000 worth of user rollers for copying machines.

Now he has led the local market in rollers and is exporting to the United States. Frank Borg says that this gives the job to 10 workers who are being trained to improve their skills.

Other finalists — Max Godlo, who runs a supermarket in Mbekweni, Peter Fremdman, who produces poultry feed in Ottensew’s Town, Trevor and Joy Grey, who are challenging the might of the big fishing company, and Anne Eales, who makes woolen clothing — all have similar tales to tell.

The SEDC’s business of lending money to small entrepreneurs is under way in the new South Africa and has come under fire from elements in the government, who criticise it for not becoming involved in small businesses in the townships.

FISHY BUSINESS: Trevor and Joy Grey started fishing commercially in 1989. Later they bought Arnum Fisheries and are repairing boats and will employ 27 people.

FOWL PLAY: Three years ago Ilse Neethling resigned from her teaching job. She now runs a hi-tech chicken farming business, which employs 50 people.

BIG MAX: Max Godlo began selling fruit and vegetables from his house in the Paarl township of Mbekweni. Now has supermarket at the biggest business in Mbekweni.

GLAD RAGS: Anne Eales’ business Naartjie Clothing provides 10 people and her three children with work. Her designs are sold at the Waterfront.

WELLS WINS: In five years Graeme Wells has tied up the local market for user rollers used in copying machines and is exporting to the United States.

KELP KING: Peter Fremdman started Kelp Products in Simon’s Town 17 years ago. His factory extracts growth stimulants from seaweed for agricultural use.

High cost of SA’s labour dilemma

Our trade unions may have gone too far in looking after workers’ interests — and South Africa has paid the penalty through high unemployment and low investment, according to potential Taiwanese investors.

DAVID BREIER

WORKERS in South Africa are not exactly for their work ethic — but they have a strong sense of their own interests. As a result, the country’s unproductive repetition is scaring away potential investors.

That was the message from a four-member business delegation from Taiwan in Cape Town this week.

The high-level delegation discussed relations with South Africa, which is in between maintaining recognition for Taiwan and recognising the People’s Republic of China at the same time.

Taiwan is one of the two “non-recognisers” of communist China. — and the secret behind its success includes the relationship between unions and employers, says Hou Tung Shen, vice chairman of the Council of Labour Affairs in Taiwan — a position equivalent to deputy minister.

Professor Chen expressed surprise that South Africa had the worst of both worlds — high labour costs and high unemployment.

An abundant workforce usually pulls down labour costs, but also encouraged more employment, he said.

The fact that this had not happened in South Africa showed that the union muscle could act against the best interests of the unemployable majority by discouraging labour intensive industry, he suggested.

“These are more than two thousand trade unionists in Taiwan,” he said, adding that the relationship between unions and employers was highly constructive.

“They both want a win-win situation,” he said.

The underlying motive in negotiations between Taiwanese unions and employers was that everybody’s interests were served best served not by cutting the cake but by making the cake bigger, he said.

Professor Chen said shopfloor meetings between management and labour were everyday occurrences in Taiwan to achieve stable relations between the two.

But the impression of South Africa was that relations between unions and employers were confrontational rather than aimed at achieving stability for the benefit of both.

“We have in mind to set up an Africen development fund,” he said.
Workplace forums to replace autocratic management
Bengu to discipline his deputy minister

Tim Cohen

CAPE TOWN — Education Minister Sibusiso Bengu yesterday censured his deputy, Renuer Schoeman, for objecting to aspects of the controversial National Education Policy Bill, suggesting that his NP deputy would be "disciplined".

Schoeman said on Monday, when the legislation was tabled, that although the NP agreed with the overall objectives of the Bill, he was reserving his position because he had "serious reservations" about certain of its aspects.

The Bill sets out broad powers for the national education minister to determine, almost all aspects of education policy, which Schoeman said had sparked fears over the constitutional role of the education minister.

He said the NP had reservations relating to the extent of the policy-making power of the minister, the nature of the council of education ministers created by the Bill and the minister's discretionary power to create and constitute advisory bodies.

Bengu said in a statement that it was the duty of deputy ministers to abide by the decisions of the Cabinet.

He said Schoeman had supported objectives of the Bill "as necessary and desirable", but had chosen to make public his personal reservations on the national education. "I regard this as a matter of ministerial discipline which I shall take up immediately with Schoeman."

Schoeman declined to comment but NP MP Marthinus van Schalkwyk said Bengu's attitude was "unfortunate".

The NP in the Cabinet had reserved its right to differ with aspects of the Bill while Parliament finalised the legislation.

Schoeman had acted constructively, within the basic guidelines agreed by parties on how the government of national unity should operate and had the full support of the NP.

Meanwhile, Sapa reports that DP Western Cape education spokesman Richard van der Ross said the National Education Policy Bill was a "travesty of democracy and federalism".

The Bill, despite the frequent reference to democracy, people's rights and consultation, virtually gave the education minister full control over education policies of all schools, colleges of education and technical schools in SA, he said.

Bengu also had control over other matters such as curricula, student admission, language, discipline, the ratio of students to teachers, and a "host of other matters which should best be left to the provinces".

Against this background, provisions in the Bill on consultation and the consultative bodies set up became meaningless, Van der Ross said.

The Bill would also become an instrument for opposing the minister with "severe and dictatorial powers" which could be used to suppress freedom in education and democracy.

Unions settle clash at hospital

Kathryn Strachan

THE clash between rival unions that crippled Boksburg-Benon Hospital during the past week was resolved yesterday, with both sides agreeing to work together to improve health services in the area.

Tension between the unions erupted in conflict in the hospital corridors last week when the Hospital Personnel Association of SA (Hospersa) tried to remuster two security officials who had been removed from the hospital by National Education, Health and Allied Workers' Union (Nehawu) members earlier in the month.

The parties reached agreement after Gauteng health MEC Amos Masondo spent the day talking to Nehawu members, who agreed to the security officials' remtransfer and resumption of normal duties.

"We don't know what Masondo did to convince them," said Hospersa official Mike Ryan.

Nehawu Gauteng regional secretary Oupa Makuru said tension between the unions had been resolved at yesterday's meeting. "Both parties agreed to pursue the interests of health delivery rather than their own interests," he said.

The tension has its roots in the fact that Hospersa represents largely white workers and management, while Nehawu represents black workers and nurses.

Hospersa official Mike Ryan said Masondo won Hospersa members over by explaining the problems the department had had in setting up a new health structure for the province.

In restructuring, the department had only recently set up a labour section, so it was only now able to begin attending to Nehawu members' expectations of change.
And the jobless?

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OCIAL democrats must come out of S

the closet, says sociologist Eddie Webster in a recent article (M&G, August 18 to 24). Indeed they should. But Webster’s vision of social democracy is an impoverished one. His enthusiasm for the labour movement seems to have blinded him to the needs of the poor and unemployed outside of trade unions — a concern that is not unusual among industrial sociologists in South Africa.

Webster writes that “social democracy in a South African context refers to a commitment to equity-led growth and support for tripartite agreements between labour, management and government.” He concentrates on the second of these issues, neglecting the first. We welcome Nedlac (National Economic Development and Labour Council) and agree that South African social democrats should support an industrial relations system based on collective bargaining. But social democrats must not lose sight of the urgency of alleviating poverty and reducing inequality in the country as a whole.

Social democracy is based on the idea of generating growth and social justice through class compromise. In an economy with low unemployment, a class compromise between labour and capital can accomplish both of these aims. In a labour-surplus economy, however, a further social divide must be addressed: between the employed and the unemployed. South Africa faces a trade-off between wage growth, which is clearly in the interest of employed workers, and employment growth, which is in the interests of the unemployed.

Social democrats should surely prioritise the needs of the poorest half of the population. This entails, first and foremost, a clear commitment to job creation through labour-intensive growth. Expanding employment opportunities — even at relatively low wages — is the fastest and most sustainable way of alleviating poverty and narrowing social inequality in South Africa.

The creative challenge facing social democrats is to ensure that corporatist arrangements between labour and capital contribute to, rather than undermine, labour-intensive growth and hence social justice for all. Webster overlooks this necessity.

Webster envisions South Africa’s emerging industrial relations system, without pausing to consider its implications for the poorest half of society. The core of the proposed Labour Relations Act comprises a system of Bargaining Councils, which are little changed from the old Industrial Councils. In these councils, organised labour and business bargain minimum wage agreements, which can be extended across the entire industry by the minister of labour through a “wage determination.” This system can be used by big employers and trade unions to drive out low wage competition, especially from small and medium enterprises. Increased international competition will exacerbate the threat to employment posed by industry-wide wage determinations.

Some firms will be able to improve productivity and increase into greater value-added product lines. Others will be forced to cut costs, including through cut-backs and employment. Some firms may be driven out of business altogether. In this gloomy but possible scenario, incomes rise for a shrinking elite of employed workers, while increasing numbers of workers are banished into unemployment.

In the heyday of Swedish social democracy, centrally bargained, industry-wide wages were used as part of a strategy to raise productivity in the economy. Most workers who lost their jobs as a result of lay-offs or bankruptcies were retrained and re-employed in faster growing parts of the economy. While unemployed, people were provided with generous welfare benefits. The high wage, high productivity strategy was thus consistent with narrowing inequality. As long as the Swedish economy grew rapidly and unemployment remained low, South Africa cannot afford such a strategy.

Putting half the working-age population on welfare simply is not an option — not unless South Africa discovers oil!

The clear statement of the government’s intention to establish “an authentic welfare state that extends its protection to the majority of the population” is this a cynical joke? South Africa’s poor may benefit from primary health care and basic education, but their livelihood is going to depend on economic growth and job creation rather than the meagre welfare benefits that any government in South Africa is going to be able to provide in the foreseeable future.

Unlike employed workers, the unemployed poor do not have the power to organise and advance their interests. Social democrats should therefore be particularly mindful of strategies that neglect or harm the poor, and be on the lookout for opportunities to empower them.

This means keeping a critical eye on organised labour, while supporting it in most respects, social democrats have a broader and trickier agenda. In a labour-surplus economy, trade unions do not play an unambiguously progressive role while challenging inequality in their struggles with employers, they can all too easily exacerbate inequality by privileging a labour elite over the poor and unemployed.

Social democrats should celebrate labour’s gains in collective bargaining, but they must match this with meaningful policies to promote labour-intensive economic growth and improved access of the poor to income-earning opportunities. These range from policies which support, rather than hinder, the small businesses and informal sector, to protecting labour-intensive firms from centrally bargained wage pressure.

Defining a special labour-intensive economic sector which cannot be affected by wage determinations in Bargaining Councils is one option. Providing guaranteed exemptions to labour-intensive small businesses is another. Land reform and education to training should be further weapons in the social democratic armoury. Social democrats need to formulate and debate innovative ways of ensuring industrial democracy and job creation.

Nicoli Nattrass is an economist at the School of Economics, UCT. Jeremy Seekings is a sociologist in the UCT sociology department.
Nafcoc firm on its rejection of Parsons

Renee Grawitzky

CAPE TOWN — Representatives of the National African Federated Chamber of Commerce (Nafcoc) and Business South Africa (BSA) met last week to discuss Nafcoc's rejection of the appointment of Raymond Parsons to replace Bobby Godsell as business convenor at the National Economic Development and Labour Council (Nedlac).

Nafcoc president Joe Hlongwane said that during a meeting with BSA president Dave Brink he advised Brink that Nafcoc was not prepared to alter its rejection of the appointment of Parsons without joint consultations. He said, "It is unlikely that Parsons will be appointed overall business convenor."

Brink said that it was necessary for BSA and Nafcoc to work together on this issue and to find a solution which was in everyone's interest. He said BSA's governing body would meet within the week to consider this issue.

It would consider, too, the concerns expressed by Nafcoc.
New Social Role for Business in Partnerships
New Social Role for Business in Partnerships

NEWS FOCUS
Employee well-being no longer means just fair pay

Amanda Vermeulen

GONE are the days when employee well-being merely meant fair wages for a hard day's work, says Naomi Brebm, human resources manager for do-it-yourself company Home Warehouse.

Human resources development was now a complex business. "Selecting the right person for the right position ensures the highest level of productivity and customer service. Staff recruitment is the first vital step towards a productive workforce," she says.

Home Warehouse used an agency for initial selection, screening, interviews and psychometric testing. "This analysis evaluates qualities such as integrity, trainability, levels of comprehension, orientation towards customer support and managerial skills."

Suitable candidates were then sent for interviews with senior management and after final agreement, an offer would be made. "This seems a lengthy process, but the time spent in the initial selection phase is worthwhile when one considers the staff turnover it alleviates," Brebm says.

The company also had a scheme in place for employee housing.

She said another aspect of creating security was ensuring employees were informed of company developments.

There was also a strong focus on employee interaction to keep channels of communication open, leading to a healthy work environment. Training was also a key factor, and all new employees were put through an orientation course.
A new era in boss-worker relationships

By Abdul Milazi
Labour Reporter

THE newly passed Labour Relations Act heralds a new era of industrial relations in which workers and employers will work together, labour lawyer Mr Rod Harper said yesterday.

When the Act was passed in Parliament on Tuesday, the notable change was on the issue of scab labour which has been hotly contested by business and labour. The seven day notice requirement before an employer can use scab labour has been scrapped.

Now employers do not have to give notice of their intention to use scabs during a strike. However, employers cannot use scab labour while locking out workers, if the lockout is intended to break the strike. But they can lock out workers and use scabs if workers were locked out to prevent damage to property.

Harper said the main thrust of the Act was to promote employee participation in decision making.

"Notwithstanding employer misgivings about the new Act, it would be wrong to engage in resistance politics in regard to the implementation of the Act," said Harper.

Independent trade unions and the Federation of South African Labour Unions have complained about the closed shop clause which they claim amounts to bullying tactics.

Federals, president Ben van der Walt said: "Using the law to try to write smaller unions out of an agreement is not collective bargaining, it is bullying tactics which will never work."

Talks for final constitution

THE Constitutional Assembly’s streamlining sub-committee should meet at least seven days during the Parliamentary recess, in a bid to produce a working draft of the final constitution by November 15, the CA management committee decided yesterday.

The first of these meetings would be held on September 28.

The management committee recommended that the May 9, 1996, deadline for adoption of the Constitution should stand, but that progress would be reviewed in February.

Certify constitution

CA executive director Mr Hassen Ebrahim pointed out that the Constitutional Court could certify the Constitution after it had been adopted.

Except for the chapter of fundamental rights, all the CA theme committees had now completed their work and the management committee should congratulate them, Ebrahim said.

It was agreed the sub-committee would meet on September 28, October 9, 10, 19 and 20, and on two or three days early in November.

Mr Richard Sizani of the Pan-African Congress objected to the packed agenda for today’s constitutional committee meeting.

He said this placed an inordinate strain on, especially, the smaller parties in the light of Parliament’s hectic end-of-session schedule – Sapa
Labour needs slick mediation body

Renee Grawins

THE success of the new labour relations system was dependent on the effective functioning of the proposed commission for conciliation, mediation and arbitration, independent mediator Charles Nupen said yesterday.

Speaking at the Nine Labour Brief seminar on preparations for the Labour Relations Act, Nupen said the social partners within the National Economic Development and Labour Council (Nedlec) had accepted this. "They will have to give it life," he said.

The social partners would be involved in policy making and would have to ensure the commission worked.

He said: "Nedlec will have to move with due haste to establish the governing body so that the commission can be up and running."

Nupen speculated it could take up to nine months to get it up.

The governing body of the commission—which would be a tripartite arrangement—allowed for the nomination of three representatives from labour, government and business. He said these nominations did not necessarily have to come from within their constituencies. "I hope that the social partners will look to people to govern the institute who have the expertise and who do not necessarily represent sectoral interests."

A good many of the commissioners required would have to be drawn from the ranks of the social partners.

Adrian du Plessis, presenting an employer perspective on the Labour Relations Act, said there had been a mutual sense of frustration between labour and business negotiators as they tried to reach agreement on the Labour Bill.

"The subject did not lend itself to a distributive type of bargaining."

Du Plessis said: "This reflects on the need for the careful consideration of the agenda within Nedlec and (the need) to include the social partners in the deliberation preparatory to the drafting of legislation."

He said the relationship between the consensus-seeking process in Nedlec and the law-making process in Parliament was not properly structured and, in the future, attention should be focused on trying to find the proper balance and relationship between Nedlec and Parliament.
NEDLAC

The devil take the hindmost

Although the wrangle continues over the appointment of SA Chamber of Business (Sacob) director-general Raymond Parsons as overall convenor of the National Economic, Development & Labour Council (Nedlac), he has effectively taken up the reins of office.

The Business SA (BSA) board of governors elected Parsons to succeed Anglo's Bobby Godsill, but the National African Federated Chambers of Commerce (Nafcoc) strongly opposed the appointment.

Sacob president Les Weil confirms that a number of discussions between the parties have taken place. "In the meantime," says Weil, "Parsons has started on his co-ordinating role in Nedlac."

And with business opinion hardening against what is seen as Nafcoc's recalcitrant stance, Parsons' position looks set to become permanent.

At its monthly meeting on Tuesday, the BSA reaffirmed his appointment but said talks with Nafcoc would continue in order to try to resolve its objections and also find a mutually acceptable role for Nafcoc in the Nedlac business chamber.

But the FM learns that several parties at the meeting reiterated that there was "no going back on the appointment now."

Business circles are upset with what they perceive as Nafcoc's hardline response to the unanimous appointment of Parsons to co-ordinate the business voice on various Nedlac chambers. Nafcoc maintains that Parsons is not the right man to drive black economic empowerment and would push Sacob issues rather than those affecting the broader business community. The claims have been denied — both by Parsons and the BSA. But there still appears to be no way to bridge the gap between the policy views of the formal business sector and Nafcoc's more developmental focus.

Adding to the furore is Nafcoc's withdrawal from the BSA late last year in acrimonious circumstances. Nafcoc claimed that the BSA was unlikely to best serve black business interests at Nafcoc. In an attempt to accommodate Nafcoc, BSA then gave up two of its six Nedlac seats to Nafcoc. Attitudes towards Nafcoc have since hardened, with organised business asking why should Nafcoc have a say in Parsons' appointment when it abrogated its rights by quitting the BSA?

Possible appointees are concerned. Other options, such as sharing the convenorship — with an appointee meeting with Nafcoc's approval — are also being investigated.

"The hiatus with this appointment is not holding up work in the four Nedlac chambers (fiscal & finance, labour & labour markets, trade & industry, and development)." Nafcoc president Joe Hlongwane was not available for comment.

Says BSA chairman Dave Brink: "The BSA board of governors elected Parsons to succeed Godsill. But the BSA-Nedlac caucus, which includes Nafcoc, must approve his appointment."

But Brink adds: "We are in the process of trying to find the right solution. Nafcoc seems to have dug its heels in regarding Parsons, but is fairly flexible as far as other possible appointees are concerned."

Other options, such as sharing the convenorship — with an appointee meeting with Nafcoc's approval — are also being investigated.

"The hiatus with this appointment is not holding up work in the four Nedlac chambers (fiscal & finance, labour & labour markets, trade & industry, and development)." Nafcoc president Joe Hlongwane was not available for comment.