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# Cosatu and Government set to square up over controversial labour and privatisation moves

A showdown threatens between the unions and the Government over labour policies and the sale of the 'family silver'

**T**he stage is set for a big fight between labour and the Government. The reasons: the Government's selling off "of the family silver" to the private sector and the Government's recently released macro-economic and labour market policies.

Last week Cosatu blasted the Government's new economic direction, which called for privatisation and a social accord which includes a ceiling on wage increases.

President Nelson Mandela has made his position clear: privatisation or bust. Posts and Telecommunications Minister Jay Naidoo was to set off today to Europe and the US for talks with prospective foreign bidders for parastatal Telkom.

Mandela's stance is ironic. Just before his release from prison, in February 1990, he wrote to the Mass Democratic Movement: "The nationalisation of the mines, banks and monopoly industries is the policy of

## MY VIEW



**WILLIAM MERVIN  
Gumede**

the ANC and a change or modification of our views, in this regard, is inconceivable."

Two years down the line, in January 1992, Mandela changed his tune. He announced at the World Economic Forum in Davos that "we visualise a mixed economy in which the private sector would play a central and critical role to ensure the creation of wealth and jobs".

But the bombshell was still to come. On his trip to Germany a few weeks ago he lauded privatisation as ANC policy - and not

surprisingly caused consternation in Cosatu ranks.

Cosatu general secretary Sam Shilowa rammed home the federation's disgust at the World Economic Forum: "We view privatisation as one of the major threats to the vision of a better life for all."

The union federation has formally pinned its colours to the nationalisation mast.

But it is also a signatory to the National Framework of Agreement of January 25 this year, involving a pact between the ANC-SACP-Cosatu tripartite alliance allowing for some degree of privatisation under the label "restructuring of state assets".

The agreement allows for partnerships with, and sales to, private corporations. It is neither a charter for wholesale privatisation nor an implacable bulwark against it.

So, expectations of a watershed announcement by Public Enterprises Minister Stella Sigcau have built up since Mandela's embracing of privatisation.

Minister of Finance Trevor Manuel recommitted the Government to privatisation when he released his macro-economic strategy two weeks ago, but he

said Sigcau would provide the details.

Not so. In her budget vote to Parliament, Sigcau took note of union opposition. She warned that the privatisation process was destined to be "protracted and carefully considered".

The timetable for the sale of state assets is now dependent on negotiations with the unions.

However, she listed a block of state assets that would be sold before the end of next year: the entire holdings in airlines Sun Air and Transkei Airways and leisure group Aventura, a minority stake in Telkom as well as three Eskom power plants.

This week, Sigcau was scouting around for a special adviser to draft a model for the privatisation and restructuring programme.

The plum prize for foreign investors is a 25 to 35% stake in Telkom worth up to R10-billion.

Of the other three public corporations up for sale, only Sun Air is making money. Transkei Airways is heavily subsidised by the Eastern Cape government. Aventura is likely to post a R3-million loss at year-end.

At its July 11 executive meeting, Cosatu will say whether it will stop the auctioning of the "family silver".

# Drawing lab

By RAY HARTLEY: Political Reporter  
"THE honeymoon is over", pronounced the placard of a protesting worker in Johannesburg on Thursday as he and thousands of others took to the streets to demand higher wages in the city's second big labour march in two days.

This week the trickle of workplace stoppages threatened to grow into an unprecedented flood of strike action with Cosatu fighting to re-assert its authority.

Without the respected founding general secretary Jay Naidoo and around 60 other key leaders who have left to serve in government, frustrated workers have begun to take matters into their own hands.

And so far they have opted for strikes, strikes and more strikes. Although the biggest and most public display of worker anger to date, the Pick 'n Pay strike is but one of more than 35 serious stoppages since the elections.

Between January and June this year, 1,4 million man-days were lost due to labour action — nearly double the 700 000 lost in the same period last year, according to statistics compiled by Andrew Levy and Associates.

The SA Labour Bulletin and labour analysts say that in the 80 or so days since President Nelson Mandela was sworn in, more than 100 000 workers have downed tools.

While at least 10 strikes have taken place over wages and most of the others over dismissals, retrenchments and working conditions, more than 20 000 have joined strikes to protest workplace racism.

Behind the strikes lie the pent-up frustrations of workers who believed that Mr Mandela's government would usher in an era of wage raises and a pliable management.

## A season which has no end

By RAY HARTLEY: Political Reporter  
SOUTH AFRICA's strike season is a long way from over, with a major Cosatu march scheduled for central Johannesburg on Monday and negotiations with major employers reaching a fragile stage.

Negotiations between South Africa's giant metal and mining trade unions, and employers, experienced a frustrating week of deadlock.

Talks between the National Union of Metalworkers of South Africa and motor manufacturers broke down on



MILITANT ... a union official raises a def

Instead, they have found themselves in the same jobs, earning the same wages and facing the same daily problems as they did before the elections.

As if to ram this point home, the same rubber bullets and dogs that characterised apartheid-era strikes have been used by police against striking Pick 'n Pay workers.

And they have retaliated with the

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Friday. About 25 000 auto workers are set to participate in a strike ballot this week unless the deadlock is resolved.

Numsa's Gavin Hartford said the union was asking for a 15 percent wage increase for auto workers against a management offer of nine percent. He said negotiators had also failed to agree on a timetable for correcting the industry's wage structure and for settling the details of a literacy scheme.

In addition, Numsa and the Steel and Engineering Industry's Federation of South Africa have yet to agree on a

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## Swell in SA's fatty figures

By CAS ST LEGER

SOUTH African women are becoming fatter, an SA Institute of Medical Research investigation has found.

Up to 45 percent of black people — mainly women — are too fat and up to 20 percent of white South Africans — again mainly women — are obese, it found.

The study, conducted by the institute's human biochemistry research unit said that, in the past, obesity was uncommon among rural people.

Although many white women and a smaller number of black women were trying to reduce their weight, their efforts were "near hopeless", said the report.

Only one in 20 succeeded in achieving sustained weight loss.

Attempts were being made to learn to what extent undersized, compared with "normal-sized", black schoolgirls became fat.

The unit's long-term studies showed that previously skinny black girls were almost equally prone to become fatties in later

an effort to head off further...  
The SA Catering and Allied Workers Union, representing Pick 'n Pay workers, and the supermarket chain's management will resume mediation on Monday in an effort to end a nationwide strike by employees.



SAM SHLOWA puts the strikes in perspective: P16

# Cosatu's realities will overcome apartheid's legacy

① *8 Times*  
3/7/1994

SOMEONE sitting on a desert island reading Business Times might conclude that if only South Africa got rid of the evil triad of trade unions, industrial councils and labour legislation there would be full employment and prosperity.

The real world is different. In SA, as elsewhere, the causes of unemployment are complex. Our solutions to these problems have to transcend sterile ideological debate. They should be based not on abstract "economic laws", but on the realities facing our country.

Apartheid provided a welfare state for the minority. But most South Africans have been systematically marginalised from the mainstream of economic activity. Low-paying jobs and unemployment have been concentrated in black urban and rural communities. Exclusion locked up the creative potential of our people and fettered the capacity of the economy to develop and create jobs.

A trickle-down approach to job creation is inappropriate. We need a strategy to address the underlying problems which have generated the unemployment spiral. This is precisely what the reconstruction and development programme (RDP) tries to do. \*

Three apartheid legacies need to be tackled if there is to be a sustainable solution to mass unemployment.

**Cheap labour:** The system has suppressed the potential of black work-

Cosatu's information officer **NEIL COLEMAN**, responding to articles which appeared in Business Times recently, puts forward the trade union federation's vision for an end to the nation's inequalities and poverty.

ers, treating them as a dispensable commodity. Employers have treated black workers as a replaceable factor of production rather than a human resource.

Retrenchments of black workers have even been used as cost-cutting exercises to increase profits. Politically, black communities were unable to make the price for unemployment sufficiently high to force society to act.

**Industrial disintegration:** We have failed to develop the resource base of the economy beyond the short-sighted plundering of our mineral resources. Our failure to benefit our primary products has trapped us in the classic Third World syndrome of being exporters of raw materials and importers of know-how and technology.

The concentration of economic ownership in the hands of a few conglomerates and their cosy relationship with the apartheid state contributed to the failure of business to be innovative, or to be responsive to the needs of the majority.

This concentration of economic power, combined with apartheid restrictions, also stifled small to medium-sized enterprises (SMEs)

and sustainable job-creating activity in black communities.

We have among the lowest investment in research and development input compared with similar economies. The development of SA technology has been disproportionately concentrated in the arms industry.

There have been no effective incentives or pressures from society or government for business to invest in productive activity. This has led to an orgy of speculative investment and the shrinking of our manufacturing sector in the past 20 years.

Business has been able to hide behind the barriers of protectionism and patronage of the apartheid state.

**Poverty:** Poverty has stifled not only our productive potential, but the demand for manufactured goods.

The lack of infrastructure and development programmes, particularly in rural areas, has caused vast wastelands in which virtually all economic development has been destroyed.

The RDP aims to arrest unemployment and encourage job creation through:



NEIL COLEMAN . . . Cosatu offers systematic solutions to apartheid's systematic problems

- the creation of sustainable jobs through economic restructuring;
- mass provision of basic infrastructure;
- a nationally co-ordinated human resource development strategy;
- diversion of state resources away from wasteful bureaucracy to service delivery;
- labour-based construction and a comprehensive public works plan.

Cosatu accepts that the government cannot decree an end to unemployment. But a reorientation of social priorities, investment in productive activity and in human resources and the creative use of state resources can begin to address seriously the legacy of structural unemployment left by years of economic mismanagement and

misrule.

A strategy to restructure industry and rebuild the economy must have job creation as a central pillar. Greater democracy in industry will ensure that higher priority is given to investment in job creation.

In the short term, assistance programmes are needed to minimise job losses resulting from crises in particular industries. Without a responsible approach to marginal mines and tariffs affecting sectors such as clothing, we will face even further devastation of jobs.

Patterns of government expenditure must be changed to encourage job creation. One way of doing this is to ensure that more labour-intensive methods are required when state contracts are awarded. Public works programmes will focus on

labour-intensive provision of infrastructure and the training of unemployed young people to enable them to work in the mainstream economy.

Perhaps most importantly, we need institutions and processes which can develop a coherent approach to the restructuring of our industries and the development of new areas of growth.

Unless the major stakeholders can thrash out a solution which begins to meet the needs of the domestic market, establish our competitive advantage, address our human resources crisis, and raise the standard of living of our people, we have no hope of seeing an end to mass unemployment by the year 2000.

## The news last night

### \* Agreement averts union strike

AN agreement was concluded at the weekend to avert a threatened strike by Congress of South African Trade Unions after three months of negotiations between the Government and the union on the restructuring of municipal services, the SA Local Government Association (Salga) said yesterday.

Salga spokesman Vusi Khoza said the municipal service partnerships (MSP) concept could now be used as a model for all government sector public-private partnerships. The MSP was previously perceived by Cosatu to amount to nothing more than the privatisation of municipal services.

The agreement states that municipalities are the preferred providers of services, and the private sector will only become involved if the municipality lacks the capacity to provide services on its own. - *Sapa*.

### Mbeki listens to new anthem

A 10 000-strong male choir sang a proposed revised national anthem for South Africa to Deputy President Thabo Mbeki in Cape Town's Good Hope Centre yesterday.

Mbeki, who asked to hear the performance after a smaller choir recently sang it for him, said afterwards the new proposed anthem seemed to suggest that the country no longer needed to move on parallel tracks "but that we need to move on one track as people, as South Africans".

He noted that South Africa's current anthem consisted of two parallel ones. - *Sapa*.

### Cash boost for ANC election bid

THE National Education, Health and Allied Workers Union has set aside R392 000 to help the African National Congress' re-election bid, general secretary Fikile Majola said yesterday.

Majola said R192 000 was contributed to the

#### ● See picture on page 2.

"Of 120 cases we had to investigate during the year, between 20 and 30 were withdrawn by courts because we could not fully investigate the crimes," said one officer.

Superintendent Govindsamy Marimuthoo of Soweto said: "We are working to a tight budget. We had to make do with the little we had during the year but this is not a crisis."

Commissioner Maharaj explained that there were 11 cars in use at Protea Glen and detectives had five or six for visible policing.

The Soweto vehicle theft unit, the largest in the country, has no computers to trace stolen cars. It's staff of about 20, who each investigate about 10 new cases a week, share one telephone and two cars. "We are unable to go out. We have become office workers," they said.

## Less rhetoric, more action, Cosatu advised

DAILY NEWS 13/5/1991

SIR — Just the other day Mr Jay Naidoo, the general secretary of Cosatu, called, as he put it, for “serious negotiations between all parties in the economy” as a means of bringing about the much needed distribution of wealth, economic growth and job creation which he considered vital to the long term stability of the new South Africa.

Talk about the miracle of miracles!

How does Mr Naidoo expect the business community to be committed to the achievement of such goals when unions affiliated to his organisation continue to confront employer bodies with unreasonably excessive pay and benefit demands, which are more often than not transformed into industrial action as a way of pressuring employers to meet such demands.

Does he really believe that our nation's economy can be stimulated by his organisation's continued association with and encouragement of actions, which hit at the very heart of the economy and undermine the confidence of the business sector? Surely Mr Naidoo knows better?

Instead of wasting his energies on very impressive but totally out-of-touch rhetoric, Mr Naidoo might care to divert his efforts towards controlling the conduct of Cosatu-affiliated unions, thereby making a positive contribution towards the achievement of the miracle which he seeks.

MADJER, Durban North

# The state's inaction spawned the Cosatu stayaway

The labour stayaway called this week by the Cosatu and supported by the ANC has been criticised by other unions and extra-parliamentary groups as being undemocratic and potentially increasing the risk of violence.

Labour law and jurisprudence expert REAGAN JACOBUS, a senior research officer at the Centre for Applied Legal Studies at the University of the Witwatersrand, gives his view of the background and the issues leading to the stayaway call.

**A** MAJOR wrangle is developing over the Cosatu/ANC call for a national stayaway on Monday.

The Pan Africanist Congress slammed the call saying it refuses to "take sides" in the war in Natal. The National Council of Trade Unions (Nactu) stated it could not support the stayaway because Nactu had not been consulted, and believed that COSATU/ANC should enter into dialogue with Inkatha to find peaceful solutions to the carnage in Natal.

Major employers on Friday warned that workers who stayed away risked disciplinary action.

## Aim of call

The aim of the stayaway call is, according to Cosatu, a part of its week-long campaign against the ongoing carnage in Natal, to put pressure on President FW de Klerk to put an end to the war, to isolate KwaZulu Chief Minister Dr Mangosuthu Buthelezi and pressure the South African Police into acting against Inkatha.

Natal has since 1987 been the site of the most gruesome, unrestrained and extensive violence in South Africa in decades. The ostensible protagonists in the conflict have been members of Inkatha, the political party which holds power in the bantustan government of KwaZulu, and members/supporters of organisations and trade unions associated with the African National Congress.

## Violence

The pervasive nature of the violence and the failure of the South African Government and its law enforcement agencies to effectively intervene in the conflict, now threatens the process of peaceful resolution of South Africa's political conflict.

Yet, the domestic and foreign media have ignored the extent of the violence in Natal, or have described it simplistically and incorrectly as "black on black" violence, thereby deepening the "conspirational" silence and inaction that has been a distinct feature of the Natal conflict.

The town of Edenvale, outside Pietermaritzburg, has more widows than any other valley in South Africa — it is now known as the "Valley of Widows". The killing that started in this valley, and has now spread to other parts of Natal, holds whole communities in captivity and penetrates almost every township dwelling between Durban and Pietermaritzburg.

## Homeless

By June 1990, it has been estimated, more than 3 300 people have died since 1987. About 50 000 people have been rendered homeless, and countless thousands have endured injury and damage to their person and property.

Schooling has been disrupted in other areas affected by the violence, including Sobantu.

Edendale, Slangspruit, Ashdown, Imbali, Mpumalanga, Nhlalakahle, Mpophomeni, Kwa-Mahkatha, Umlazi, Clermont, the townships near Richards Bay and Empangeni, Bishopstowe and Table Mountain, Port Shepstone and Newcastle.

## Gangsterism

In the contest of regional high employment, the disruption of schooling has inevitably led to gangsterism and the township and urban areas are now experiencing a dramatic increase in ordinary crime. It is not possible to estimate the psychological and social stress that communities have suffered as a result of the death of loved ones, the division of families, the disruption of neighbourhoods and the daily terror of imminent attack.

In 1988, 312 people died in the ongoing violence in Beirut, and in the same year 682 per-

S/ Tribune

11/7/1990

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sons died in the Natal conflict. Yet, in 1988 South African television viewers regularly exposed to the tragedy of Lebanon, saw little footage of the Valley of Widows.

The label "black on black" implies certain assumptions about the causes of the violence. It suggests that the foundation of the bloodshed is an antagonistic, internecine tribalism.

The label disconnects the conflict from apartheid structures, from apartheid rule, and indeed purports to justify white fears about black majority rule. The label has prevented an understanding of the nature of the conflict.

### Not tribal

The conflict in the first place is not tribal, it is profoundly political. It is not between Zulus and other tribes, but a conflict between groups associated with the apartheid structures, and those opposed to its role within the structures.

Secondly, the label has obscured the way in which the ongoing conflict has served apartheid: it has justified the detention and emergency rule over residents of black townships; it has seen the elimination of large numbers of activists and members of anti-apartheid organisations.

The KwaZulu Police have come to play a major role in the conflict, not as police but as the armed wing of Inkatha. The KwaZulu police were, according to evidence before court, required to be members of Inkatha, are responsible to Dr Buthelezi (he is also Minister of Police), and to former South African security policeman Brigadier Jack Buchner, now Commissioner of KwaZulu Police.

### Warlords

Apart from the KwaZulu Police, known warlords have operated in the area since the mid-1980s with impunity.

The ineffective and partial policing of the SAP may also be seen as a condition for the violence reaching its current proportions. To generate community or vigilante violence, it is not required of the police to themselves actively participate or investigate the violence.

All that is required is that the police refrain from intervening, and the aggressor would acquire immunity from the consequences of their violent conduct. Once the cycle is initiated, the absence of police intervention permits the conflict to become self-generating.

### Contest

Cosatu believes that the vigorous prosecution of known warlords in late 1987 would have deterred their supporters and members from further wanton and apparently public violence. The violence is continuing.

It is in this contest of apparent inaction on the part of the State that the Cosatu campaign against the Natal conflict has been conceived. At the obvious level, the campaign seeks to draw national and international attention to this ongoing killing. At the more substantive level, the campaign seeks to commit the central government to a more decisive and resolute intervention with the aim to end the conflict.

The commissioning of the South African Defence Force into Natal has had a dampening effect on the violence, but it did not stop. More and better policing commitment from the Government is required.

While it may be criticised as the height of political disillusionment for the oppressed to call upon the oppressor for deliverance from the devastation of this war, the hard fact remains that the Nationalist Government still retains political, and therefore policing power in the country. Thus in the absence of any other credible, neutral policing authority the responsibility lies with central government.

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S/Tribune