

NUMSA Bulletin

No 14-15 September 2005



'Two economies'

– a global problem?



Your chance
to debate
politics, the
economy,
public
transport and
many more

Preface

It is a year since the last Numsa Bulletin was published in September 2004. Last year Numsa's educators forum discussed how we could use the Numsa Bulletin more effectively. Included in this Bulletin are a number of topical issues that challenge you to debate issues at your local shop steward councils or your workplaces:

- If you are violently opposed to GEAR, have your views challenged by Motlanthe (page 14)
- Get your local to analyse what was agreed in the Alliance Summit earlier this year and give your score on whether you think the Alliance has met its targets (pages 22-23)
- Debate differences between the ANC's NGC document on two economies and Cosatu's response (pages 24-27)
- If you are an engineering shop steward in Middelburg, Witbank, Vanderbijlpark, Richards Bay, Pietermaritzburg, Vereeniging, then force a debate on the slow integration of House Agreements into the Main Agreement (pages 40-41).
- If you are an auto shop steward, then read Dumisa Ntuli's ideas (pages 42-44) on the shortcomings with black economic empowerment initiatives in the auto industry and debate the issues in your local/workplace.

When was the last time you briefed members in your workplace? Do the organisational test on page 49 and see if you are up to the job. If you fail, redeem yourself by reading the health and safety, training and education sections and then debating and discussing the contents with your fellow members.

Happy Reading!

Editor



Editor: Jenny Grice

Editor in Chief: Silumko Nondwangu

Cover pic: Recycling Chinese style

China Photo/Reuters/The Bigger Picture

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AN INVITATION TO WRITE!

Articles, responses to debates and letters are welcome. In particular, we would like contributions that:

- ▲ offer readers new ideas, arguments or information.
- ▲ Avoid making personal attacks – rather criticise a political position. Substantiate your argument and give a constructive alternative.
- ▲ Back up statements, like "membership has dropped", "meetings were poorly attended", with statistics to prove them.
- ▲ Explain jargon – different people interpret words differently.
- ▲ Make people want to respond to your argument.



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- ▲ Are provocative in a constructive manner.
- ▲ Are gender-sensitive.
- ▲ Are open and fair.
- ▲ Are not more than 1 500 words.

Post your contribution to:

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Learning from history

In the midst of struggles for national liberation and independence in Africa in the early 1960s, African intellectual Frantz Fanon, made the following observations on African national struggles that were trying to break from the yoke of colonialism and build national independence.

“**T**he people who for years on end have seen this leader and heard him speak, who from a distance in a kind of dream have followed his contests with the colonial power, spontaneously put their trust in this patriot. Before independence, the leader generally embodied the aspirations of the people for independence, political liberty and national dignity. But as soon as independence is declared, far from embodying in concrete form the needs of the people in what touches bread, land and the restoration of the country to the sacred hands of the people, the leader will reveal his inner purpose: to become the general president of that company of profiteers impatient for their returns which constitutes the national bourgeoisie.

In spite of his frequently honest conduct and his sincere declarations, the leader as seen objectively is the fierce defender of these interests, today combined, of the national bourgeoisie and the ex-colonial companies.

His honesty, which is his soul's true bent, crumbles away little by little. His contact with the masses is so unreal that he comes to believe that his authority is hated and that the services that he has rendered his country are being called in question. The leader judges the ingratitude of the masses harshly, and every day that passes ranges himself a little more resolutely on the side of the exploiters. He therefore knowingly becomes the aider and abettor of the young bourgeoisie which is plunging into the mire of corruption and pleasure...

The people stagnate deplorable in unbearable poverty, slowly they awaken to the unutterable treason of their leaders. This awakening is all the more acute in that the bourgeoisie is incapable of learning its lesson. The distribution of wealth that it effects is not spread out between a great many sectors, it is not ranged among different levels, nor does it set up a hierarchy of half-tones...

The leader, who has behind him a lifetime of political action and devoted patriotism, constitutes a screen between the people and the rapacious bourgeoisie since he stands surety for the ventures

of that caste and closes his eyes to their insolence,... The leader pacifies the people.....”

Images of African leaders of the 21st century

In what we have done and continue to do to rebuild parts of the continent, it is undeniable that we come across these traits of a leader described by Frantz Fanon.

In many parts of the continent, the hopes of the people for a better and prosperous life have been dashed by a combination of both external and internal factors, and, included in those opportunities, squandered by what in yester-years were progressive national movements for liberation, now turned into instruments against the people they were meant to serve.

In our neighbourhood, Zimbabwe, Zanu-PF has become an instrument of the state to deal, in whatever form, with genuine grievances of the people ranging from starvation, hunger and unemployment.

The conflict in the Democratic Republic of Congo, joined by states nearby under the pretext of protecting their states, was fundamentally about the mineral spoils in the DRC.

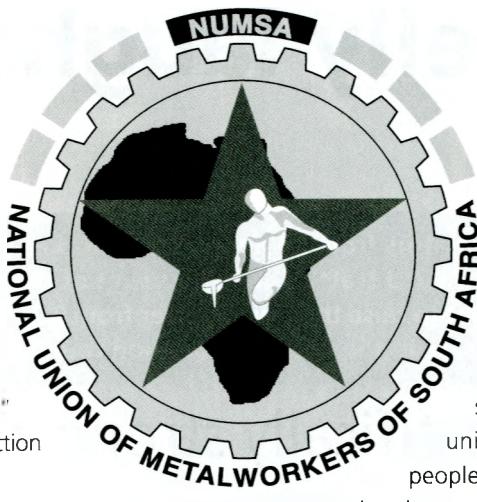
In another conflict in Sudan, the UN failed to declare a genocidal act against innocent civilians. Had the UN condemned this barbaric act, the economic interests of the United States of America would have been compromised.

In the Ivory Coast, a conflict, which is primarily an Ivorian problem, must be attended to by foreign political interests in the main.

In Angola, in spite of rampant corruption perpetuated by international oil interests, the regime is not condemned for squandering its natural oil resources.

In the Middle East, many countries have been surrogate states serving both the economic and political interests of the United States of America.

In this day and age, a leader who does not, as Fanon says, embody “the aspirations of the people



for independence, political liberty and national dignity," is imposed through military action and coercion.

Back home

It may well be that the focus of this Bulletin is on other issues pertaining to the struggles of metalworkers and the rest of the working class in our country, and therefore these matters raised herein do not find a connection with the Bulletin.

However, recently we have been subjected to media speculation on the difficulties experienced by the component formations of the Alliance. The media and some among ourselves have suggested all sorts of theories on what is happening.

In many instances, this debate has been reduced to the level of this and that other leader. We can continue this trend as comrades at our own peril and that of the formations of the democratic movement.

We said in our structures and that of the Federation that all of us must provide principled leadership on these issues affecting our movement. This will entail among others: adherence to organisational discipline and principles, the need for the unity of our people and that of the progressive forces leading our people. We must remain vigilant, ready to defend the gains of our struggle and to consolidate the National Democratic Revolution. No other rhetoric from whatever quarter must compromise these basic principles of struggle that have taken us thus far.

The numerous interactions that we have had in the NGC of the ANC, the Communist Party higher structures, in the Cosatu Central Committee and in the recent Alliance 10-aside meeting, seek in different forms to reinforce the movement as the body of components that must be charged with the political task of managing whatever issues arise in the course of our noble cause to struggle against the common enemy and in the same vein struggle against our own weaknesses as revolutionaries.

We can only win this struggle if, and only if, we are united and the interests of our people and those we struggle with elsewhere, are at the centre stage of our thoughts and actions.

Our responsibilities

It was once again Frantz Fanon who said these instructive words in the context of a struggle and building people's organisation:

"Nobody, neither leader nor rank and file, can hold back the truth. The search for the truth in local attitudes is a collective affair. Some are richer in experience and elaborate their thoughts more rapidly, and in the past have been able to establish a greater number of mental links. But they ought to avoid riding roughshod over the people, for the success of the decision which is adopted depends upon co-ordinated, conscious efforts of the people.

No one can get out of the situation scot free. Everyone will be butchered or tortured, and in the framework of the independent nation everyone will go hungry and everyone will suffer in the slump. The collective struggle presupposes collective responsibility at the base and collegiate responsibility at the top. Yes, everybody will have to be compromised in the fight for the common good. No one has clean hands; there are no innocents and no onlookers. We all have dirty hands; we are all soiling them in the swamps of our country and in the terrifying emptiness of our brains. Every onlooker is either a coward or a traitor."

We are challenged as we move forward on the difficult questions of our country and the continent, to take collective responsibility at the base and collegiate responsibility at the top, lest we become cowards or traitors in our revolution.

Aluta Continua!

*Silumko Nondwangu,
general secretary*

Numsa big-belly laugh!



Advice to all wage negotiators from an anonymous worker at X-Strata. Give up our CPI-X demand and go for witchcraft! Is this the secret of how X-Strata workers persuaded their management to raise their wage offer from 8,75% to 9,75% and achieve the top percentage increase in the wage negotiation round this year!

We are scientifically strong enough

This message is directed to our entire Numsa leaders and members due to problems that we are encountering daily from our management. Managers are very rough in the name of law.

Let witchcraft be alive so that we may see prosperity all over the union.

We normally do not use it to kill but to get what we want to get. During wage negotiations we make them sleep and snore, when they wake up they then just accept and sign every paper or document they get on the table without reading and understanding the contents of that document. This will uplift the living standard of Numsa members. That is the necessity of what witchcraft is all about.

Witchcraft is something similar to development and no-one can be against development. Our government encourages development all over the entire world. Witchcraft has to play a vital role in

the workplace because it is another tactical weapon for any challenge that we may be faced with.

Our management use the law to protect anything they like, therefore that law itself is similar to their development and no-one can be against development. That is where our problems all started. We are the sons and daughters of bereaved planet earth and we got a gift from our ancestors, why don't we use traditional dynamics of witchcraft?

2005/6 wage negotiations will be smooth, nice and better if witchcraft cannot be ignored. I wish all success to the shop steward committee of X-Strata Wonderkop. All the best at wage negotiations through witchcraft for many, many, many years to come. Let the struggle be continued. United we stand, divided we fall.

Matla ke a basebetsi.

Anonymous, X-Strata

A new definition of CEO

During the recent Pick 'n Pay strike, workers revealed the real meaning of CEO to be Chief Exploitation Officer. This was after Pick 'n Pay's CEO received a 19% increase taking his package up to R12m while management refused to grant workers a 12% wage increase despite trading profit increasing 24,1% between 2004 and 2005.

Witnessed at that shop that used to be

**“just up
your
street!”**

Keen to overflow the tills while its main opposition was ravaged by a strike, the store supervisor announced to harassed Sunday shoppers frantically piling up their trolleys before the shop closed at 13h00, that "the shop will be open until 14h00 today, so relax and enjoy your shopping".

Same store supervisor was then seen going from department to department to tell workers: "Did you hear that announcement. The shop will be open until 14h00 today".

And they tell us that labour laws are not flexible.

Stats SA to 'statistic away' unemployment

There's one way to reduce unemployment, change the way you measure it! Government's statistical agency, Stats SA recently announced that it was going to stop using the "expanded" figure for unemployment because it caused "confusion".

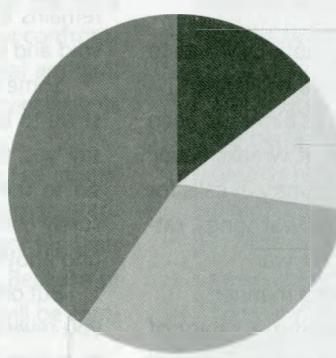
In March this year there were 4,28 million people (26,2% of the population) who were not working, but wanted to work and had been looking for work. This is what Stats SA refers to as the strict definition of unemployment.

However, the expanded definition of unemployment adds to this figure those who wanted to work but that had not been looking for work. Add these 3,82m people and unemployment jumps to 8.1m (or about 40% of the population).

So scrutinise those unemployment figures carefully in September. And see how they are going to categorise them in their pie chart in future? Will we still have a category of person called "discouraged" who is really someone that is unemployed but that hasn't been searching for a job?

Total population of working age

29 524 000



Unemployed	4 283 000
Discouraged	3 824 000
Not economically active (don't want a job)	9 510 000
Employed	11 907 000

How to choose your councillor

When you choose your councillor for the municipal elections be sure to heed this advice of a KZN congress delegate speaking at last year's Numsa National Congress:

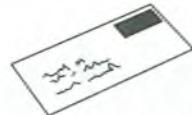
"We need to change this system of councillors, so that we know that he is coming with his constituency not just with his trousers, his wife and his 7-year old that can't even vote."

Municipal managers

Looking for a well-paid job that ranks along with Cabinet Ministers' but does not require too many qualifications? Then submit your CV and become a municipal manager:

- The West Rand municipal manager earns R690 000 a year. He has a matric certificate and "numerous short courses".
- Central Karoo municipal manager Truman Prince earns R579 343 a year. He has a diploma in education and a certificate in labour relations.
- The Siyanda municipal manager earns R502 000 a year. He holds two education diplomas.
- The Ugu municipal manager earns R692 868 a year. He holds various certificates and diplomas but no degrees.
- The uThukela municipal manager earns R915 142 a year.
- The Zululand municipal manager earns R726 385 a year.
- The Nkangala municipal manager earns R871 976 a year.

These figures exclude performance bonuses.



The last hurdle – closing the apartheid wage gap

Comrades, we have a Goliath in our camp. It is sticking out like a hairy wart on the otherwise smooth face of transformation - the apartheid wage gap!

Yet for one reason or another, nobody wants to acknowledge publicly that it poses a challenge.

The apartheid wage gap, since its birth, has been a 'tsunami' in our economic lives. It wreaks havoc among the lives of blacks in this country. It calls for us to sharpen our spears, chant our war songs, rattle our shields and gird ourselves for war.

Let us address it in the following manner:

- for each white manager earning a salary of R40 000 per month, each black manager should earn the same
- for each white foreman earning a salary of R40 000 per month, each black manager should earn the same
- shopfloor workers should earn R10 000 per month
- general workers should earn R5 000 per month.

Since the birth of democracy in Mzantsi, the majority of the ills of apartheid have been successfully addressed. Others are still being addressed and the rest will be addressed with success.

The reason behind these successes is because they were confronted and are still being confronted collectively by the formerly disadvantaged communities of this country.

Issues of forced removals, the land, the renaming of provincial names, towns and streets, the judiciary, the 'batho-pele' policies, the police and the army, the pension benefits for the aged, grants for the poor, the orphans, you name them, they have been addressed.

These achievements are wonderful. They are aimed at generating the concept of self-actualisation, a sense of coherence in the lives of the poorest of the poor.

But regardless of the political freedom we have won, in this relay race, those favoured by apartheid have been placed some 500m if not kilometres in front of the rest of us.

They have the baton in their hands and are run-

ning hard, without us dreaming of catching up with them, ever!

The policies of apartheid jumped the gun! What remains is to declare this one-sided race null and void and start all over again.

Some will say: Let us forget about the past and strive to build a better future together. Others will say 'yes, the economic policies of apartheid were a sin to the formerly disadvantaged communities... surely comrades, we cannot right a sin by committing another sin?'

But one question begs an answer. How then, do you reverse those draconian policies? The answer: by pulling the very same lever the other way. Reverse the apartheid wage gap!

Education in this country is being transformed to eradicate the ills of Bantu Education.

Government is giving black schools more resources and retraining educators in critical subjects. The major aim is to empower the black child to excel in schools for the benefit of the 'self' and country as a whole.

But there is a defective cork in the whole machinery. The bigger slice of the wealth in this country is in the hands of the few - white versus black families. In this scenario, educational resources will make very little difference as long as the wealth of this country is distributed in a skewed manner.

In addition, the Coleman report of inequality in the US education system show that "pupils from a more prosperous family background will do well, independent of the funding levels of the school that they attend and pupils with a poorer background do badly, independently of how well funded the school is that they attend."

As long as this is the norm, the psychological health of blacks will remain a pipe dream. As long as this is the status quo, the achievement of the black child at school will be just a drop in the ocean.

Of course there are exceptions but they are a minute fraction compared to what the apartheid wage gap has harvested over the centuries.

When there is a thorn in your shoe, you pull off the shoe and extricate the thorn and put the shoe

The trials of being a shop steward

WINNING LETTER • WINNING LETTER

gap

back on. That is of course if you are determined to take the long walk to freedom.

The apartheid wage gap, this gaping oozing wound, this sepsis, has now developed the early warning signs of gangrene. We are now confronted, on a daily basis, by this ugly national anthem: casualisation, contract workers, mass retrenchments and the strong rand.

The diagnostic assessment is simple. For various reasons, unionised permanent employees are retrenched en masse. Two or three months later they are recalled as contract workers. Because of their current status, they are told they will be earning grade G wages.

They are now caught in the middle. They were retrenched but now feel lucky that they are re-employed, though on different conditions than before. That is, losing their former grades. On the other hand, they are lulled into a sense of well-being by the prospect of their loans being fully deducted from their provident funds.

But then, when you confront them and remind them to remember that they are still comrades, you are confronted with traumatised glazed stares and expressions of hostility and horror in their faces.

You can almost read their minds: 'I was retrenched and nobody fed my family. I am now a contract worker. So what? I am now looking after the interests of my immediate family first!'

These shell-shocked comrades are now focused solely on satisfying Maslow's hierarchy of needs. And it will take some time. By the time they reach the summit of those needs - the need for affiliation and self-actualisation, Numsa will be an amputee.

Comrades, the apartheid wage gap is our last hurdle to economic freedom. Let us collectively place ourselves at the starting line-up of this marvellous race. As it is, we are spiralling down the gaping hole of poverty at an alarming pace. It is a vicious circle.

We did not create this problem. But since it is our baby now, let us own it and address it accordingly. We have no safety net.

Aluta continua!

Nicholas Mani, Brits

As a shop steward I've dedicated myself to being a defender of workers' rights, to mediate between employer and employees. But seemingly for doing all the duties of a shop steward, I am being misinterpreted as a bad influence, corrupt, destructive leader who wants to destroy my employer's business.

For approaching management on their attempt to implement short time without consultation and informing the bargaining council, I was said to be corrupt and destructive.

For mediating between the employer who constantly used abusive language to an employee by calling her a "bitch", my employer claimed I wanted to destroy his company that he had worked so hard to build.

For asking management to assist on a job that I couldn't cope with, following the procedures of the company where it stipulates "if you can't cope, shout for help", I was said to be 'irritating management', 'a bad influence to workers', 'not obeying lawful instructions to perform duties', 'insubordination' by creating unacceptable working environment, then I was charged and given a final written warning which will be kept on file for 12 months. How's that for fair labour practice!

If a shop steward is supposed to be a good example by being quiet whilst workers are being selfishly used, unprocedurally disciplined and abused by employers, then what's the use of having a shop steward in a workplace?

Can you please comrades make me understand the meaning of a good shop steward and the roles of an exemplary shop steward! Maybe that comrade will bring peace between me and my employer.

Maybe then he can stop telling me that he's "had enough of this union, this is his company, we can't tell him what to do", he will stop calling us abusive names like 'bastards'. Then we will have a healthy and cheerful working environment.

Siphiwe Dhladhla, Springs

We welcome your letters

Please write to: Numsa Bulletin, P.O. Box 260483, Excom 2023
or Fax to: 011-833 6330

or e-mail to: jennyg@numsa.org.za

The winning letter will receive

Solidarity Forever – the Cosatu CD of workers' songs.

Well done cde Dhladhla – you are this edition's winner.

Up close with the ANC

The ANC held its National General Council (NGC) in June 2005.

Prior to this important meeting, Numsa writers Mdu Ntuli and Karl Cloete asked ANC secretary general, Kgalema Motlanthe, to take them through some of the issues likely to come up there.

What is the difference between the National General Council (NGC) and the National Conference (NC)?

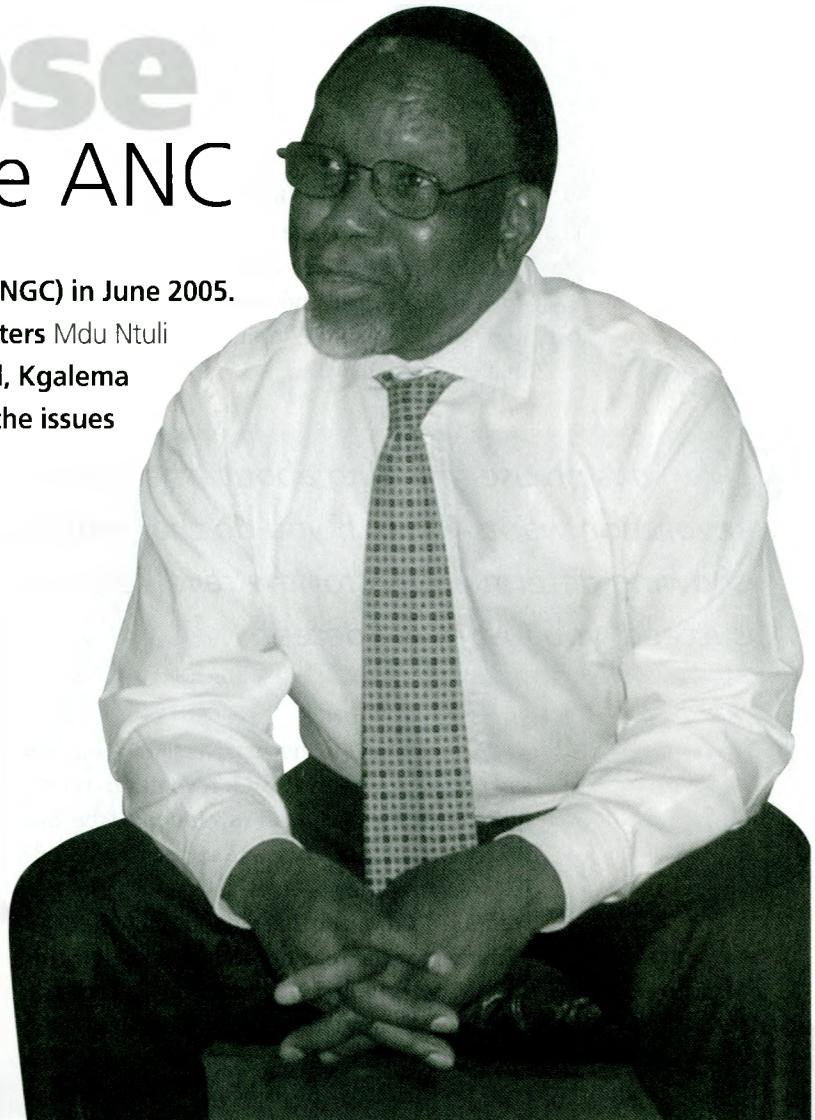
The NC focuses on the election of leadership as well as the discussion and adoption of resolutions.

The NGC meets mid way between the NCs. It does not review policy. It assesses whether we are correctly structured to implement what was resolved; do we have organisational capacity to equal the challenges that we set out at conferences. It determines whether the organisation has leadership to execute resolutions be it at local level, government, business or any public office. The NGC is also meant to assess whether we have the kind of cadreship that is capable of mobilizing the motive forces in society.

What was the significance of the 2000 NGC theme "ANC - peoples revolutionary movement and agent for change"?

Coming out of the Mafikeng conference the term of office was changed from three years to five years. As the ANC transformed the society, we (realised) that the ANC itself was undergoing a process of change both in content and in the calibre of its cadreship. For the first time we were no longer just a liberation movement but a ruling party. Positions of responsibility brought with them the possibility of material gains for individual members.

Before 1990 the ANC consisted of people who were defined by generosity and who were prepared to sacrifice everything for the good of all. In this new setting where the ANC is the ruling party, there were now other reasons than the generosity that defined freedom fighters. We had to grapple with the challenge of how to manage this new situation.



M Ntuli

Is material gain still the major reason why you think people join the ANC rather than a volunteer type cadre whose political contribution is intended for the greater good of the people?

There is always the danger of generalising out of a particular experience. But the capacity of the organisation to reproduce the selfless dedicated cadres is weaker now than in those days of the struggle. And as a consequence the organisation has been handling political education on topical issues of the day - if for example we go into Codesa the political mass education will focus on the negotiations in Codesa.

"Before 1990 the ANC consisted of people who were defined by generosity and who were prepared to sacrifice everything for the good of all."

The ANC NEC held in March 2005 identified a number of discussion documents that will be discussed at the NGC in June 2005 - can you indicate which key strategic issues are likely to be discussed?

GUIDING YOU THROUGH

the political section

Of rocky relationships, GEAR vs international 'loan sharks', adapting to new conditions of struggle and read, read, read!

Relations between alliance partners often invite analogies of marriage and divorce. Like a jealous lover, the Zuma saga threatens the rocky relationship once again. In this political section of the Bulletin, we include a 'marriage contract' that was drawn up before the 'jealous lover' entered the scene. Reread it to remind yourself of what was agreed at the Alliance Summit in April 2005. Pull out the commitments and give a score on how far the Alliance has delivered on its promises.

An interview with ANC Secretary General, Kgalema Motlanthe gives some interesting insights into how the ANC is adapting to conditions 'post struggle'. Will we see the alliance of the future reduced to a 'political centre'?

Go to a union meeting on the economy and the chances of hearing "Phansi i-Gear!" are high. But in an interview with Motlanthe, the ANC leader spells out the difficulties that the organisation faced when it took power. He likens managing your personal

finances with government managing its finances. And just like a person, if the government is not careful, it too "can end up with loan sharks" - not small ones like "BB Cash Loans" but big ones like the IMF and World Bank!

Numsa general secretary, Silumko Nondwangu, highlights a number of different issues for Numsa cadres to reflect on: Numsa's congress last year urged the union to help "democratise and strengthen the alliance". The GS spells out the difficulties that members could encounter in provinces where the alliance does not function well and where Cosatu members are viewed with suspicion by some in the ANC.

He also urges comrades to read, read, read (see what he advises you to read in the box below).

Draw up a reading list for yourself, mark off the ones that you have read and understood and start reading those that you haven't! NB

Things to read:	Where to find it	Tick when read	Now I can hold a political discussion!
■ the NDR	Numsa Bulletin 12-13 September 2004 for a summary of a joint Cosatu, SACP booklet		
■ Cosatu 2015 plan	get copies from your Cosatu region		
■ Freedom Charter	Numsa News No 3 2005		
■ SACP Medium Term Review	get a copy from your local office		
■ Mbeki on social corporatism	Read the summary of Mbeki's letters in this Bulletin on pages 18-19. If you want to read more on social corporatism, read the article on Ireland (pages 20-21) as well as the table summarising the differences between Cosatu and the ANC's views on the two economies on pages 24-27		
■ Declaration of the Alliance Summit (April 2005)	Pages 22-23		

There are a number of important discussion documents. If we take the document on unity and cohesion for instance - once members have gone through it they will understand the importance of unity and cohesion. Without it there is not much that we can achieve.

“It’s no use moaning about what counter revolution wants to do. If you do that without showing determination for the revolution to succeed, you just invite defeat.

We don't have to invent adversaries. Once you say you are embarking on a revolution, revolution co-exists with counter revolution all the time. Both have the right to want to succeed all the time. It's no use moaning about what counter revolution wants to do. If you do that without showing determination for the revolution to succeed, you just invite defeat.

What about organisational issues?

The organisational design document asks questions such as "Is the ANC properly designed given today's challenges? Where are the fault lines? Do we have sufficient co-ordination channels? We are in an alliance - are we correctly structured?" and so on.

Policy is determined by the ANC and government has to implement the policies of the ANC but policies in themselves are without detail so the detail gets developed by government. Is there structural capacity in the ANC to monitor and ensure that there is no deviation?

Premiers are appointed by the President and the Provinces elect the Chairpersons - might it be that the NGC will look at the tensions that have arisen in some of the provinces?

Once appointed by the President the Premier leads government. The ANC is led by the Provincial Secretary who is the person who has to keep the ANC together. That is why the Provincial Secretary is

the only one from the provincial leadership who has to be full-time in the ANC. Once you accept election into that position you have no right to any other gainful employment or occupation. But all the others such as chairperson, deputy chair, deputy secretary and treasurer can be in business,

in government, in the public service in full time employment. They are part time in the ANC. The person who leads the ANC is the Provincial Secretary.

The Provincial Secretary and the Premier ought to work together as a team all the time because the Premier is the Premier in the name of the ANC on behalf of the ANC. By virtue of occupying that office, he or she may come across information, sometimes even sensitive information, but they must at all times make sure that the leader of the ANC is on board. If for instance there are confidential issues, the leader of the ANC must be informed so that when other members of the ANC get wind of certain things or get questions they must know that we can go to the Provincial Secretary and ask if the ANC is aware of this.

I don't understand the jockeying for the position of chairperson. I don't understand it because the chairperson is merely meant to chair meetings. The provincial secretary prepares for those meetings and determines the agenda for those meetings. I can understand this development in the past when the chairperson of a province could become Premier but that is not the case anymore.

How do you respond to the call that the alliance becomes a political centre that develops and drives policy?

A political centre presupposes that there are levels of confidence in each other. Confidential matters that the President confides in me, for instance, remain confidential until such time as we agree that now we must brief the structures on these issues.

How do you understand the idea of a political centre?

You have to say who of the elected leadership con-

stitute that structure. You can say the presidents of the alliance must constitute that structure. If there is no mutual confidence it can't work as a political centre. It will only deal with matters itemised for discussion. Now a political centre goes beyond that.

In the ANC's history for instance it is known that in the '50s Chief Albert Luthuli as president general of the ANC, would always first ask Moses Kotane before taking a major decision. The same applies to Oliver Tambo. In 1962 at the last conference of the ANC in Lebetsi, Botswana after its banning, Oliver Tambo said to conference, 'I need Moses Kotane to come and join me outside.' Without that the task would be insurmountable. That's what you mean by political centre. It means not just discussing itemised things or matters that require immediate decision making but strategising together knowing that at that level you deal with all kinds of issues.

Hence your emphasis of confidence and trust?

Yes, confidence and trust are key. It may very well be that such a centre may come into being but its composition might be different. It may be that in the ANC it is the president, in Cosatu it is the general secretary or the general secretary of an affiliate. To be a leader does not mean that you have to occupy a position and office - you can lead because you have a better understanding all the time of what the next step is going to be. And you can have such people without them occupying any position but you know and the structures also know. Once that happens you have the functioning of a political centre.

Sometimes people have different expectations. A formal structure works on the basis of a formal agenda and anything outside of the formal agenda is out of bounds.

So are you saying that this notion of a political centre is not entirely new - that it has existed before?

Yes. Walter Sisulu as SG in the ANC was in the Party and belonged to a structure in the Party and a group that was never ever disclosed under any circumstances because of the position he occupied



M Ntuli

"Confidence and trust are key" to building an effective political centre

and because of the role he had to play. The last time that Sisulu was Secretary of the ANC was when he was restricted in 1953. The next formal position that he occupied was only after he came out of prison and yet he was leader throughout. That's how a political centre works.

The story is told of Moses Kotane as general secretary of the Party who in exile said to Oliver Tambo - "you must never be a member of the Party even if others recruit you. I'm the General Secretary of the Party, your membership application will never be accepted because in perspective and thinking Oliver Tambo embodies the best of what the Party aspires to and why neutralise that - why impose a situation where as Moses Kotane I should say to the world that you are not a Party member when you are - I will not do that."

It is that level of comfort, perspective and interaction that was accepted and was never in doubt. That is the political centre.

No public declaration?

No public declaration because it is all about political consciousness and how that guides what your relationship is. **NB**

Motlanthe's view on Gear

"Asifuni i-Gear" is still a popular rallying cry amongst Cosatu cadres. ANC secretary general, Kgalema Motlanthe, explains why the ANC chose to go the GEAR route.

What did the ANC find when it got into power?

We realised that we inherited a huge debt. Some said that the debt incurred by an illegitimate government should be ignored and disregarded. But when we scratched deeper we discovered that this debt was not owed to foreigners but to the public sector employees' pension funds. It was money owed to our own people! The leadership of the ANC then decided that we can't dishonour the debt because these are moneys belonging to our people.

Having taken the decision to honour the debt of R34 billion, the question still remained, where would (we get) the money to pay this debt and still meet the expectations of our people. This was 1994 when our people were still celebrating the fact that we had come to power.

What were the options that you had?

Many advised that we should go and borrow from the International Monetary Fund (IMF) and the World Bank (WB). But the leadership of the ANC took a decision that said 'let's look at the implications of the decision to borrow from these (institutions).'

Remember that at that time (1994) the ANC had been struggling for liberation for 82 years. So the question of just pawning things like that would have been a serious matter. That's when the ANC took the decision that we won't borrow from the WB and the IMF.

What factors influenced the ANC's decision not to borrow from these international financial institutions?

Government always spends and for that you print

competition time

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South African labour bulletin

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Desperate BEEhives

Will workers ever see the honey pot?

A case study of union investment companies

money when running short of money. Some people do not understand that when you run the government you have to manage your finances as if you are managing your personal finances otherwise you end up with loan sharks.

The same applies to countries as well. Once indebted to the IMF and World Bank they will tell you at some point what to do when you are deep in debt.

That is what happened to Zimbabwe. Zanu-PF took over, they subsidised education, transport, health care, basic foodstuffs. After four years of being in office they had to borrow from the World Bank and the IMF because the expenditure side was not being supported by the revenue side. As they sank deeper and deeper into debt, the time arrived when the WB said to them, they must implement structural adjustment programmes (SAPs).

As soon as the subsidies were done away with, the first people to demonstrate in Zimbabwe were the university students. That is what we had to avoid here.

Why did government then introduce GEAR?

This debt remained staring us in the face and that's where GEAR comes from. The leadership decided that we needed to craft a macro-economic policy that would enable us to tackle this debt without losing our independence so that once we tackled it, whatever resources that we generated could then

go towards the Reconstruction and Development Programme (RDP).

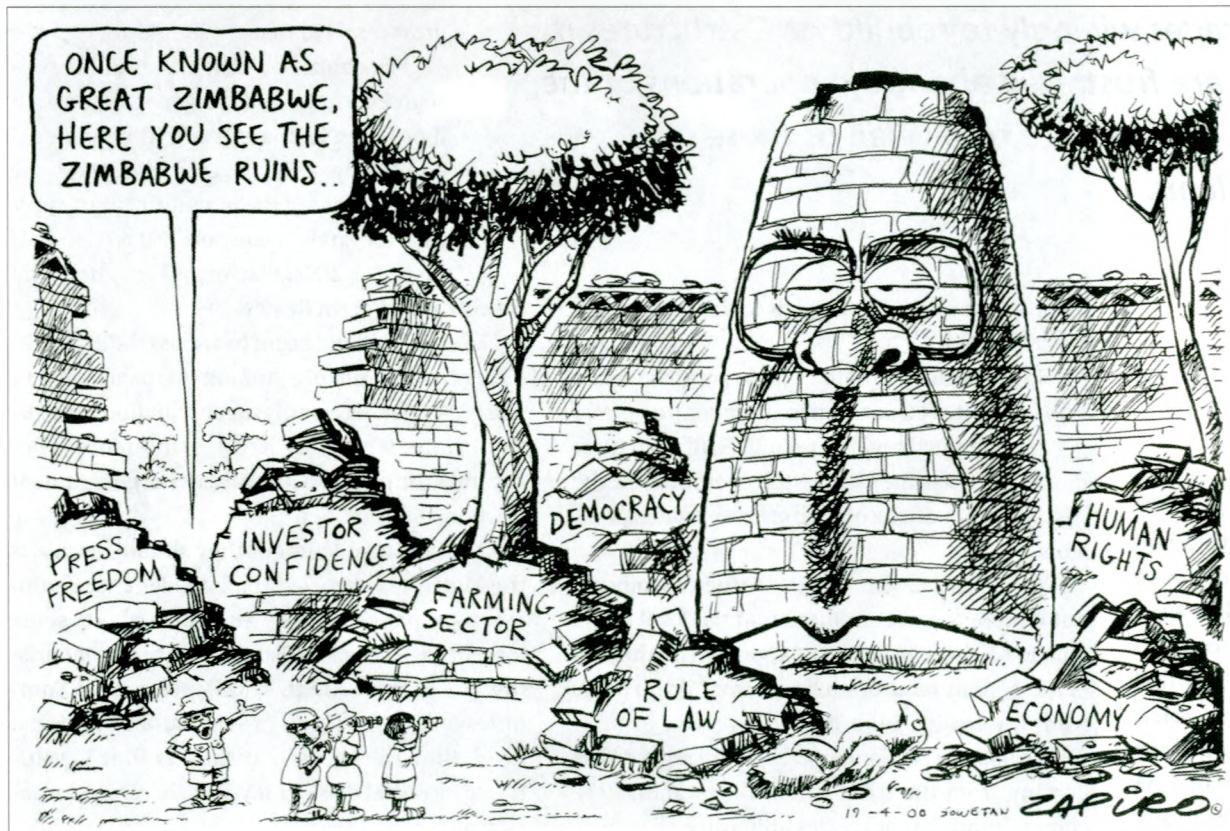
What has government achieved through GEAR?

If somebody speaks of GEAR today it is irrelevant, because the debt is gone. It is now possible for treasury to say there is so much available for reconstruction. Internationally SA remains independent, it doesn't matter whether it is at the World Trade Organisation (WTO), G8, in the United Nations (UN) or any international forum. SA speaks on the issues without any hindrance precisely because it is independent. Once you lose this independence, politically you begin to take instructions and speak on behalf of the donors. And this independence in political terms is very important.

We find that some municipalities owe the PIC money and whatever little resources come their way they have to service that debt. There is therefore no money available to do anything else. Because of GEAR we have now eliminated the debt and as a consequence of which, whatever we generate is available for the expansionary budget in the post-GEAR period.

The burden of debt is gone and the available resources can now be allocated for education, etc. **NB**

Motlanthe was speaking to Karl Cloete and Mdu Ntuli



Last year's Numsa congress called for democratising and strengthening the Alliance. It further said that it would promote active participation and leadership in the ANC structures by setting targets for membership, rebuilding branches and developing campaigns. With the local government elections approaching, what is Numsa planning around these issues?

Remember we are saying to regions to factor in their planning process a target for membership.

There are dynamics of course at the level of the alliance. We've got a perfect alliance working in the Ekurhuleni region, Gauteng region, but there could be better co-ordination.

There are major problems in the Western Cape

“ You can't encourage comrades and get comrades willingly to rebuild ANC structures if they are frustrated about the operations of the ANC. You have to resolve all of those problems. ”

and Eastern Cape with regards to the functioning of the alliance.

So all of those dynamics have got to be taken into account. You can't encourage comrades and get comrades willingly to rebuild ANC structures if they are frustrated about the operations of the ANC. You have to resolve all of those related problems.

You can set targets for 10 000 (new members), but if there is no co-ordination at the level of the alliance, if there is this purist approach on the part of the ANC in some branches to say, "if you come from the trade union movement, you are not regarded as an ANC member, you are regarded as coming from the trade union movement, here comes Cosatu", that creates animosity.

The plan also calls for the design of material or a manual on the national democratic revolution (NDR), Cosatu 2015 Plan, the Freedom Charter and the SACP Medium Term Review. Also in the light of the forthcoming elections, shouldn't we be using that as a launching pad to get people engaged in discussing the issues on the manifesto?

Those are two different processes. Simplifying the Freedom Charter (FC) and simplifying the SACP medium term review, create a better understanding of what the FC is for ordinary members.

It's more relevant this year that we kick-start a discussion internally in the organisation, particularly when the ANC says 2005 is the year of the FC.

On the SACP Medium Term Review, we should be combining those documents with the 2015 plan, because it's what congress resolved that we should do.

We should be kick-starting this very soon internally in the organisation so that if our members are going to influence (I don't know if that's going to happen) the development of the manifesto, at the very least they have a sense of what is contained in the FC, 2015 Plan of the Federation and the SACP Mid Term Review.

Members should begin to discuss the draft declaration of the Alliance Summit (see pages 22-23). They may not necessarily agree with the contents. But I think it's highly likely to influence what becomes the manifesto towards local government elections.

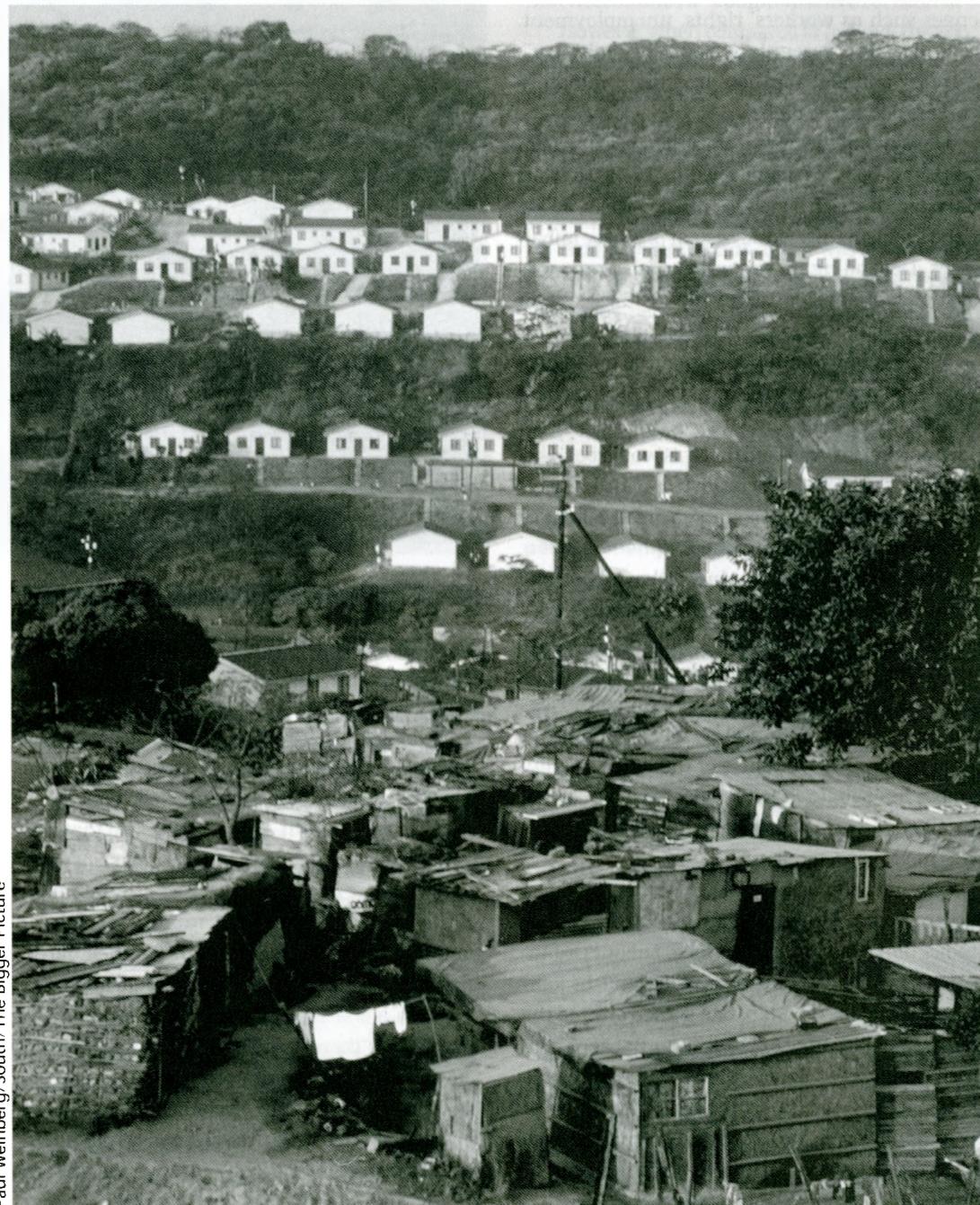
The second document they should discuss is the May 6, 'Letter from the President' (see summary on pages 18-19) that talks about some form of social corporatism. He suggests that arising out of the Growth and Development Summit, whether at local, provincial and national level, that we set up institutions that institutionalise social democracy and therefore corporatism.

With local government elections on the horizon sometime soon, Judy Madumo and Philip Sapud asked Numsa general secretary, Silumko Nondwangu, what regions should be doing to support the ANC.

The Letter raises a number of questions, questions that the President has indicated he intends responding to.

How do you think the manifesto will be drawn up?

The NGC is going to shape the ANC towards its Conference in 2007 and its direction towards 2009. There has been no proclamation with regards to when the local government elections will take place, precisely because the NGC is the timing! **NB**



"Slums shall be demolished, and new suburbs built where all have transport, roads, lighting, playing fields, crèches and social centres."
Freedom Charter, adopted 1955

Summary of President Mbeki's

May Day letters

This is a summary of these letters. For the full text, look on the ANC's web site – www.anc.org.za.

In the first letter, President Mbeki raised the fact that the impact of globalisation meant that workers across the world are raising similar questions when they celebrate May Day. Challenges such as workers' rights, unemployment, casualisation, deregulation, quality jobs, outsourcing and globalisation are now common to workers across the globe.

He said that theorists from as far back as Adam Smith (his book was published in 1775), to Karl Marx and Friedrich Engels to present writers, allude to the problems of a world system of power imbalances. Depending on the writers' ideology, this imbalance is either caused by the capitalist system or an imbalance of power between nations.

While Adam Smith hoped that the imbalance "would be corrected by the organic achievement of 'equality of courage and force' across the globe". Marx and Engels predicted that this would be righted when "the global proletariat responded to their call - 'workingmen of all countries unite! You have nothing to lose but your chains!"

Mbeki stressed that "all of us still have to answer the question whether we have responded adequately and correctly to the challenge posed by Adam Smith". He felt it unlikely that it would be achieved by the "workingmen of all countries" uniting against a common enemy, the international bourgeoisie" because of the latter's ability to move its capital across countries and "to compel all nations, on pain of extinction, to adopt the bourgeois mode of production."

Quoting from a 2002 paper written by Lucio Baccaro from the International Institute for Labour Studies (linked to the International Labour Organisation), he said that one country, Ireland, by joining in a social partnership, had turned around the country's economy. According to Baccaro, the "Irish Congress of Trade Unions (ICTU) agreed to contain wage increases within limits negotiated at the national level. Also, the ICTU committed itself not to take industrial action that would result in additional cost increases to employers."



William Matlala

In agreeing to participate to enhance "the competitiveness of the national economy" trade unions gained access to policy-making.

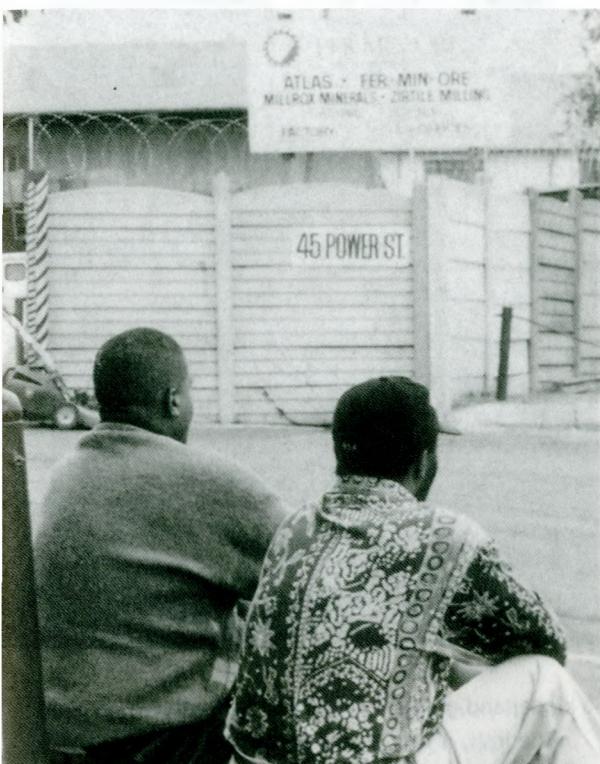
For its part, government "agreed to increase take-home pay by reducing personal taxation" and "maintain the real value of social welfare allowances."

Turning to South Africa, Mbeki said that if we want to follow Ireland's example, "our social partners will have to achieve a shared understanding of the 'state of the nation'" and move beyond choosing particular messages to suit their particular interests rather than the "national interests".

Such a shared understanding would mean agreeing on "the real situation" with regard to issues like the flexibility or rigidity of the labour market, job creation or job losses, the official definition of unemployment and its causes, the accuracy of official statistics, the differences between a grey economy and the informal sector as just some examples.

May 6 to May 20

On three successive Fridays from May 6 to May 20, President Mbeki, in the ANC's weekly on-line newsletter, ANC Today, raised various issues and questions that he felt workers in this country should deal with.



In his second letter of May 13, Mbeki points to how the challenge of unemployment meant that "we have communicated the wrong message that the negative job situation represents an economy that is in deep crisis" and that necessitates a "comprehensive revision of our economic policies."

However when compared to Ireland, the South African economy has none of the problems that spurred the Irish partnership. SA has no "skyrocketing government debt nor budget deficits, no stagnant investments, and no unmitigated job losses."

However, this country does face many serious socio-economic challenges like: unemployment; low skill levels of its working people; high levels of poverty and gender and racial inequalities.

And because of this, there was a social partnership agreed upon at the Growth and Development Summit. However, Mbeki urged that to tackle the unemployment issue required a response based on the "real situation".

He said that different research papers showed that the idea of jobless growth over the last 10 years was a myth. In fact the number of jobs created did exceed the number of jobs lost but those created were not enough to absorb new entrants to the job market.

Some of the 4.4m people unemployed

The third letter of May 20 questions the accuracy of Stats SA's figures of 4.4 million people unemployed and "actively looking for work". "This is such a large number of people that nobody could possibly have missed the millions that would be in the streets and village paths "actively looking for work".

Further facts that could account for the unemployment rate being inaccurate and too high were the fact that casual workers, sub-contracted workers, part-time workers, unlicensed traders and independent contractors are mostly not counted as being employed.

For the social partners to "act together effectively, they must ...move from a common understanding of the challenges they faced together."

He said that employers could use the "enormous job loss" argument as a way to push gov-

ernment to ensure "maximum 'labour market flexibility'" and thus roll back workers' rights. On the other hand, trade unions could use the same argument to secure the "best conditions for the protection of the jobs of their members, including the threat posed to these jobs by the competing interests of the unemployed, who are ready to take the jobs of those who are employed."

"Our social partners have a shared interest to defeat the related scourges of unemployment and poverty. Properly to respond to this common challenge, they will have to learn how to achieve the correct balance between their partisan and collective interests.

It is only within this context that we would be able to say that the workers of this country were justified to celebrate May Day in a spirit of hope and confidence." **NB**

Irish success story

a social partnership myth

The Republic of Ireland is sometimes held up as one of the great success stories of the world economy. According to the most recent World Investment Report, it tops the index for globalisation and has the fourth-highest foreign direct investment rate relative to the economy's size.

One explanation for this is that Ireland has benefited from its social partnership arrangements. Irish workers have been convinced to regard their employers as partners and, it seems, have been duly rewarded.

A new morality tale is offered for the developing world: if there is partnership between all social classes and your society follows neoliberal economic doctrines, you too can be rewarded with economic growth.

This is a myth for a number of reasons. Countries often follow the Washington consensus and still are not rewarded with economic growth. They may deregulate, hold down wages and cut taxes on the wealthy and still experience wholesale poverty.

Ireland itself followed these policies in the 1980s - and still experienced mass emigration. Its growth only took off in the mid-1990s and that was for a number of specific reasons.

US companies, particularly in computers and pharmaceuticals, needed a platform inside the EU to get access to the single European market. A number of them discovered that Ireland offered an English-speaking, highly educated workforce that was comparatively cheap.

Tax cuts on companies

On top of that, the Irish government cut corporation profits tax to a mere 12.5 percent so the hugely profitable banks paid less tax on their profits than their cleaning women did on wages. In addition, Ireland concluded special agreements with the US government to allow US firms to benefit from transfer pricing for tax purposes.

The Celtic Tiger, therefore, was not the result of a social partnership, or even of a deliberate state strategy. It emerged through a particular set of circumstances that is difficult to repeat.

Once the boom gathered steam, new arguments emerged to suggest that social partnership brought

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a kinder and gentler form of neoliberalism.

The Irish, it was claimed, had the best of both worlds: US-style jungle capitalism and European-style social solidarity. But this too has proved to be a myth.

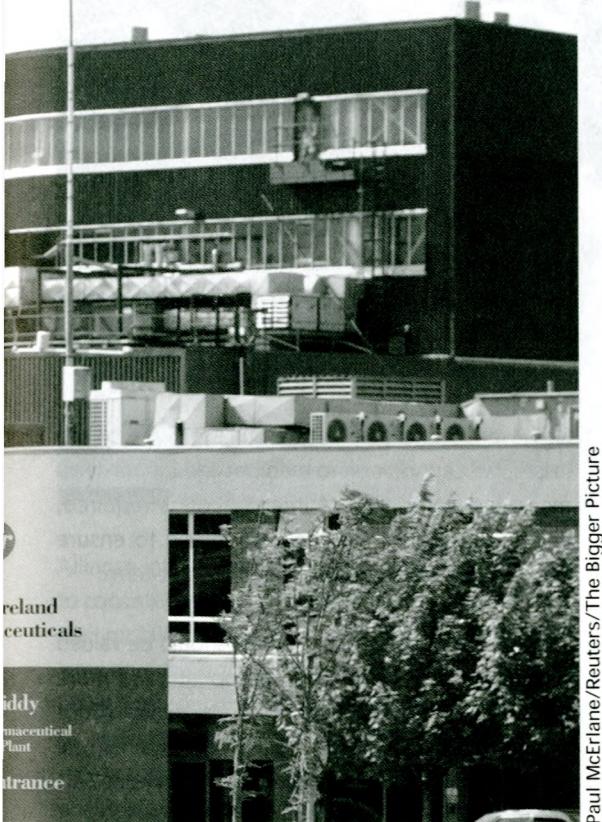
Tax cuts for workers with very low pay rises

Under the social partnership, Irish workers are offered very low pay rises, but get small tax cuts instead. (Even the latter have disappeared recently.) Almost every other item in the Celtic Tiger is "liberalised" - except wages, which are held in check by "voluntary" restraint. There are no price controls on building land, no rent controls, and no limit on profits. Only wages are held back.

The result has been twofold. Ireland became one of the most expensive countries in Europe with, for example, fantasy figure house prices. A simple house in a working class area now costs between E250 000 and E300 000 (R2 million and R2.5 million).

On top of that, the share of the economy going to wages and social welfare has declined faster in Ireland than elsewhere in Europe. The neoliberal offensive has meant that the wage share of the total economy in the EU fell from 72 percent in 1987 to

President Mbeki recently quoted from a 2002 paper written by Lucio Baccaro from the International Institute for Labour Studies (linked to the International Labour Organisation), saying that Ireland's experiment in a social partnership, had turned around the country's economy. In this article, Irish academic Kieran Allen debunks this myth.



Paul McElane/Reuters/The Big Picture

US pharmaceutical giant, Pfizer, established a plant in Ireland that manufactures the key ingredient for its sex pill Viagra. Now it can sell into the European market.

tom in cutting corporate taxes and if workers have to get small tax cuts to compensate for low pay rises, it follows that there is less money for public services and for redistribution. The country's tax take stands at 33.9 percent of gross national product compared with an EU average of 41.4 percent.

Deteriorating public services

One spin-off is that public services are of a poorer quality than would normally be the case in a developed industrial society.

Ireland, for example, has spent only 70 percent of the EU average on healthcare over the past 20 years. It holds the record for cutting the most hospital beds per head. As a result, waiting lists for treatment are unnecessarily long and the poor suffer most as they wait longer than those with private health insurance.

The unions, which supported the social partnership model, have lost out considerably. Union density has fallen from 48 percent of the workforce to 35 percent today.

Many of the large US firms, whose balance sheets benefit greatly from wage restraint, do not recognise unions. Union participation has probably declined even further with few people attending meetings and morale at an all-time low.

In a recent dramatic case, the largest union, Siptu, was not even aware that 300 of its mainly migrant members at a major construction firm were being paid just over a quarter of the legal minimum wage!

Ireland has much to offer by way of example to the world. During the apartheid era, for example, young Irish shop workers refused to handle South African goods. From James Connolly to Bobby Sands, there is a powerful tradition of resistance to empire and injustice.

One example not worth following is the social partnership model. That is, unless the aim is to co-opt South African unions into toeing the neoliberal line. **N3**

This article originally appeared in Business Report, May 25, 2005

68.3 percent in 2000. In Ireland, however, it fell much further - from 71 percent to 58 percent.

Forced to work flexibly

Irish workers have one of the lowest holiday entitlements in Europe. They are subject to continual calls for more flexibility and their unions in effect give employers a free hand to promote measures to intensify work effort. Stress and longer working hours have become an important feature of life.

A survey conducted by the Mental Health Association in 2001 found that 73 percent reported life more stressful than five years previously.

In the past, Ireland had one of the lowest levels of married women joining the paid labour force. Now three-quarters of women in the 25 to 35 age group are in employment because a two-earner family is a prerequisite for survival.

Yet, in line with its neoliberal policies, the Irish state takes no responsibility for providing child care facilities. As a result, Irish child care costs are among the dearest in Europe.

The tax-cutting model has had dramatic effects on Irish society. If Ireland leads the race to the bot-

Declaration of Alliance Summit

Senior delegations of the ANC, SACP, Cosatu and Sanco met in the second Ekurhuleni Alliance Summit from 22-23 April 2005.

We have convened in a period that is characterised by important advances and major challenges.

On the one hand, as an ANC-led alliance, we have consolidated and expanded our overwhelming electoral majority, we have advanced and deepened democratic governance, we have entrenched extensive social and economic rights and we have rolled out significant social resource transfers. In the recent period, government has shifted to a more expansionary fiscal stance and has begun to implement a programme of significant public investments. As an Alliance we collectively salute and claim these achievements.

On the other hand, deeply entrenched poverty and inequality continue to characterise our society and, above all, we have an economy that is not generating nearly sufficient jobs. As we meet, another devastating wave of mass retrenchments is striking the mining and manufacturing sectors.

As an Alliance, (we acknowledge our collective responsibility for addressing the unemployment and job-loss crisis). It is our Alliance that must provide the decisive strategic leadership to our country on these challenges.

One of the major achievements flowing out of our 2002 Alliance Summit was the convening of the Growth and Development Summit (GDS) in June 2003. Over the past two days we have devoted considerable time to reviewing the resolutions of the GDS, and assessing the degree to which there has been effective implementation.

Important progress has been made, but our Summit agreed that we have, as an Alliance working together with our government, not sufficiently mobilised our energies and resources to ensure that there is indeed a dynamic implementation of all GDS resolutions. In particular, we are concerned at the slow progress in reaching agreement on the GDS decision regarding 5% investible income, the Summit agreed that the Alliance should continue examining options that would encourage growth

in fixed capital formation, including prescribed assets.

Our Alliance Summit has agreed that we need to take forward our discussion, debate and implementation of programmes that will help put South Africa onto a sustainable growth and development path that creates and protects jobs and that ensures decent work and livelihoods for all.

However, in the face of the current wave of job losses, we cannot look to medium and longer-term measures alone. Urgent intervention is required, and as an Alliance we are determined to ensure that decisive steps are taken in the short-term.

The Summit agreed that the Rand should be valued competitively. We need an appropriate and more competitive exchange rate that will assist South Africa to create and save jobs, and build and expand local industry. Appropriate monetary policy is only one part of urgent measures that are required. A package of short-term interventions should include local procurement, trade and industrial policy measures.

In regard to local procurement, we call on retailers to sign a code with the union movement addressing local procurement targets of up to 75%. Government at all levels should also strongly pursue local procurement policies. In regard to trade, focused and clearly defined safeguard measures on imports must be taken to give industries in crisis an opportunity to restructure and to link these measures to active industrial policy measures and to shift industries to a more sustainable growth path.

Business must treat retrenchment as the last and not the first option considered. Government should align all of its policies to support the retention and creation of decent work opportunities.

Our review of the work of our Alliance since our 2002 Summit suggests that we have functioned effectively in the midst of electoral campaigns, our local level structures unite dynamically and there is a general unifying sense of purpose. Outside of election periods, and despite a great deal of ongoing



Alliance interaction, we have not always been able to consistently carry through our unity and our popular mobilisation. We acknowledge several problems and challenges. Unconstructive public attacks on each other have not helped and we have agreed to conduct our debates and air real differences, where they may occur, in ways that build unity, and enable the Alliance to provide leadership to our society in general. We have also agreed that each of us need to strengthen our organisations, especially at the community and shop-floor level so that we are able to strengthen each others' campaigns.

The Summit has agreed that the Alliance secretariat will meet with Samwu and Salga to facilitate a progressive solution to their current disagreement that will promote transformation and safeguard worker rights.

In this year of the 50th anniversary of the Freedom Charter, a document whose radical democratic vision continues to inspire and unite our formations, we are determined as an Alliance to mobilise our forces around our common programme of action. At the heart of our 2005 programme of action is the 'Know Your Neighbourhood' campaign in the broader strategic context of building people's power for local development. We will be deploying national, provincial and local level alliance cadres in door-to-door work to maintain ongoing dynamic contact with our mass base. We will popularise ward committees, school governing bodies, community policing forums and other mechanisms for popular participation at

local level. We will seek to empower communities, civics and local government to ensure much more effective local development and the creation of sustainable households and livelihoods.

"Business must treat retrenchment as the last and not the first option considered."

The Summit acknowledged the important interventions made by government into the "second" economy to address the challenges of underdevelopment - including land reform, support for SMMEs and cooperatives. We agreed that all of these and other measures needed to be intensified and that our Alliance formation need to engage actively on this terrain to ensure sustainable livelihoods, households and communities.

All Alliance partners committed themselves to throwing all their resources and efforts into ensuring an overwhelming ANC victory in the forthcoming local government elections.

Our discussions over these two days have confirmed for us a growing strategic convergence among our formations on the key challenges facing our society, and, above all, on the key short and medium-term measures that are required to address these. We reaffirm the 2002 Ekurhuleni Summit declaration that states that ours is a strategic alliance founded on the agreement that the primary task of the current period is the implementation of the national democratic revolution, a perspective that has been forged in struggle over more than seven decades. **NB**

Issued by: ANC, SACP, COSATU and SANCO

THE TWO ECONOMIES

Rumbles over two economies

While there is general agreement that there are huge developmental problems in large parts of South Africa, including a massive unemployment problem, there is no consensus on how to solve these.

Since early this year, the ANC has broached the issue of exempting small businesses from certain regulations and collective bargaining arrangements as a way of creating jobs. Every time the issue has raised its head, Cosatu has chopped it off.

In a discussion document entitled "Development and Underdevelopment" that went to the ANC's National General Council (NGC), the organisation again repeated its call for the relaxation of labour laws.

In the ANC NGC, there was heated debate over this issue which Cosatu again quashed. But Numsa's vice president has warned that the issue "will come back to Nedlac".

The "Development and Underdevelopment" document further analyses how to overcome the two-economy divide.

In the table on pages 24-26, we summarise the ANC's proposals from this document together

with Cosatu's response to the ruling party's strategy.

Cosatu's overall view is that it is unlikely that the three development models that the ANC cites to guide us will succeed in this country. Instead Cosatu wants to see an active industrial strategy that develops viable sector strategies, creates sustainable employment, establishes a cooperative financial sector, and uses "government agencies, worker pension funds and the Financial Sector Charter commitments to encourage appropriate investment".

Also in this section, ANC secretary general, Kgalema Motlanthe, (page 28) urges readers not to get immersed in the debate over whether there are one or two economies but rather to use the idea of two economies as an analytical tool to help decide on interventions.

Disagree with those who say our labour laws are flexible?

Read extracts from Les Ketteldas' (Department of Labour) input to the National Bargaining Conference earlier this year and absorb the statistics on page 26.

Issue

International experience of development

ANC

The ANC document cites 3 examples of development models that SA could use:

- 1. The Marshall Plan** was devised to deal with the devastation caused by WW2 in Europe. Financed largely by the US to ensure that communism did not gain a hold in the region, the US paid around 2% of its GNP for four years.
- 2. East Asian** growth and development programme - From the 1950s, the US ploughed money into Japan, South Korea, Taiwan to keep the area 'communist free'.
- 3. European Union (EU)** - In 2004, 10 new countries joined the EU all of which had national incomes "well below the national average".

The EU developed a plan to transfer resources from richer to poorer regions.

Common factors of all these plans were:

- a "powerful strategic consensus" on the part of the affluent to agree to grants, soft loans and other forms of aid to underdeveloped regions.
- a realisation that it could not be left to the market to lift up those areas
- a strong state to plan and implement.

None of these countries developed according to the Washington Consensus (development through private capital, leave everything to the market, integrate countries with the global economy)



The German city of Hamburg (top photo taken in 1945, bottom one in 1998) was rebuilt with aid from the US under the Marshall Plan after it was heavily bombed during World War 2. Cosatu believes that development models like the Marshall Plan will fail in South Africa.

Cosatu

Cosatu questions whether strategic consensus is possible in SA. Mining capital and white capital dominate in SA (unlike Asian countries) and can take their capital elsewhere if too much pressure is put on them to cough up the capital for the 'underdeveloped'.

If the state wants to counter this it needs:

- strong mass-based organisations'
- "clear mandates at all levels of government to prioritise employment creation and growth"
- gradual shifts in ownership of capital to state-owned enterprises, coops, broad-based BEE, workers' pension funds.

However Cosatu criticises the document for failing to analyse the structural factors behind the underdevelopment of the countries in the three examples. Cosatu

argues that these countries are different from African countries (like SA) which rely heavily on commodity exports. Once the international prices of these fall, the economy fails.

Although it agrees with the ANC that the Washington consensus model will not work, it says that it is unlikely that SA will receive support along the lines of these three examples. As the ANC itself points out: the developed capitalist countries are "freed of any challenge equivalent to the perceived threat posed by communism" that forced the US to cough up in the 1940s/50s.

Instead Cosatu argues that the real challenge is to get "domestic policies right and mobilise domestic funds to support them. If that spurs growth, foreign capital will follow."

THE TWO ECONOMIES

Cosatu believes that government needs to do more than give those in rural areas title deeds to their houses. It wants government to initiate an active industrial strategy.



W Matlala

Issue

Lowering the cost of capital

ANC

The ANC is against reducing the cost of capital by tinkering with interest rates. However it believes that even if the cost of capital is lowered, it will not necessarily lead to employment growth because the cost of labour has gone up.

Financing BEE deals can drain scarce capital assets in this country.

The options to ensure cheap finance for the second economy are:

- government subsidies
- acquiring cheap loans from organisations like the World Bank
- prescribed assets.

Other options are using development institutions like DBSA, IDC and other parastatals, converting assets of those living in the periphery into legal title so that they can access collateral from them.

Cosatu

Cosatu views this section of the ANC's strategy as very weak.

Cosatu believes that the state must be more proactive in intervening in financial markets. It says that the government could use its state-owned financial institutions like the DBSA and IDC more effectively. It is worried that there is no analysis of why Ntsika has failed (this is a dti project to fund entrepreneurs), and no discussion of whether establishing a cooperative movement would help.

It is worried that the ANC's idea that the 'second economy' "has all the assets it needs in its immovable property, especially housing" could mean that the ANC does not want to touch the issue of land reform or capital grants.

Instead Cosatu wants to see an active industrial strategy that develops viable sector strategies, creates sustainable employment, establishes a cooperative financial sector, and uses "government agencies, worker pension funds and the Financial Sector Charter commitments to encourage appropriate investment".

ANC

The ANC suggests having flexible labour laws for:

- young people
- workers in companies employing less than 200 workers
- workers in export-processing zones
- workers in labour intensive industries.

Centralised bargaining should not cover smaller employers, minimum wages should provide slower pay increases, and it should be easier to dismiss workers.

Cosatu

Cosatu's response is scathing:

- SA's labour laws are the same as those found in many other countries with lower rates of unemployment
- statistics show that:
 - since 1994 employers' profits have risen faster than workers' pay;
 - it is not difficult to hire and fire workers
 - if labour laws were stopping growth in employment then domestic, farm and informal work should have grown the most but they have grown the least
 - only 20% of private sector workers are covered by bargaining councils and councils grant more than 80% of applications by small companies for exemptions from minimum wages
 - the minimum wage in these centralised bargaining forums is often very low (just look at petrol attendants' wages!)

Issue

Labour market and small business

ANC

There are two economies in SA: the first is advanced, sophisticated, has skilled labour and is globally competitive. The second is informal, marginalised, unskilled and inhabited by the unemployed and unemployable.

To develop the second economy requires raising the "level of investment and economic activity" and reforming the labour market, while continuing to provide

- grants (govt has done this during the last decade)
- productive investments
- investment in infrastructure
- measures to support local development
- invest in education, training and health.

Key to this is to:

- reduce the cost of capital in the second economy and allow for a more competitive currency that will raise investment and exports
- make labour laws more flexible.

Cosatu

Cosatu is critical of the ANC's interpretation. It says that the ANC seems to be saying that the structure of ownership and production in the formal sector has "nothing to do with persistent unemployment and poverty".

Instead Cosatu believes that all of the following measures have reduced job growth and growth in general:

- the formal sector has become more capital intensive
- concentration of ownership in the formal sector has led to capital looking overseas for investments
- conservative financial and retail sector stifles development of small and micro enterprises
- low wages in formal sector
- govt's programmes have targeted export, capital-intensive industries.

Cosatu believes that developing the 'second economy' requires a serious structural change in the 'first economy'. It views the ANC's strategy of reducing the "cost of capital" and making labour laws "flexible" as mirroring the World Bank's latest argument of "letting the market determine the structure of production and ownership."

Issue

Dualism in SA

One or two economies?

Classically speaking there is one capitalist economy, says ANC Secretary General Kgalema Motlanthe. But in practice, a large section of the population of the country is marginalised. Speaking of two economies is merely a tool to help analyse this fact and decide on interventions.



I Grice

Everywhere I drive I see development taking place. They are not just single rooms. They are estates that cost even more money. They leave out the majority of our people completely.

You have a first world in South Africa and a third world. Sometimes our comrades in the (South African Communist) Party say that the capitalist system is one and therefore you can't speak of two economies.

But when you apply tools of Marxism dialectically you find answers to these questions. In the Communist Manifesto, Engels and Marx say: "The history of all hitherto existing society is the history of class struggles." You will understand and take that sentence and then apply it to current day society and realise that we are in a capitalist society where there are class struggles.

Everywhere I drive I see development taking place. They are not just single rooms. They are estates that cost even more money. They leave out the majority of our people completely. When I was growing up, our people never used to go out for a job. The neighbours would tell you that there is a job somewhere, working people would collect you and you would have a job. Those days are gone.

If you are a painter you will never find a job as a painter unless you organise yourself into a team of 3-4 and you organise a ladder, a roller, brushes and so on and you go out and quote and say, 'we will paint this building of yours and it will cost you so much if you provide the paint.'

That's how things are organised now - that's how production is organised. There is very little opportunity for people who want jobs as individuals. In fact they look at you with suspicion.

Rustenburg is the fastest growing city in the country today because of platinum. You see phenomenal development and yet in the same town you find able-bodied people, four to five sitting on the corner. When a bakkie stops they just jump on

to the back, they don't ask what kind of skills do you need, what is in it for them, what tasks they would have to perform, they will hear that once they get there - that is the level of desperation.

If you go to Soweto, or any township, the people there buy everything from town.

We are saying we want to intervene deliberately to change that setting in the township. If there is a plumber there, he must be assisted to run a viable business making sure that there is a market.

Soweto is bigger than the cities in terms of population - there are 3m people there. And yet there is no local economy.

If we are to intervene there, how do we characterize that? That's where the notion of the two economies comes from. We understand there is no confusion about one economy but we are saying we need to characterize the marginal aspect of this economy such that it enables us and drives us to intervene there deliberately.

But of course if we want to stay classical, it leads to confusion because classically there is one economy and that is a capitalist economy. If you say it that way you will ask impertinent questions. You will say, 'what is the objective - do you want the second economy to graduate to the first economy? Does this mean you don't recognize positive elements that are there on the marginal side of the second economy or does it mean that you are saying the thriving side is working fairly well?'

There is no confusion, we understand that there is one economy, but we say we want to be deliberate and use the instruments of abstraction - this first economy is the goose that lays the golden egg. **NB**

Motlanthe was speaking to Karl Cloete and Mdu Ntuli earlier in 2005

Les Kettledas on the rolling back of labour laws

Vanessa Le Roux

Les Kettledas, deputy director general in the department of labour, reassured Numsa leadership that a second economy should not and will not roll back victories workers had gained through their struggles.

Speaking to Numsa delegates at the Numsa Bargaining Conference in April this year, he said that labour market policies cannot be isolated from macro economic policies and trade and industry.

“ Our departments need to be harmonised. **dti** develop policies on trade but don’t take into account the effect they will have on our labour market policies. Problems cannot be addressed without a developmental strategy. It must include broader development that would be sustainable. Some are saying the **dti** shoots the rocket, the department of labour sits with the debris,” said Kettledas.

“ Those economists that argue that our laws and conditions cause problems in our labour markets must bring evidence to the fore. Business is part of these laws and must ensure together with labour and the department that there is implementation. Those that call for the reviewing of our legislation should think carefully - we don’t want to go back to the dark years of apartheid by creating a two-tier labour market that will harm the most vulnerable that are already in low paid jobs.”

The department of labour believes any changes should be influenced by facts and evidence from the workplace.

“ What we need is an active labour market policy to promote employment for young people. Such policy should include entrepreneurship with skills to enter the current labour market.” **NB**

How responsive are Bargaining Councils to the needs of small business?

Total number of applications for exemptions received:	7 373
Total number of applications received from SMMEs:	4 344 (59%)
Total number of exemptions granted:	5 670
Total number of exemptions granted to SMMEs:	3 407 (60%) only 797 rejected
Percentage of Bargaining Councils reporting on representation of small business in Councils and on exemption of bodies of Councils:	75.86%

(Source: Department of Labour 2005)

South Africa's new democracy has failed to deliver an "integrated, accessible and affordable public transport system" Jeremy Cronin tells Numsa Bulletin.

What are the challenges of public transport?

There is general agreement in ANC and government ranks that we have not succeeded in the delivery of an integrated, accessible and affordable public transport system in the first 10 years of democracy for a number of reasons:

1 Other priorities that may have enjoyed more attention are resources such as education, health, water, housing, etc. There is also an increasing awareness that the strategic focus on the budget allocations was determined by fiscal restraint as was evident in the macro economic strategy.

2 In dealing with other priorities such as housing we created more challenges for the public transport system in that houses more often than not were built far away from the city centres and industries and the closest routes where public transport is operative.

3 One of the projects for addressing public transport challenges was taxi re-capitalisation. Although it was well-intentioned in addressing the question of subsidies for this mode of transport, portability, safety and accessibility, in retrospect it was very much a top down, technocratic intervention so that after five years we have not progressed beyond the design of the new mini-buses.

4 The drive in the early years of our democracy was for privatisation of bus services and moves in the direction of the concessioning out of metro rail. In line with government's general re-assessment of the important role of the public sector there is a reversal of these moves. In addition to that it became clear that the private sector was not very interested in Metro Rail as a profitable enough activity.

Jeremy Cronin is Chairperson of the Transport Portfolio Committee in Parliament and Deputy General Secretary of the SACP

What do we make of the current state of affairs in Metro Rail where in Cape Town we are confronted with the reduction of train services?

There is a view by government that we need to look at the inter resourcing of the whole public transport system.

Metro Rail which is run as a national company get its money indirectly from the department of transport through the South African Rail Commuters Corporation (SARCC).

In the 2004/5 transport budget R2.5bn is earmarked for commuter rail - which is transferred to the South African Rail Commuter Corporation - and R2.2bn which is transferred to Provinces for bus subsidies. These subsidies are not always optimally directed to assisting the poorest commuters.

“ There is a need to restructure and transform the delivery of effective passenger rail services ”

In this way Cape Town Metro Rail for example is affected by decisions taken in Pretoria by SARCC in terms of cost cutting measures as a result of ageing rolling stock and the fact that it has over the last 20 years not been refurbished.

There is a need to restructure and transform the delivery of effective passenger rail services in South Africa which has been hampered by complicated arrangements with public entities such as South Africa Rail Commuter Corporation, Metrorail and Shosholoza Meyl.

There is no consultation with the City, trade unions or chamber of commerce when such cost cutting decisions are taken in Pretoria by the SARCC.

The private sector acknowledged, as a recent study has shown, that where there are continuous operations the public transport system is particularly unreliable after hours. If we are to address such matters as productivity and job creation there ought to be a reliable system. More importantly the needs of the poor must be addressed by pro-

The primary aim of the taxi recapitalisation programme at conception was aimed at:

viding subsidised, cheaper and reliable forms of transport particularly where workers are staying far from where industries are located.

There is therefore a definite need to establish a provincial transport authority with real power where the different stakeholders develop collectively a broader public transport system which takes into account the role of bus services, mini-bus services and rail services in an integrated manner. Public transport cannot simply be reliant on rail services however safe a mode of transport it may be.

Is there a commitment from the state to intervene in ensuring a strong public transport sector?

There is indeed a commitment from the state to play an instrumental role in the strengthening of public transport, freight logistics and transport safety and enforcement.

There is a clear decision to hold onto Spoornet, Transnet and freight logistics and to use them to drive a developmental plan in transport.

Any initiatives by government at this point to strengthen public transport?

There is a need to integrate the activities and structure of the SARCC and Metro Rail.

Efforts must be made to ensure that bus services, mini bus services and the rail system work

- Providing vehicles which will provide safe and affordable transport to commuters. The age of the minibus taxi fleet averaged 9 - 10 years which increasingly threatened the safety of commuters.
- Creating opportunities for jobs in the manufacturing and downstream activities.
- Promoting the use of diesel fuel as a more cost effective and efficient fuel and thus lowering the operating cost.
- Supporting the objective of formalising the taxi industry and thus having an effective regulatory framework which will assist in operators fairly sharing the transporting of passengers and also curbing fights for routes.
- Broadening the tax base.

What is the status of the taxi recapitalisation programme?

The mini-bus taxi is a very important but dynamic and difficult industry to organise. Socio economic factors must be taken into account in the sense that any strategy to reorganise the sector must take into account employment and the support sectors such as back-yard mechanics.

There is a view in the portfolio committee that insofar as the taxi recapitalisation programme was well intentioned we must work within the realities of where this sector is located. We must be con-



"Housing created more challenges for the public transport system in that houses more often than not were built far away from the city centres and industries and the closest routes where public transport is operative."

William Matlala

cerned with the safety standards of the mini-bus sector but as we seek to improve the situation the socio economic factors must guide our approach.

Within the portfolio committee of transport there is a concern that whereas the recapitalisation programme was initiated partly because many owner operators could not afford new vehicles, the proposed new fleet of 18 - 35 seater vehicles might not be affordable.

What role should transport play in addressing issues of development?

We have inherited a spatial and racial divide. We must address this with future urban and spatial planning so that the issue is not so much mobility but accessibility.

In this regard how we plan and develop housing has an impact on transport patterns and vice-versa. Sustainable solutions are required.

Update

Since Karl Cloete conducted this interview in October 2004, the Department of Transport has changed tack slightly on taxi recapitalisation and rail transport.

Taxi recapitalisation

- It has scrapped the tender process for the new vehicles.
- It has scrapped the requirement that taxis be 18-35 seaters
- It has scrapped the electronic management system that was to have been introduced to monitor taxis.

In its place it:

- Has set out three bands of taxis: 10-17 seater minibus; 18-23 seater minibus; 24-33 midibus. Any manufacturer can produce these vehicles as long as they comply with the safety requirements.
- Has set out safety regulations for the new vehicles (see below)
- Will provide those taxi owners that have permits for their vehicles with a scrapping allowance of R50 000 for each vehicle. If the taxi owner wants to continue as a taxi operator, s/he must apply for an operator's licence and be registered with the SA Revenue Services. This licence will spell out the detailed route that that particular operator is registered for.

The process of recapitalisation will start from this year. Government will pass laws giving municipalities the power to regulate taxi ranks and routes.

New taxis must comply with safety standards.

Some of the new safety standards to be introduced into the new vehicles:

- brakes of the vehicles should be in line with purposes of public transport
- all seats should be fitted with safety belts
 - special commercial tyres should be used (185R or 195R) for mini buses
 - all vehicles should be fitted with roll bars to prevent vehicles overturning.
 - diesel-fuelled
 - tamper-proof speed governor that will prevent the taxi from travelling over 100km/hour.

Rail transport

From July, commuter rail operator Metrorail, Shosholoza Meyl and the South African Rail Commuter Corporation will all be merged.

Ezrom Mabyana, the president of Satawu, has welcomed the move: "We believe that it (the merger) will form the entity that focuses on the passenger, (and) will attract a subsidy from the government which will help our poor people afford the fare."



Up There!

(On taking my first aeroplane flight)

Ayanda Billie

Up in the clouds
mountains of white-smoke
so close
building smooth waves of heaven
embraced by kisses of the sky

Through the window
up by wings of man
my stomach trembles, head spins
seeing how far I have tested God
beyond grace

My sins grinned at me
up there,
punched by lies I've once told
smiles of beautiful air hostesses
frightened my miserable mind
as if they were announcing
my last day.

INDUSTRY POLICY

MIDP review

The Motor Industry Development Programme (MIDP), a joint programme of government, business and labour that supports the automobile industry is up for review. Now in its 9th year, the parties are to examine the details of the programme and come up with proposals on how it should look after 2012.

The MIDP aims to:

- provide high quality and affordable vehicles and components to the domestic and international markets
- provide stable and sustainable employment through increased production
- make a greater contribution to the economic growth of the country by increasing production and achieving an improved sectoral trade balance

It tries to do this by:

- phasing the SA automotive industry into the global economy over a period of time (through a gradual decrease in tariffs)
- increasing volumes via exports

■ providing incentives to companies to expand production.

While business, labour and government are involved in a joint review of the programme, Numsa will ensure that it develops its own independent position. This follows a resolution put to last year's National Congress calling for a review to see whether the MIDP had created the jobs that it had promised. Numsa will soon hold workshops with shop stewards from auto, tyre and those companies that are manufacturing components to understand what is happening in the sector and to start to formulate its own position. Deadline for submissions to government on the MIDP review is June 30 2006.

In a bilateral meeting between German trade union, IG Metall and Numsa earlier this year, a German shop steward from BMW who is also on the BMW Works Council, told Numsa that the current incentives of the MIDP were encouraging the company to produce in this country. However, he warned that anything that would take away these advantages could see BMW moving its export production to another of its plants across the world.

dti draws up

Customised Sector Programmes

The department of trade and industry (dti) has drawn up Customised Sector Programmes (CSP) for the metals and capital equipment sectors. It has prioritised sectors that are key contributors to growth and employment in the country.

The CSPs aim to boost production, maintain and create jobs, enhance exports, attract local and foreign investments and encourage broad based black economic empowerment.

Metals sector

In the metals sector, some of the ideas it proposes are to:

- tackle the prices of basic metals (especially the use of import parity pricing which sets the local

price of steel as if it were imported)

- help set up six different beneficiation projects: base metals (Springs), jewellery, refrigerated containers, extend catalytic converter manufacturers to produce entire exhaust systems, the rolling of very thin stainless steel and establish a metal park to support SMMEs.
- put an export duty on scrap metals to discourage local scrap metal dealers from exporting.

In the capital equipment sector the focus will be on producing Pebble Bed Modular Reactors (for export) and on boosting mining equipment exports to Brazil and Chile. dti will also assist with research and skills training and coordinate different players in the industry.

Is it time for a new wage model?

Workers demand a 12% wage increase, employers offer CPI-X of 3%. Why are workers' wage demands so high when government statistics tell us that their increased costs have hit all time lows? Jenny Grice investigates.

For the past four years, Numsa and other Cosatu affiliates have been using the CPI-X as a guide to determine what wage increases should be. The CPI-X measures how prices increase over time.

If CPI-X goes up by 6% between May 2004 and May 2005, then it should mean that if you get a wage increase of 6% for 2005/6, you should be able to live at roughly the same living standard (as long as CPI-X doesn't increase too much over that year!). Any increase on top of that should improve your standard of living - you would be getting a 'real wage increase'. That is why Numsa's demand has always included a demand for CPI-X plus an improvement factor.

However, workers have started to question whether CPI-X is really measuring the price increases that they are paying. To them it seems that a CPI-X increase with an improvement factor is not

improving their standard of living. And hence the demand of 12% that came out of the Numsa National Bargaining Conference earlier this year.

How is CPI-X calculated?

To understand why CPI-X is causing workers problems, we need to understand what the CPI-X is and how it is calculated.

The government has a statistical department called Stats SA. Every five years it does a survey of 30 000 households across the country. It surveys different types and sizes of households from hostels, traditional dwellings to town houses and flats. It asks them what income they receive and how they spend it. From this survey it calculates what proportion of its income each household spends on a 'shopping basket' of goods and services.

Does your weekly shopping basket look like Stats SA's?



George Hallett/South/The Bigger Picture

COLLECTIVE BARGAINING

This is what Stats SA's CPI-X basket of goods looks like (see box below).

For example, if you are taking home R2500 per month. Stats SA says you spend 25.66% on food - that's about R148 per week and 15.3% on transport - that's about R88 per week on transport. It last updated this basket in 2001.

Calculate your basket compared with Stats SA's

CPIX basket of goods	%	Weekly expenses on take home pay of R560 per week (expenses have been rounded off to the nearest Rand)	Now calculate your weekly expenses on this basket:	And now calculate the percentage of your income that you spend on each item.
				Item x 100 Weekly pay
Food	25,66	R148		
Non-alcoholic beverages	1,26	R7		
Alcoholic beverages	1,7	R10		
Cigarettes, tobacco etc	1,35	R8		
Clothing and footwear	4,06	R23		
Housing	11,57	R67		
Fuel and power (eg electricity, gas, paraffin, coal etc)	4,28	R25		
Furniture and equipment	3,15	R18		
Other household equipment and textiles	1	R6		
Household operation (eg cleaning materials, laundry/dry-cleaning etc)	5,22	R30		
Medical care	7,70	R44		
Transport (includes bus, taxi, train etc)	15,3	R88		
Communication (ie telephone, cellphone etc)	3,19	R18		
Recreation and entertainment (eg radio, tv licence, CDs, sport)	3,39	R20		
Reading matter (magazines, newspapers etc)	0,40	R2		
Education	3,77	R22		
Personal care (soap, skin creams, toilet paper, toothpaste etc)	4,37	R25		
Other (eg funeral expenses, repayment of loans, stationery, etc)	3,63	R21		
Totals	100	R560 per week		

(Note: totals might not add up because figures have been rounded off)

But when we did a snap survey of 114 shop stewards' transport costs in the Wits Central West region in May, this is what we found.

- The average cost of transport for these shop stewards was R32 per day (R160 per week) (This excluded transport costs for other family members like their children or their spouse)
- Their transport costs had increased over the past year by on average 24%
- Workers were spending on average 24% of their income on transport.

Why is it that the CPI-X could be measuring workers' costs so wrong?

- Between May 2004 and May 2005, high international oil prices have forced up the petrol price by 15% (since then prices have risen even higher). More than 60% of workers use taxis to get to work. The vast majority of taxis use petrol. Apartheid's legacy of workers living far from their places of work is putting extra strain on workers' pockets.
- Trade union Solidarity says that Stats SA itself has calculated the inflation rate for administered prices (school fees, water, electricity, petrol prices) at 12.3% over the past year. Workers have no choice but to pay these increased fees - they cannot find another substitute for water nor is it easy to find an alternative to taking a taxi because of a lack of public transport.
- Solidarity has also pointed out that the weights in the CPI-X basket have not been adjusted since 2001. Since petrol and other administered prices that consumers do not have a choice over paying have been increasing at rates way beyond the inflation rate since 2001, it means that the proportion of income that workers are spending on these items is way above what Stats SA says it is.
- The CPI-X basket is an average of all households from the very rich to the very poor, from one pensioner to a household of 10. It does

not show up the vast differences in expenditure patterns between these diverse households.

And while trade unions haggle with bosses over what is the real figure for price increases, statistics reveal what workers are feeling:

- Between 1993 and 2004, workers' share in the national income declined from 51% to 45%. (Obviously this was helped along by the high unemployment rate!)
- Companies' share of profits increased from 26% to 30% of the national income. **NB**

Do your own calculation:

If you want to calculate the percentage increase in your transport costs since last year, look at this example:

Transport cost per week August 2004	R120
Transport cost per week August 2005	R145
Increase in transport cost	R145 - R120 = R25
Percentage increase in transport costs	R25/R120 x 100 = 20,8%

- Does the CPI-X basket of goods and services reflect the spending patterns in your household? Calculate your own basket.
- How much extra are you paying on transport this year compared to last year? Are you paying less or more than shop stewards in the Wits Central West region?
- What cost has increased the most over the last year?
- What do you think of using CPI-X as a basis for our demands?



Revisiting the issue of the mega-bargaining

Introduction:

The issue of consolidating our bargaining structures and moving towards the mega-bargaining council, has been on the agenda of the union for some time. For various reasons, not much progress has been made on the issue. Among the reasons for the lack of progress has been:

- our inability to drive the process
- the lack of clarity on what we actually wanted
- absence of strong enthusiasm on the part of our members.

The need to revisit the issue

With lack of progress on the issue, it is high time that we re-look at our perspective on the matter. Even at the time when the proposal for a mega-bargaining council was mooted, some questions were raised:

- will such a step remove bargaining further away from the shopfloor?
- will such a move lead to bureaucratisation of bargaining processes?
- does building solidarity between sectors necessitate putting together different sectors into one bargaining chamber?
- Will we be able to develop an argument against employer arguments about diversity and the disparate sectors that we were trying to put together.

These questions are still relevant and have not been adequately answered.

An alternative or a stepping stone to a mega-bargaining council – consolidating the existing bargaining arrangements?

Anyone familiar with our bargaining structures will realise that there are problems with the arrangements. These are some of the problems:

- despite all the attempts, we have not been able to unite motor workers given the diversity and different histories and fighting capacities of the different chapters within the motor industry
- automotive component companies are found both in engineering and motor sectors
- the absence of a statutory forum in auto assembly
- the historical but illogical separation of tyre and rubber from other auto components companies.

These anomalies besides causing problems for uniting and mobilising our members, have been a cause of uneven engagement when it comes to engaging on industrial policy matters. Engagement in the MIDP has been more of an issue for comrades in assembly rather than the comrades in components.

As a way of rectifying these problems, the proposal is that we should consolidate the existing bargaining arrangements. This could be seen either as a stepping stone to the mega-bargaining council or as an alternative.

council

Proposal for consolidation:

Sector 1	Sector 2	Sector 3
Restructured Engineering Bargaining Council	A New Automotive Bargaining Council	A Restructured Bargaining Council for Motor Services
Step 1: Take auto components out of the scope of this bargaining council. Step 2: Ensure House Agreements move into the Main Agreement Step 3: Move tin packaging into the council <i>(Note: this was achieved in 2003??)</i> Step 4: Bring in Denel and the armaments industry into the ambit of the bargaining council <i>(Note: this was achieved in 2007?)</i>	Step 1: Create a new bargaining council made up of assembly, tyre and rubber, and motor components. The bargaining structure will be statutory unlike the NBF. The advantage of a statutory body will be that agreements that are reached will be extended to non-parties	This will be made up of motor dealerships, panel beating shops and filling stations

Development of the proposal:

If this proposal is appealing, the suggestion is that the following steps be taken:

1. The proposal be part of regional and local discussions in the run-up to the April 2001 NBC
2. That a fleshed out proposal be tabled at the NBC
3. Between now and the NBC, investigation be done on:
 - the possible legal and procedural route to be followed to effect the proposal (Sector Coordinators & Legal Dept)
 - what the proposal may mean for the representativity of the Councils (Sector Coordinators)
 - how to deal with issues of funds and benefits which may be a thorny issue for some of our members (Benefits Officer).

The outcome of these investigations will have to go to the NBC as part of a fully-fledged proposal. **NB:**

Numsa document drawn up in 2000/2001

The debate around putting House Agreement companies into the Main Agreement (see page 40) has been going on for as long as the idea of a mega bargaining council. The document reproduced below was drawn up in 2000/2001 to stimulate debate around the mega bargaining council. **What is your view?**



House Agreement consolidation – why no progress?

The table on the next page summarises some of the key conditions found in the Main Agreement (MA) as compared with House Agreements. Check the MA conditions against yours and you decide which one is superior!

Main
Agreement
conditions are
just as good
and some are
better than
the House
Agreements.



Mdu Ntuli

W Matlala

House Agreement companies by their nature are stable and most are big, therefore they offer job security to the labour market in our sector.

Looking at the list of who's who in the House Agreement, one can safely say this section is an 'elite'.

Why are they not part of the main agreement (MA) that covers all the engineering sector?

The reason for this is two-fold: first being the attitudes and perceptions of general members and shop stewards and second being that of employers towards centralised bargaining.

Let's look at shop stewards' attitudes and perceptions. The bargaining process is the core function of the union. Shop stewards together with

union officials execute this process.

Therefore if you were to remove this process from shop stewards at plant level, you would be removing their most important function. They would just be reduced to hearing and monitoring the agreement.

The attitudes of the workers stem from the attitudes and perceptions of the shop stewards plus the ignorance on their part on what the Main Agreement consists of. They fear an erosion of benefits if they were to move to centralised bargaining.

The attitudes of the employers stem from fear of solidarity of the workers, the might of Numsa at centralised bargaining level and the fact that they know, on some sections of their agreements, they give less when compared to the Main Agreement.

The information in the table is taken from a study done in 2001 by the Labour Research Service for the Metal and Engineering Industries Bargaining Council: *A Comparative Study of the Terms and Conditions of Employment between the Main Agreement and Selected House Agreements in the Metal and Engineering Sector in South Africa*

Which is better - House Agreement or Main Agreement (MA)?

	MA Conditions	Best	Worst
Hours of work	40 hours	Main Agreement plus all other HA companies (except for Iscor and Assmang Aluminium) - 40 hours	Iscor - 45 hours + 3 hours compulsory overtime Assmang Aluminium 40 normal hours and 2 hours overtime
Night shift	Normal + 15%	Hulett 20%	Iscor = nothing
Day Shift	Normal + 7,5%	Hulett = 15%	Iscor = nothing
Payment for work on Sundays	2 x normal rate of pay	MA, Hulett, Highveld Steel, Columbus = 2 x normal rate of pay	Iscor, Hillside, Bayside = 1,5 x normal
Payment for work on public holidays	1.33 x normal	Hillside = 2,5 x normal	MA = normal x 1.33
Overtime payment	1.5 x normal	MA plus all other HA companies except Columbus = 1,5 x normal	Columbus; first 6 hours = 1.33 x normal; thereafter 1.5 x normal
Paid annual leave	3 consecutive weeks per annum	MA, Iscor = 21 days Hillside, Bayside = 25 days after 5 years service	Highveld Steel = 14 days
Maternity leave	6 months unpaid after 1 year service. If she is a member of the Engineering Sick Pay Fund she can claim 50% of her wage for up to 130 days.	Columbus = 4 months paid, 1 month annual leave, 1 month unpaid	Hulett (not covered)
Paid sick leave	30 working days in 3 year cycle (5-day work-week); 36 working days in 3-year cycle (6-day work-week)	Highveld Steel = 30 working days after completing 6 months continuous service	MA, Iscor, Hulett
Family responsibility leave	3 days per annual cycle	Columbus Steel = 5 days per occurrence (in case of death of direct family member)	MA, Iscor, Hulett
Termination of employment	2 weeks notice after 6 months employment	Hillside, Bayside, Highveld Steel = 30 days	Hulett = one working day's notice
Severance payment	1 week's wages per year of service plus weekly contribution to any applicable employee benefit fund for each completed year	Bayside = 12 working days per completed years + 42 days salary in lieu of notice + R10 000 training grant	Highveld Steel = 1 weeks wages for each year of service
Insurance of tools	Max R2000 cover	Hulett = R5000 maximum cover	Hillside = not covered

IN MY OPINION

Auto BEE - BEE or not

Dumisa Ntuli tackles the automobile sector on BEE

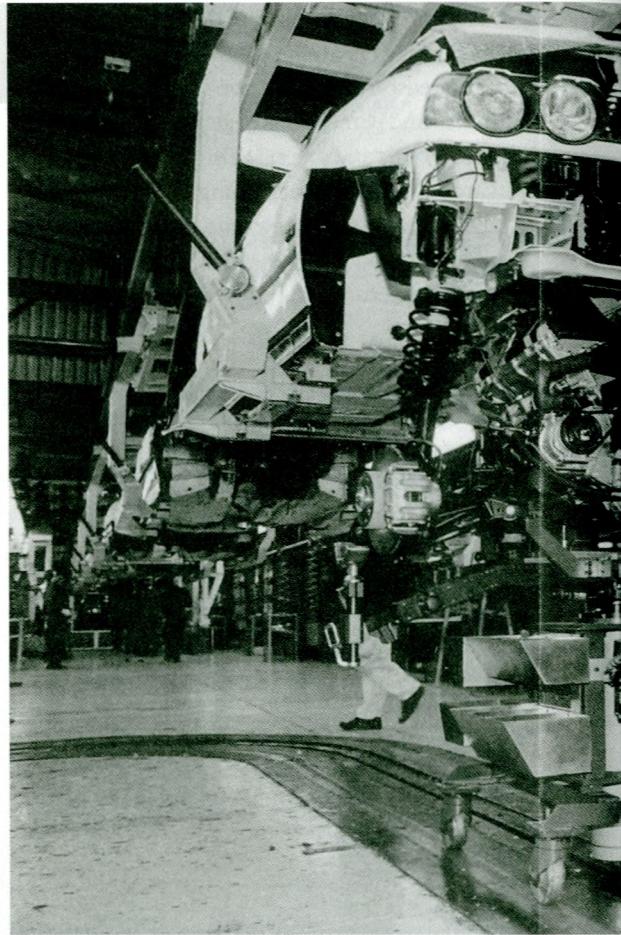
Numsa has been tracking the progress of the Motor Industry Development Programme (MIDP) in relation to black economic empowerment (BEE). The automobile industry is targeted as one of the key strategic sectors for development in the economy.

Last year in the Growth and Development Summit, all the stakeholders committed themselves to implement the broad-based BEE in all strategic sectors of the economy. The automobile sector needs to be targeted for broad-based BEE for transformation. The nature of poverty in South Africa is changing, the income gap is rapidly increasing within all racial groups, especially among Africans. The rising inequality is the natural result of high unemployment and low wages on the one hand, and the rapid de-racialisation of the market and integration into management positions on the other. Therefore BEE must resolve these inequalities and change the status quo ownership and domination by a single racial group.

Firstly, the drive towards BEE in the motor sector must go at full steam ahead because of the industry's reluctance to transform in terms of equity, management, employment equity and skills development. Mostly the industry ownership is predominately white and male. It is highly dominated by multinational companies. In management positions, there are only a few blacks in strategic and executive level positions. The implementation of the Employment Equity Act is not rigorous and skills development is not used effectively. Most annoying is the low level of training amongst workers.

In some companies BEE proposals turn out not to be about empowerment of people, but rather about how government can support black enterprise. Some of the Department of Trade and Industry's BEE strategy still fits into the same pattern.

Dumisa Ntuli is
Numsa's
information
officer.



There exists the problem of fronting for government tenders.

Secondly, the proposed strategy of motor sector companies is neither broad, nor about empowerment. It encourages opportunities and access rather than ownership of companies. There is insufficient encouragement and development of black owned cooperatives and SMMEs in the industry. This should be coupled with the development of female entrepreneurship.

Therefore greater emphasis must be placed on developing workers as the most disempowered group. We have to break from the focus of BEE being overwhelmingly on the boardroom. Workers must have a stake in ownership patterns. We need employee share cooperatives schemes in order to return the value of broad-based empowerment. Such schemes depending on transactions



"Workers must have a stake in ownership patterns."

in China. The state owns an undisclosed percentage of shares with key automobile companies. Why cannot this partnership apply in South Africa in a different form? Therefore the idea of employee cooperative ownership with foreign companies cannot be disingenuous. The tide must turn against the current dominant form of black economic empowerment deal-making in South Africa. Workers must have a stake in the ownership patterns in the form of cooperatives.

Thirdly, the notion that some original equipment manufacturers (OEMs) will be exempted from BEE because they are not South African based is wrong. This will undermine the same BEE policy. The fact is that most of the OEMs have invested in South Africa, therefore they cannot be exempted from the South African policies. As it stands currently, the government forfeits about R40bn as a form of subsidy to the OEMs through the MIDP, so they cannot be the first ones to queue for subsidies on the one hand and be exempted from adhering to BEE policies on the other.

We need to streamline the manufacturing structure. The trend is that South African components companies are bought out by foreign owned companies that have greater links with the OEMs, with the result that technology is usually removed and taken abroad, leaving no local research and development facilities. As a result small component companies are struggling to survive and are subsequently taken over by large multinationals. This presents problems for these newly foreign-owned companies to meet black economic empowerment criteria and many rate poorly on scorecards.

The idea that because they are multinationals therefore they must be excluded from BEE deliberately distorts government policy. Since it is the South African component of the multinational that benefits from South African govern-

could reach thousands of workers in the industry.

Many workers feel that never in the history of human enrichment must the benefit flow from so few to so few. They believe that there is a better way in dealing with broad based empowerment through workers owning a certain percentage of shares in OEMs.

The Chinese government chose to take advantage of a wave of opportunity, in spite of huge risks perceived to be associated with state intervention. The Chinese government supports fast economic growth but they have a real foothold in the economic direction of the country. Access is conditional and mostly depends on long-term productive activities. The state drives investment and industrialisation. They maintain control over the movement of foreign companies to ensure that profits are reinvested in the economy. The automobile companies have a partnership with the government

William Matlala

“ We must understand that giving business what they always want is not enough to get them to invest their profits in South Africa. ”

ment policies, therefore those who benefit should adhere to the BEE policy.

The recent announcement by Old Mutual that it will sell its South African component to BEE partners is further proof of the correctness of our insistence that OEMs should be subjected to the BEE policy.

It will also be undermining policy if they were to be excluded. The policy clearly states that all those companies doing business with government should implement BEE. Since all three spheres of government spend billions of rands purchasing vehicles from the same OEMs, it therefore follows that they should not be exempted from BEE policies. We need an integrated BEE approach to all OEMs, this will allow the industry to have a long term view on issues of monitoring and assessing the sector in relation to the scorecard.

We are not happy with the case by case scenario as suggested by OEMs because it will deviate from the broad policy objectives. Of course the inevitable end result of the case by case approach is unevenness. By far the most important thing is to rehabilitate the industry and seek to perform at desirable standards. We must understand that giving business what they always want is not enough to get them to invest their profits in South Africa. The economy we have today developed on a strong foundation of raw material extraction and included controls to keep black labour cheap.

The automobile companies remained in South Africa during apartheid because they were able to reap extraordinarily high monopoly profits by exploiting cheap labour. They continue to get cheap labour. Therefore no one can separate the development or the growth of South African motor sector from the history of oppression of the black population. These companies have not been exempted from government support and incentives. The country has spent billions of rand giving support to these companies in the MIDP.

They enjoy all benefits of the MIDP incentives and cry foul when they are supposed to give back. They cannot have the cake and eat it alone, there has to be distribution of economic resources.

Fourthly, Numsa supports an empowerment charter to set policy guidelines, code of conduct, standards and monitor

the activities of companies. The empowerment charter will address industry problems. It will be uniform and there will be synergy in terms of implementation. The enterprise charter will not be practical if we have to consider the diverse nature of companies. There will be problems of unevenness and it will be difficult to coordinate BEE activities in individual companies. It will be extremely difficult to exercise universality in the industry. Most of the OEMs have skewed and distorted procurement and distribution policies which predominately favour white companies. The preference of these OEMs to have enterprise charters we believe may be informed by their attempts to limit BEE to a few individuals as opposed to a broad-based BEE.

In conclusion, we do not need a “stock market” of BEE based on individual company performance. That approach could lead to individual gain clothed as broad-based empowerment. There will be no tangible value on the policy to shift the pattern of power. Transformation and empowerment of people should not be used as camouflage to the upliftment of a few individuals. Any empowerment must change the lives of the poor. There has to be wider distribution of economic assets.

In any event we are not surprised as Numsa by the position of OEMs with regards to BEE. This is consistent with the way they conduct themselves. They refuse to make a contribution by reducing car prices, this is despite the strong Rand and the high subsidies that they are getting from government. ■

Ode to Steve Tshwete

Aubrey ka Saki

Selfless, a revolutionary,
Visioned for upliftment of
Have-nots, thru' his
Concerns till emancipation,
From exploitative bourgeoisie
That invaded the dark continent,
Now always black Africa.

Him a people's choice,
To undertake their plight
Unto levels of desired esteem,
Till glory cometh, like the sun
On morning dew, to vanish.

Destined to annihilate the crippler
Of young hearts and spirits,
Them youths to mark fiendish forces
That navigate their minds, thru'
Negativism, passivity and despair,
Them to waste their future and lives.

A fierce adversary of drug-lords,
Cape Town to Cairo, and vice-versa
Hence the mysterious quiet departure
Him swelled the ranks of the unseen
Since African poison positioned
To strike his soul in a stadium.

By the grace of God, a peasant's *qabane*,
Rugged, robust and routined
To unleash socio-economic evils
That set to perpetuate inhumanity,
And instil domination of man by man,
Thus invited reaction, riots and revolution.
Hamba kahle thangana, krila ka Tshwete.



ORGANISATIONAL Filling the vacuum strategic plan

Eight months after the 7th National Congress and with all the allegations, division and tensions at the congress, the National Office Bearers formulated the 4-year Strategic Master Plan.

Judy Madumo and Philip Sapud spoke to the General Secretary, Silumko Nondwangu on some key issues in the 'Master Plan'.

Can you give us an overview of the master plan and how it came about?

We held a facilitated strategic planning session after the congress with the national office bearers (NOBs). We were taken through a training process on why it was important to have strategic planning in a revolutionary trade union. From there we went through the different resolutions.

The resolutions were split amongst the NOBs as follows:

President:	Political
1st Vice:	Socio economic
2nd Vice:	International
Treasurer:	Administration

The plan was presented to the December Central Committee and Regions then added to it, and the 4-year master plan was subsequently endorsed.

The NOBs agreed that the next step would entail getting regions to develop their own plans from the master plan. A session with regional office bearers (ROBs) was held and they were taken through the tools of strategic planning.

Interestingly, Ekurhuleni has set the pace by having a three-day session that brought together local office bearers (LOBs), all organisers, regional team members and ROBs, facilitated by their Regional Secretary.

Can you imagine a Regional Secretary attending a workshop, and then subsequently facilitating a workshop? For me it shows will on the part of the comrades to do things on their own.

Congress resolved that the existing policy on staff nominated as councillors should be reviewed, how far is that process?

The sponsor of the resolution in congress was the Eastern Cape. Subsequently in the central committee (CC), (we) proposed that (they) circulate to

the CC in July, a discussion paper that sets out the guidelines with regards to officials standing as local councillors.

What we must do is to draw experience from other unions, in particular the Num, with regards to how their officials were able to undertake responsibilities as officials.

Thus far, there is absolutely no empirical evidence both in the union and outside of the union that local councillors who happen to be officials of the union have compromised service to members.

We've got shop stewards that have served members as shop stewards in the plant but at the same time serve as local councillors. Do we have empirical evidence that says that these shop stewards have compromised service to members? Not that I know of.

With regards to officials, we expect more or less the same conduct.

How would officials be held accountable?

If someone becomes a local councillor, LOBs have got a responsibility to say, 'chief you're now a local councillor. On a monthly basis, let's have a plan of your activities. How much time will you spend on membership issues, how much time will you spend dealing with local authority issues?'

LOBs must ensure that the local councillors who also happen to be Numsa officials are monitored accordingly.

For me it's misleading and too narrow to look at compromises because even though s/he is accountable to the ANC, but to the extent that s/he sits in the structures of the union we should use that. So it's going to be a contested terrain.

Has the resolution to raise the class consciousness of Indians, coloureds, whites and white collar workers been heeded to by regions?

Judy Madumo is in the National Education Department. Philip Sapud is a shop steward in Western Cape



W Around

Yes and regions are active with regard to complying with the master-plan. In the Western Cape (WC) where this problem is more prevalent, they are currently planning a conference.

It is important to raise the class consciousness of whites, coloureds and Indians in the organisation but also you can't divorce the national question from the class question, so the conference that the region is currently planning would deal with the national question and the class question. It will be a very useful exercise.

On the issue of xenophobia is there anything that we are doing to confront this issue?

In my view, if you want to deal with xenophobia you don't deal with it as a concept in isolation from other things. The discussion internally in the union about Zimbabwe is also indicative of South Africans being interested in what happens beyond the borders of our country. All of us in the union say there must be political and economic stability in Zimbabwe - that's one dimension.

The second dimension operates at the level of the International Metalworkers Federation (IMF). Numsa representatives in the IMF Southern Africa regional meeting that took place quite recently, were instrumental in developing a 4-year plan that says what we can do to build independent, democratic and stronger trade unions in Southern Africa.

We can't deal with xenophobia internally in Numsa if we don't deal with issues that create such conditions. The reason why Africans migrate from their own countries to South Africa is precisely because there's political instability in their countries.

Therefore we should rather seek to ensure that we assist those countries with regard to economic development, issues of poverty, issues of building institutions of democracy and the trade union movement as one such institution of democracy.

It is important to raise the class consciousness of whites, coloureds and Indians in the organisation

Do we have xenophobic issues in Numsa?

Our bargaining unit representatives in the engi-

neering industry opposed very strongly a demand from Solidarity (in this year's round of negotiations). Solidarity said that there must be a ban on foreign workers in SA. The reference was to workers as production workers, not in managerial positions, nor as chief executive officers.

My comment was that this was self-serving and too narrow because it once again perpetuated white privilege.

“Regions must develop their own strategic plans because part of the strategic plan is how do we get the contributions of members and how do we improve service to members in the different regions so that officials are held accountable directly by their members.”

My sense internally in the union is that xenophobia has not been a major problem. Some of the national leadership of the union were not born in South Africa, but they live quite comfortably and work closely with comrades in the different regions.

Where xenophobia is a major problem is in the informal sector because of the level of poverty at that level. People are fighting and scrambling for the local economy, selling in the streets, that's where this problem has got to be addressed. We should be developing a combination of strategies interacting with those at that particular level and also contributing to relative stability in the different African cultures.

How is the master plan going to benefit the general membership of the union organisationally, especially after the divisions shown at the 7th National Congress?

Nature does not allow a vacuum. I want to use this basic example with regards to Ekurhuleni. I said to Ekurhuleni, "you see comrades if you develop your own regional strategic plan, you're not going to come in to the next regional congress with shop stewards from Wadeville asking you: 'George,

what have you been doing?' It's locals that must say from the previous congress up to this congress 'this is what we said we should do as a contribution to the master plan.'

We're changing the mindset in the organisation. Once you don't engage human beings, human beings find issues to engage themselves with. And unfortunately those kinds of things that they find to engage themselves with become very destructive, and therefore you engage them in constructive things such as developing regional strategic plans, which is something we never did in the past.

Remember the previous 4-year Numsa plan: that was a top down process, we do things differently now. I think we have to be patient. Get regions to develop their strategic, monitoring mechanism, and that will unify the organisation.

You will not believe after the congress the level of unity and constructive engagement in the last CC in December. And the subsequent meetings that we have had, have been very, very constructive because all of us are engaging.

How will this benefit the membership in general?

Regions must develop their own strategic plans because part of the strategic plan is how do we get the contributions of members and how do we improve service to members in the different regions so that officials are held accountable directly by their members.

One of the things that we have to think about creatively is what can we circulate to members that simplifies what we're doing so that members can get a better sense of what the plan entails.

Information can't sit in that office, it has got to be disseminated to where it belongs, and where it belongs is hundreds and hundreds of shop stewards and thousands and thousands of metalworkers - they should know what we are doing. It's not very good to have grand ideas that sit in this office, they must go where it matters most - general membership. So an interview subsequent to this one would be appreciated! **NB**

Your tasks!

Aubrey ka-Saki

Delegates sitting in the organisational commission of the National Bargaining Conference (NBC) held in April this year, produced a checklist for shop stewards and organisers. Are you cut out to be a shop steward? Do the organisational test.

Workers belonging to labour brokers in all industries where there is a Cosatu affiliate, must be visited and encouraged to join trade unions.

Officials told the National Bargaining Conference in April this year that this is not just a task of shop steward councils alone, but theirs also.

If unchecked, these workers belonging to brokers will undermine the operations of that particular union. This needs to be addressed urgently to mobilise all workers to speak with one voice.

Shop stewards need to attend local meetings to build their capacity.

There they learn to develop as they are exposed to larger discussions that affect the workers.

Workers themselves should be wise about whom they elect. After any local or regional seminar, workshop or congress, plant-workers, since they do not attend these, must be timeously updated on any deliberations from those meetings. Frequent report-backs bring spirited moods to workers when they know what is cooking in the air.

Concern was raised about shop stewards in whom their union had invested, that they are easily whisked away by managerial positions, leaving behind a vacuum that takes time to fill. A membership without a developed representation is left stranded.

To build a strong union structure in any factory, there is a strong belief that a unified and disciplined shop steward committee must be in place. Cliques and self agendas weaken the image of that said structure. Out of this we get a directionless membership as there is no guidance that is sought for worker control.

Shop floor problems, grievance and complaints about work operations, must be addressed simultaneously. To overlook them, spells hazards for any union. An in depth look as to the nature of the problem, is a must, and so is the will to solve the problems. This makes a shop steward gain confi-

dence from his workplace. A solid workforce comes out of such measures undertaken.

Shop stewards' problems and frustrations must also be looked into and solved. Local officials must not just come to a company on assignments from the regions. Their duties include heavy tasks experienced by a shop steward council.

As for the shortage of female representatives, this task belongs to all women themselves. They must participate at all levels of discussions, from this emanates their recognition as potential leaders.

Campaigns, stayaways and legal strikes must be known in time, and officials must visit factories to assist shop stewards and in this way we can have a strong union in any industry.

NB

Do the organisational test:

1. Have you ever recruited workers belonging to labour brokers?

(a) In the last 6 months (b) Last year (c) Never

2. When did you last attend your local shop steward council?

(a) Last week (b) 3 months ago (c) Last year

3. When did you last give your members a report back?

(a) In the last 6 months (b) Last year (c) Never

4. When was the last time you helped a worker(s) with a grievance?

(a) In the last 6 months (b) Last year (c) Never

See **page 65** to see how you fare

UNFAIR DISMISSAL

for incapacity

Numsa successfully defended a member who was dismissed for incapacity arguing that the company had not followed the relevant LRA guidelines. Mvuleli Magawulana defended him and reports on how the case was won.



Mvuleli
Magawulana,
ex-Numsa national
legal officer

Lear Corporation dismissed a Numsa member, James White, purportedly on the basis of incapacity. Lear Corporation had employed White since February 1996. The company became aware that he was an epileptic in or around 1997.

White was employed as a quality inspector at the company's final inspections. In August 2003, the employee was demoted to line feeder (operator) after a disciplinary enquiry found him guilty of poor work performance after he had approved a faulty headrest. The company suspected that the employee's misconduct might have been caused by the employee's epileptic condition. However, the company did not conduct any medical investigations about the employee's health condition as required in terms of the LRA guidelines related to discipline for incapacity. (see box)

On or around September 16 2003 the employee accidentally burnt himself with hot water that spilt from an urn. The company again suspected that he had burnt himself because of

suffering an epileptic fit.

On November 19 the company summoned him to an incapacity enquiry. They alleged that he posed a risk to the company and his fellow employees. The hearing ruled that White was a big risk to the employer in terms of the Occupational Health and Safety Act, 35 of 1993 and he was dismissed on December 3 2003.

Numsa referred his unfair dismissal dispute to arbitration at the Motor Industry Bargaining Council. On November 26 2004 and January 26 2005 senior commissioner, Wickus Rikert, ordered Lear Corporation to reinstate White on the same terms and conditions that governed his employment prior to his dismissal. He also ordered the company to compensate him for 3 months.

The Award also noted that if Lear Corporation was convinced that the employee posed an undue risk, it should first gather **reliable medical and occupation information prior to taking a decision whether or not to dismiss the employee.** ■

From: Schedule 8 Code Of Good Practice: Dismissal

10. Incapacity: Ill health or injury

- 1 Incapacity on the grounds of ill health or injury may be temporary or permanent. If an employee is temporarily unable to work in these circumstances, the employer should investigate the extent of the incapacity or the injury. If the employee is likely to be absent for a time that is unreasonably long in the circumstances, the employer should investigate all the possible alternatives short of dismissal. When alternatives are considered, relevant factors might include the nature of the job, the period of absence, the seriousness of the illness or injury and the possibility of securing a temporary replacement for the ill or injured employee. In cases of permanent incapacity, the employer should ascertain the possibility of securing alternative employment, or adapting the duties or work circumstances of the employee to accommodate the employee's disability.
- 2 In the process of the investigation referred to in subsection (1) the employee should be allowed the opportunity to state a case in response and to be assisted by a trade union representative or fellow employee.
- 3 The degree of incapacity is relevant to the fairness of any dismissal. The cause of the incapacity may also be relevant. In the case of certain kinds of incapacity, for example alcoholism or drug abuse, counselling and rehabilitation may be appropriate steps for an employer to consider.
- 4 Particular consideration should be given to employees who are injured at work or who are incapacitated by work-related illness. The courts have indicated that the duty on the employer to accommodate the incapacity of the employee is more onerous in these circumstances.

11. Guidelines in cases of dismissal arising from ill health or injury

Any person determining whether a dismissal arising from ill health or injury is unfair should consider-

- a** whether or not the employee is capable of performing the work; and
- b** if the employee is not capable-
 - (i)** the extent to which the employee is able to perform the work;
 - (ii)** the extent to which the employee's work circumstances might be adapted to accommodate disability, or, where this is not possible, the extent to which the employee's duties might be adapted; and
 - (iii)** the availability of any suitable alternative work.

Bua komanisi

Andries Linda Mbokazi, PAWE

**Bua komanisi,
Khuluma msebenzi,
South Africa deserves better,
Let your voice be heard,
End the corruption in our companies,
End discrimination in the workplace,
Bua komanisi!**

**Bua komanisi
Bua le maAforika
Bua le sechaba sa rantsho
Bua le sechaba soo ratshweu
Bua le baeteledi pele
Bua le balatedi
Bua komanisi.**

**Deal with privatisation in our country,
Liberate every language in our country
Rescue our women from deprivation
Sanction with rights of the employers
Fight for the rights of the employees**

They all deserve better

Bua komanisi!

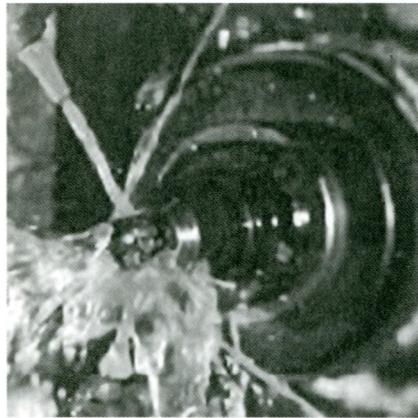
**Bua komanisi
Ngephepha ndaba
Khuluma namaphepha ndaba
Khuluma eziphepha
Khuluma sikuzwe
Bodlha silalele
Qede sithokomale.**

HEALTH AND SAFETY

The dangers

of metalworking fluids

If you work with metalworking fluids, your health could be at risk.



Metalworking fluids can harm workers if they inhale them and can damage their skin

Millions of workers worldwide who manufacture parts for automobiles, industrial equipment, aircraft, heavy machinery, and other hardware are exposed to metalworking fluids (MWFs). These fluids, and the additives they contain, are very useful but may cause skin and respiratory problems (harm the nose, throat or lungs).

Some studies have also linked MWFs with a variety of cancers, including cancer of the rectum, pancreas, larynx, skin, scrotum, and bladder.

What are metalworking fluids?

MWFs are liquids used in the machining process for cutting, boring or grinding. They are applied to the metal being worked to provide cooling, lubrication and corrosion protection.

They contain mineral oils or synthetic lubricants and may be used neat or in a water-mix. They may be called 'coolant', 'suds', 'slurry', 'soup', 'water' etc.

MWFs may also contain other substances such as emulsifiers, stabilisers, corrosion inhibitors, biocides, fragrances and extreme pressure additives.

When do metalworking fluids become harmful?

During machining operations MWFs are applied by continuous jet, spray, mist or by hand dispenser.

MWFs can harm workers if:

- their skin comes into contact with them or
- if they inhale them.

During high-speed machine operations, MWFs may form a mist or small droplets and be suspended in the air.

These breathable aerosols or oil mist and fumes (smoke) can also affect other people in the workplace not directly involved with the machining process.

How do MWFs affect your health?

Respiratory Diseases

Inhaling MWFs mist or aerosol may irritate one or more of your nose, throat (pharynx, larynx), the various conducting airways or tubes of the lungs (trachea, bronchi, bronchioles), and the lung air sacks (alveoli) where the air passes from the lungs into the body. Exposure may also aggravate the effects of an existing lung disease.

Some of the symptoms include sore throat, red, watery, itchy eyes, runny nose, nosebleeds, cough, wheezing, increased phlegm production, shortness of breath, and other cold-like symptoms.

Some workers have developed asthma. The airways of their lungs become inflamed. Less air flows in and out of the lungs. This results in shortness of breath and a wheezing sound.

Skin Disorders

Contact dermatitis is the most commonly reported skin disease associated with MWFs. Workers with contact dermatitis have itchy skin and a rash, often with cracks, redness, blisters, or raised bumps. Straight oils are often associated with acne-like disorders characterised by pimples in areas of contact. Red bumps with yellow pustules may develop on the face, forearms, thighs, legs, and other body parts in contact with oil-soaked clothing.

Two kinds of contact dermatitis are irritant contact dermatitis and allergic contact dermatitis.

In irritant contact dermatitis the rash is confined to the area in contact with the irritating substance (MWFs).

In allergic contact dermatitis the rash can spread beyond the area directly in contact with the irritant.

Once the skin is compromised, very small exposures, which previously did not have any effect, can cause an episode of dermatitis. It is important to try to prevent skin disease from developing and to treat it early because untreated dermatitis can lead to more serious complications.

How do you get contact dermatitis in metalworking operations?

- from dipping hands into the fluid, handling parts, tools and equipment, draining fluids without wearing gloves/protective equipment
- touching the fluids while changing and setting tools
- clothing contaminated by (soaked with) MWF;
- poor housekeeping practices;
- higher than recommended metalworking fluid concentrations; high alkalinity of in-use fluid which can remove natural skin oils;
- metal processing aids such as degreasers, cleaners, or rust inhibitors;
- metal shavings contained in the fluid may rub/irritate the skin;
- prolonged contact with the metalworking fluids;
- tramp oils (eg hydraulic fluids, gear or spindle oils, way lubes, grease);
- other contaminants (eg water in an oil-based system).
- low sump level 30% below the full mark
- loss of microbial control - Some fluids are treated with microbialicides to kill off any colonisation by microbes. Over time the microbialicides are depleted in the fluid and these present a good environment for growth.
- Sometimes skin irritation can just be from the use of harsh hand soaps or from weather changes.

How can you prevent it:

- wear protective equipment or wash hands as soon as possible after dipping
- wear protective equipment or wash hands as soon as possible after dipping
- wash clothes thoroughly and regularly and change into new overalls
- keep work area, machinery and tools, that you are working with, clean
- monitor concentrations frequently
- monitor concentrations frequently
- drain sump, clean thoroughly and replace with clean fluids
- ensure the necessary control measures are in place during these periods
- find an alternative job in the workplace if possible
- minimise contact as much as possible by using protective clothing
- drain and clean and replace with new fluids OR minimise contact as much as possible; use protective clothing
- Check concentration:
 - if too strong add water to the proper concentration.
 - If correct, fluid was lost due to dragout, add fluid at an appropriate dilution, or if pre-diluted fluid is not available, water and concentrate can be added. Monitor all systems carefully, add metalworking fluids on a regular basis, verify correct concentration.
- good work practices on the part of the machinists, including the proper use of controls; proper design and operation of the metalworking fluid delivery system; proper maintenance of equipment; check that additives being used are correct, and that the coolant concentration is correct and not too high.
- Use barrier and moisturising creams

Engineering and work practice controls, applied at the source of the hazard, are the most effective means of control.

Box 2

How do you get contact dermatitis in metalworking operations?

Over time MWFs can get contaminated:

Normally synthetic fluids are clear, Semi-synthetics are transparent to milky, soluble oil is milky white with no free oil layer

Watch out for these danger signs:

- fluid grey or black, yellow or brown; smells bad, a "locker room" smell; dye fading

- floating matter on the fluid

- Tramp oil floating on surface - if the sump is completely covered with oil and the machinist cannot swish the oil out of the way for more than 5 to 8 seconds before the sump is covered again, there is too much tramp oil present. (Major cause of dermatitis!)

- Excessive foam

- Machinery/tools/parts can also become corroded and rusted or part of the machinery could burn due to excessive heat build-up. All these could lead to contamination of MWFs

How can you prevent it:

- Bacteria, fungi have contaminated the fluid. Throw away fluid, clean sump properly, replace fluid

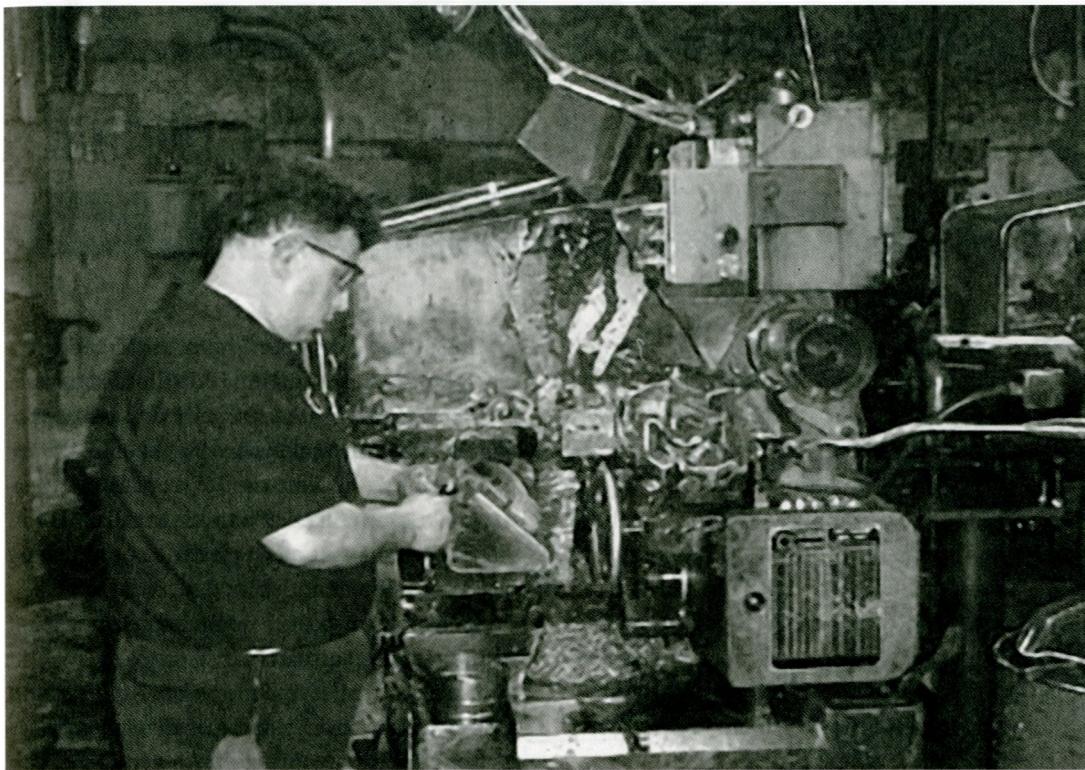
- Remove as much as possible with a skimmer or pump it off. Check that the filtration system and oil skimmer are working properly.

- Skim or pump the surface oil to remove it.

- Check fluid concentration, level of fluid, drain and clean

- Replace the corroded parts/ burnt part(s) and the MWFs

People working with water-based, synthetic, and semi-synthetic MWFs are most at risk of developing contact dermatitis.



To reduce damage to workers' lungs, employers should isolate and ventilate each machine well

Preventing respiratory illnesses caused by MWFs

Conditions that could lead to respiratory problems:

- a heavy concentration of machines in a small area; inadequate or poorly designed enclosures and mist collectors; poor general ventilation of the shop and insufficient fresh air; high mist concentrations

Solutions

Box 3

- isolate machines and provide proper local extraction ventilation for the machine itself and improve general ventilation on the factory floor.

What is the responsibility of employers?

Employers should seek advice from MWF suppliers to ensure that correct fluids are selected for the job and that MWF dispensers are properly maintained and serviced (this includes replacement of old MWFs).

Employers must also ensure effective control

measures are in place and correct personal protective equipment provided to employees. They should train employees to recognise any signs of MWF exposure and report these to the supervisors or the Company Occupational Medicine Practitioner.

Acknowledgement of Sources

1. U.S Department of Labor, Occupational Safety and Health Administration (OSHA).
2. Health and Safety Executive, UK.
3. National Institute for Occupational Safety and Health (NIOSH).
4. All photographs, courtesy of Professor Stuart Batterman, Department of Environmental Health Sciences, University of Michigan, USA.

Yogan Gounden,
Centre for Occupational and Environmental Health,
University of Natal
031-260 4523

Jenny Grice

For three days in February this year, training found itself top of the agenda when almost 100 delegates from across Numsa's 9 regions discussed and debated training issues after hearing inputs from outsiders on training.

Delegates looked honestly at what was happening on the shopfloor. "There is no real training," some said, "but we have a lot of people trained as fire-fighters and around HIV/Aids awareness."

"Unemployed workers are trained in learnerships but then we do nothing to ensure that they still have a job and most of them are not even Numsa members," others said.

"There is no incentive for currently employed workers to do learnerships," said another. "Once they complete the learnership, they are still stuck on the same grade with the same pay - there is no payment for skills acquired."

Outside speakers from Cosatu, the Metal Industries Bargaining Council (MEIBC), the Merseta and the Department of Labour, urged Numsa to use the legislation that the unions had fought for and won.

Bogoshi Tsehla who used to work for the Merseta and Cosatu, likened unions' involvement in training to conceptualising a car but then being afraid to get into it and drive it.

Speaker after speaker reminded delegates that training is not neutral.

Tsehla charged that lack of capacity and involvement by trade unions was allowing employers to claim money for a workplace skills plan (WSP) that spelt out how the company planned to train, not what it actually trained. What was needed were annual training reports from companies that would detail actual training completed and if this varied from the WSP, then employers

Resolutions adopted at National Training Conference, February 2005:

1. RPL all our workforce across all sectors against available qualifications;
2. 3 year Bargaining strategy
3. Linking grades to NQF Levels
4. Portable training across all sectors
5. Compulsory ABET during working hours
6. Remove educational level as an entry requirement
7. Negotiate training demands at bargaining forums
8. Training reps in SETA must implement collective bargaining agreements;
9. We should demand progression target and skills audit at workplaces.
10. Re-train our retrenched members to re-integrate them back into the economy of our country;
11. Demand training of assessors, mentors and moderators of our own in all workplaces;
12. Demand training of MIC welders to take up jobs in SASOL with immediate effect.
13. Future job prospects to be communicated first to bargaining councils;
14. Demand affirmative action candidate to be prioritised when dealing with Employment Equity.
15. Demand acceleration of conversion of old trades to learnerships
16. Demand acceleration of development of higher qualifications i.e. from level 1 to the highest level of qualification
17. Demand acceleration of curriculum and courseware development.
18. Training should take place during working hours.
19. The allowance paid to an apprentice and someone in a learnership should be equal
20. The incentive to employers for both apprenticeship and learnership should be equal;
21. Employers should commit themselves to train and equip workers;
22. All employers must comply with the relevant Acts.
23. The Union will continue to negotiate work-place skills plans at plant level;
24. Training committees should be established in all plants.

ve you done to training conference further?

must answer to that. He went further and said that research had shown that the training plans of 99% of companies who had submitted had nothing to do with the priorities of the Merseta.

He urged more capacity building, strong training committees and clear objectives setting out what the training committees must achieve.

"There must be something wrong with training delivery when Sasol says that it is going to import welders from India because there is a shortage here," said Alistair Smith, CEO of the MEIBC. "We must address the disconnection between bargaining and skills," he suggested to the delegates. He also warned of the diversity within the engineering industry and the difficulties of developing one skills strategy for the whole sector when each sub-sector was so different with different skills requirements.

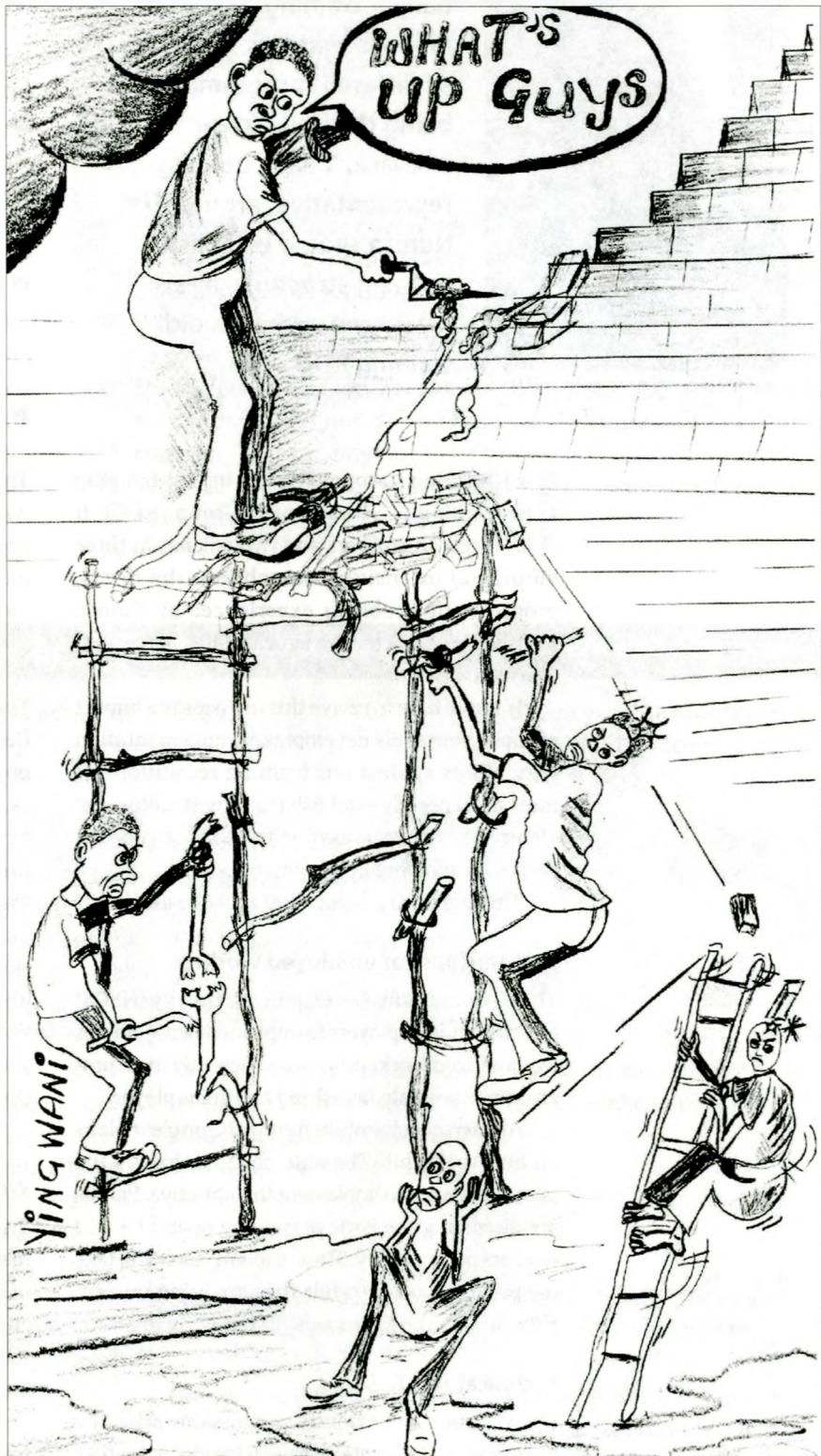
A key part of Numsa's three year bargaining strategy was recognition of prior learning (RPL) - workers should be recognised for the skills that they have acquired on the job. But representatives bemoaned the fact that many workers had not received RPL and numerous attempts to train Numsa staff and workers as RPL assessors had failed.

Numsa president, Mtutuzeli Tom, was a lone voice in the conference disputing the negative voices. He described how he had been "RPLed" and was now paid on a higher grade.

The training conference resolved that training structures must be revived. Key to this was the active participation of shop stewards and the linking of training and employment equity committees at a plant level.

But this was just one of the 24 resolutions adopted (see box). How many of those that are relevant to workplaces, have you taken up in your workplace?

NB



Myriad of training issues



With pressure on the sectoral training authorities (Setas) to deliver training to the millions that lack it, myriads of different programmes are being devised. Xolani Tshayana, **VWSA training representative, argues that Numsa should establish training structures at all levels and revive its old training RDG.**

In 1990 Numsa commissioned its first Training Research and Development Group (RDG). It involved 26 workers and two officials in three months of intensive research into the needs, progress and problems experienced by Numsa members in all sectors on issues related to training and education.

It's now time to revive this to assess the impact of these new skills development implementation regulations against our training resolutions. It must also speedily establish training structures at all levels of the organisation to be able to engage with the unfolding developments.

These are the projects that must be assessed:

Learnerships for employed workers

The National Skills Development Strategy (NSDS) is instructing employers to implement learnerships for employed workers because currently most programmes are only benefiting the unemployed.

All Merseta chambers must develop clear plans on how to do this. The auto chamber has set the pace and agreed to implement this objective. Parties are discussing the issue of training pools of +- 30 workers per company. These training pools will take the place of workers while they are being trained. Hopefully the programme will start early in 2006.

Technical ABET

The vigorous and extensive discussions raised by the minister of education, Naledi Pandor and other

Setas on the current ABET curriculum suggests major amendments which could completely change the image and outlook of ABET in South Africa.

The new regulations which are at the developmental phase, are attempting to address the following problems

- The stigma that ABET is a racial issue and it's for blacks only
- The current curriculum which takes a learner on average 4 years to complete level 1 to level 4.
- ABET learners who are struggling to participate in NQF qualifications, because currently ABET is academically inclined whilst on the other side learnerships are technically inclined
- Employers' focus is on prioritising production and they give less support to training initiatives.

The main aim of technical ABET is to align ABET with learnerships. This will allow a learner to acquire NQF level 1. It will also be user-friendly, focus on improving access, participation and increase company communication levels.

WSP and ATR submission dates

The current regulations on the new National Skills Development Strategy (NSDS) implementation put pressure on the unions' mandate-seeking processes. They force the unions to be pro-active. The performance measures on the implementation will be judged on three priorities: signatures, time frames/dates and equity targets.

From next year, June 30 will be the submission date for both Workplace Skills Plans (WSP) and the Annual Training Reports (ATR). There will be no extensions granted regardless of the reasons. Submissions can be made with or without the union's signature and investigations will be done to establish the reasons.

Workplace experiential or in-service training

The changes to the new **discretionary grants regulations** benefit students and workers from Technikons and Technical Colleges who are doing engineering-related courses and who are required to do practical or in-service training within the Merseta scope.

They will be assisted to do workplace practical training free of charge. Merseta will pay companies

that are accredited trainers. R12 500 per trainee per semester to provide training to the unemployed. For example P1 and P2 training set down by technikons requires trainees to undergo six months practical training in the workplace. However, only a limited number can be assisted per semester due to the capacity of the companies. It will be on a first come, first served basis. At the moment learners are not getting paid but Numsa is to discuss this issue further in September.

SMME Exclusion from paying Skills Levy

In his 2005 State of the Nation address, the president of the country pronounced that there would be a review of the regulatory framework as it applies to small, micro and medium enterprises (SMMEs) before the end of this year and that they would be excluded from paying skills levies.

Immediately after that in the National Skills Development Strategy Conference (NSDS) in March, the Minister of Labour reaffirmed the President's sentiments.

However, it also allows the voluntary participation by employers who have been treating this levy as a tax without training the workers. It suggests that we will continue with the so-called first

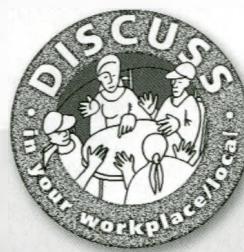
and second economy, which is characterised by skilled and unskilled workers

Merseta currently has 13 500 registered SMME companies. Most are in the metals and motor chambers. Since the President's and Minister of Labour's announcements, the SA Revenue Service (SARS) has refused to collect levies from SMMEs.

Merseta's interpretation of NSDS objectives

The Merseta has set out its targets in terms of the NSDS objectives. See box below.

NB



- Are these initiatives adequately answering the training problems that Numsa has identified?
- What new initiatives do we need to solve our problems?
- Do all your fellow workers have the equivalent of ABET level 4 (Standard 7). If not do you have ABET programmes in your company? If not, why not?
- What do you think of the writer's proposal to set up structures at all levels and to revive the Training RDG?

NSDS Objective and Success Indicator:	MERSETA 5 year target:	MERSETA 2005-2006 target:
By March 2010 at least 700 000 workers have achieved at least ABET Level 4.	50 000	10 000 in ABET programmes of which 3 000 achieves ABET Level 4.
Objective 2 (employed): By March 2010, at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.	15 000 workers on learnerships, apprenticeships or skills programmes: of which 7500 have completed programmes.	3 000 on programmes in total: 1 400 completed.
Objective 4 (unemployed): By March 2010, at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.	15 000 workers on learnerships, apprenticeships or skills programmes: of which 7500 have completed programmes.	3 000 on programmes in total: 1 400 completed.
For employed	Learnerships: 9 000 in learnerships; 4 500 completed	Learnerships: 1 250 in learnerships; 650 completed
For unemployed	Learnerships: 9 000: 4 500	Learnerships: 1 250 in learnerships; 650 completed

Talking on training....

From a **worker's** perspective...

As for a way forward (on training) I think companies' management need to realise that there is a lot of potential on the shopfloor. They also need to realise that people on the shopfloor have aspirations to develop further. Given these, I argue that people need to be trained and developed so as to enable them to fill upper positions when they become available. I know of many internal posts that are advertised in many companies and are filled by external individuals because of lack of capacity within such companies.

This is an indication that existing policies do not develop people - or at least the majority. They therefore need to be aligned to a point where if anyone wishes to pursue a career within a company, such person is assisted and of course guided. If I am an operator and wish to become a designer and there is that function in my company, I should be allowed an opportunity to take studies in that direction and based on my progress then be considered for employment in the designing field at a later stage. In this fashion, both the company and an individual would have benefited. The company would yield the fruit of its investment and an individual would be in a better position.

I am not in anyway arguing / suggesting that companies should invest in individuals who want to pursue a career which will not benefit such companies. If an operator wants to become a doctor someday, this we cannot expect an automobile organisation to fund.

The existing policies benefit the already developed - people who have a wide range of responsibilities and are in upper positions. And these are people who are financially able to even further their studies without company assistance - people who are capacitated to move from position to position as they wish. Can we call these fair policies? What about the millions of our people that cannot even apply for an internal post because they know they shall not be considered based on the lack of either theoretical or practical experience?

Affirmative action has failed to address inequalities in the workplace, and my view is that training and development policy should be aligned to assist and achieve that. We must recognise that if we achieve these amendments to the existing policies, it is our people who will have to be developed and there is no reason that companies can throw at the unions and the government for failing to put HDI in senior positions, unless they can prove that the HDI do not have any aspirations to move from the shopfloor to senior positions.

Tshepo Mpshe, Bosch

“ If an operator wants to become a doctor someday, this we cannot expect an automobile organisation to fund. ”

From an employer's perspective....

Our artisan workforce is on average over 50 years old and thinking of retirement. We have lost our experience base through emigration and failure to train. Ten years ago we had over 14000 apprentices: this year learnership numbers increased from a pitiful 2000 to a less pitiful but still dismaying 2600.

Our experienced skills stock is depleted and it will take some years for the new entrants to become fully fledged artisans able to assume leadership roles in our factories and construction sites. Therefore, for the next 10 years or so, we need to allow skilled artisan immigrants to enter and work in South Africa. This will relieve an important bottleneck while we provide for the next artisan generation.

Unless we can provide these new skills quickly, we will not be able to support the accelerated tempo which our economy will feel as the hungry industrialised world and the new economies of China, Russia and India make demands on our national resources. Even 4 percent growth in the US represents a massive growth in demand for the rich resources that we have to offer.

The Merseta, the industry's sector and education authority, has large cash reserves and a positive cash flow. It should consider paying even more than it does to compensate the employer for his cost of training.

Training a learner costs far more than the best Merseta grant, and the cash flow is unfavourable as the employer/trainer gets the money at the end of the training. Why not compensate an employer for the full cost to company of graduating learners into fully trained competent artisans or operators?

*Outgoing president of Seifsa,
Henk Duys, talking in October 2004*

It will take some years for the new entrants to become fully fledged artisans



26-28 October 2005

From October 26-28, about 100 delegates from all regions will meet in Johannesburg to plan the future course of education. This arises out of a Numsa National Congress decision in 2004 to hold an education indaba (see full text of the resolution on page 63).

On the first day, outsiders will give inputs on matters such as: what Numsa's 4-year plan says about education; how to bring politics into education and the role of class struggle; what is on Cosatu's education agenda; how do other trade

unions across the world run their education programmes: how has Numsa's own education programme evolved. These promise to sharpen the minds of delegates.

Commissions will then debate five different issues. (see below) Regions are also asked on September 24-25, to hold extended RECs or mini-regional education indabas. They are asked to debate the following issues in commissions at regional and local level and then take forward their ideas to the national indaba a month later.

Commission 1: Programme content and target groups

What should be covered in the education programme between now and 2008 - what should be national programmes, what should be regional activities, what kind of political education, what core skills are needed, what education can we provide for members, how can we build the organisation through education? What is offered by Cosatu and other service providers and how we can we link them into Numsa's education programme?

Commission 2: Education methodologies

What methodologies are possible, which are the most effective for which type of education, how do we build in assessment tools to evaluate whether our education efforts have been effective?

Commission 3: Accrediting union education

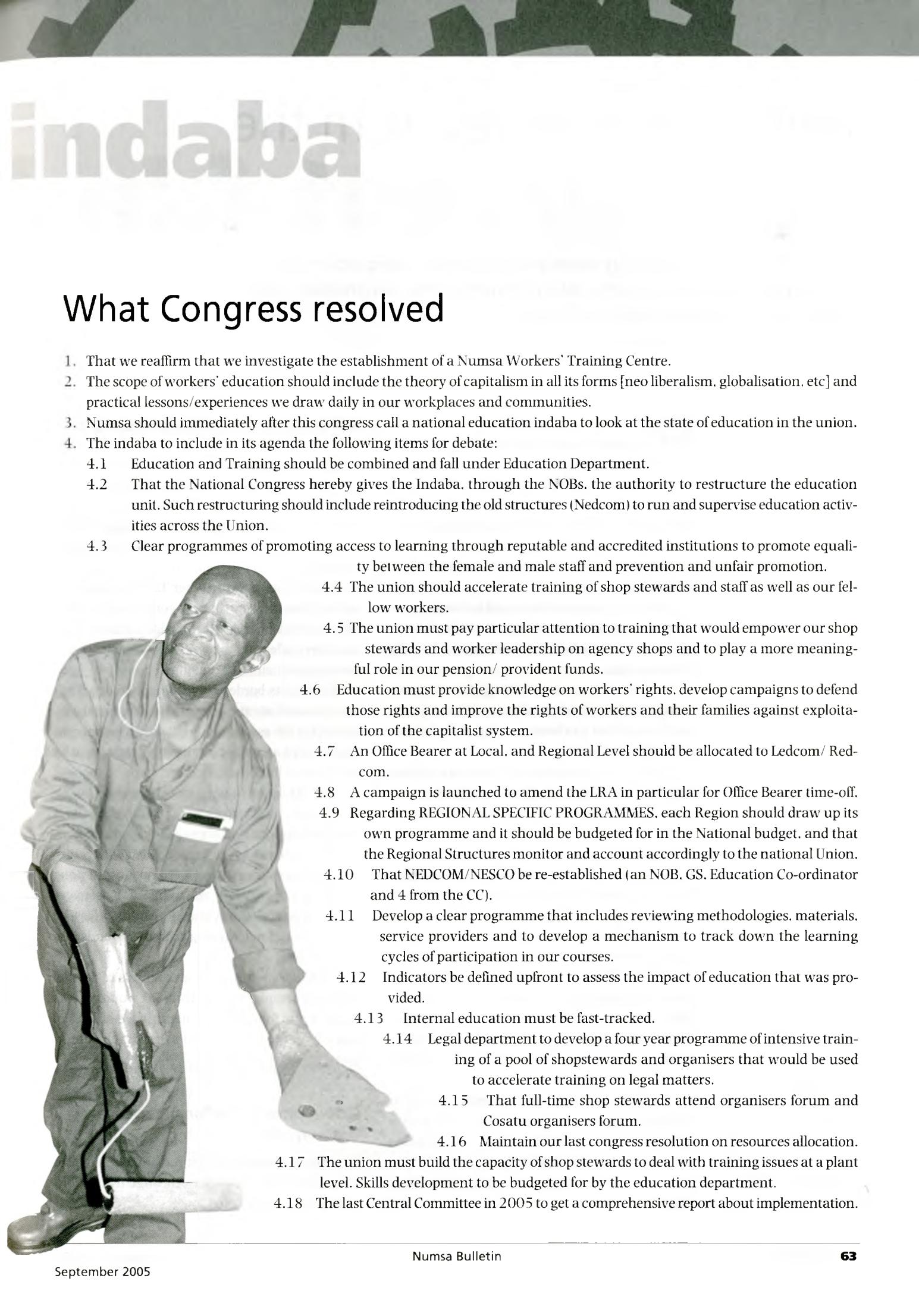
What does accrediting union education require? What are the merits and demerits of taking this route?

Commission 4: Relations between internal union education and industrial training

Industrial training falls under the organising and collective bargaining department and is separate from education. In some unions, education and training are merged. Should Numsa continue with the current route of separating the two; if this is to continue are there certain responsibilities with regard to training that the education department should have? If the departments are to be merged, how would this work?

Commission 5: Education structures

Over the years, different education structures have evolved. In some regions they are active, in others they are not. How have they evolved, what is their role, are they effective? Community radio stations are working with labour and some Numsa staff/shop stewards are participating as DJs on these stations, Numsa writers exist across the union however they are coordinated from head office not from a local level. Should we bring radio activists and writers into education structures as some kind of media sub-committees, if yes, how?



What Congress resolved

1. That we reaffirm that we investigate the establishment of a Numsa Workers' Training Centre.
2. The scope of workers' education should include the theory of capitalism in all its forms [neo liberalism, globalisation, etc] and practical lessons/experiences we draw daily in our workplaces and communities.
3. Numsa should immediately after this congress call a national education indaba to look at the state of education in the union.
4. The indaba to include in its agenda the following items for debate:
 - 4.1 Education and Training should be combined and fall under Education Department.
 - 4.2 That the National Congress hereby gives the Indaba, through the NOBs, the authority to restructure the education unit. Such restructuring should include reintroducing the old structures (Nedcom) to run and supervise education activities across the Union.
 - 4.3 Clear programmes of promoting access to learning through reputable and accredited institutions to promote equality between the female and male staff and prevention and unfair promotion.
 - 4.4 The union should accelerate training of shop stewards and staff as well as our fellow workers.
 - 4.5 The union must pay particular attention to training that would empower our shop stewards and worker leadership on agency shops and to play a more meaningful role in our pension/ provident funds.
 - 4.6 Education must provide knowledge on workers' rights, develop campaigns to defend those rights and improve the rights of workers and their families against exploitation of the capitalist system.
 - 4.7 An Office Bearer at Local, and Regional Level should be allocated to Ledcom/ Redcom.
 - 4.8 A campaign is launched to amend the LRA in particular for Office Bearer time-off.
 - 4.9 Regarding REGIONAL SPECIFIC PROGRAMMES, each Region should draw up its own programme and it should be budgeted for in the National budget, and that the Regional Structures monitor and account accordingly to the national Union.
 - 4.10 That NEDCOM/NESCO be re-established (an NOB, GS, Education Co-ordinator and 4 from the CC).
 - 4.11 Develop a clear programme that includes reviewing methodologies, materials, service providers and to develop a mechanism to track down the learning cycles of participation in our courses.
 - 4.12 Indicators be defined upfront to assess the impact of education that was provided.
 - 4.13 Internal education must be fast-tracked.
 - 4.14 Legal department to develop a four year programme of intensive training of a pool of shop stewards and organisers that would be used to accelerate training on legal matters.
 - 4.15 That full-time shop stewards attend organisers forum and Cosatu organisers forum.
 - 4.16 Maintain our last congress resolution on resources allocation.
 - 4.17 The union must build the capacity of shop stewards to deal with training issues at a plant level. Skills development to be budgeted for by the education department.
 - 4.18 The last Central Committee in 2005 to get a comprehensive report about implementation.

Removing leeches from the retirement fund

The retirement funds industry needs a healthy dose of competition with government as a competitor to clear it of 'inefficiencies, abnormalities and entrenched privileges' says Devan Pillay.

Reforming the retirement funds industry is a welcome intervention that seeks to redress embedded inefficiencies and abnormalities by amputating entrenched privileges. This initiative will raise the awe of the present profiteers who, from a risk and reward perspective, disproportionately benefit from the industry.

A case in point is the way asset managers receive commissions.

Asset managers are employed by funds to provide expert advice on investments. Based on the advice, the assets of the fund are invested via the asset manager.

Prior to the investment taking place, the asset manager's commission is subtracted from the total asset value (that is to be invested) and the balance thereafter invested.

This is an abnormality - no worker is paid prior to performing a task? On what basis has payment been made? What measure is used to ascertain the validity of advice?

Hence the emergence of inefficiencies when funds have been ill-advised. Poor investment performance is almost always blamed on the markets. Is it not the responsibility of the asset managers to analyse and predict market changes and engage in appropriate action? Failure to act timely negatively impacts on workers' capital (retirement assets). With payments having been made up-front, what guarantees exist to ensure asset managers are accountable for the advice provided? Would a performance-linked payment structure not be a more efficient system?

The exorbitant cost of retirement savings is another example of abnormalities which probably led to the Minister of Finance highlighting the issue at the 2004 Nedlac Trustee Conference, where he also made specific reference to leakages.

High costs of retirement annuities

Evidence suggests that the most expensive retirement saving vehicle is a retirement annuity (RA), with costs ranging from 13% to 60%. In the first few years, usually around two years, up to 60% of the monthly premium goes towards the costs of the RA.

In addition there are other 'hidden costs' such as withdrawal costs, reduced contributions costs, etc which solely serve to benefit life-assurers. They adversely affect members, with some members having lost their entire savings.

Such costs border on criminal activity. They also demonstrate the unethical and immoral conduct of the life-assurers who have in recent months experienced a number of rulings against them by the Pension Fund Adjudicator.

The 400 complaints a month received by the latter serves as a barometer for the abnormalities and inefficiencies that prevail in the industry.

The present high costs associated with retirement savings suggest a lack of competition among the service providers in the industry. It seems as though the service providers are setting prices, by acting like a cartel, turning retirement funds into price takers.

To illustrate this point an analysis of a small employer (employing less than 20 workers) was done. It was found that a monthly fee of 11% of monthly contributions went to service the fund's costs.

Government's reform process welcomed

Therefore Government's retirement funds reform process presently underway, through the National Treasury is welcomed.

* Devan Pillay is in the Pension Funds and MNC Strategy unit at the National Labour and Economic Development Institution (NALED).

industry

History informs us that when economic abnormalities (oligopolies, etc) persist in sectors of our economy, the only way to introduce competition is by government itself becoming the competitor of the private sector.

This was successfully achieved in 2004 when government introduced the retail bonds. Prior to their introduction, the big four banks in the country paid around 4-6% per annum on fixed term deposits with marginal differences amongst the banks. However with the introduction of the retail bond which offered a much higher interest rate (9%), there was an almost immediate move by the banks to improve their interest rates, with some thereafter offering around 8%. The sole reason for this knee-jerk reaction was the migration of saving away from the banks to government bonds.

Hence National Treasury's proposal to introduce the National Savings Fund (NSF) ought to distress life-assurers. Paradoxically life-assurers, proponents of the free market and competition, were quoted in the Business Day as stating that they believe there should not be "legislated encouragement of competition between the (private sec-

tor) funds and the national savings fund".

On the contrary, the absence of competition in the private sector demands government intervention.

Government intervention could take a number of forms. Regulation is the most obvious but this poses its own challenges.

The Minister of Finance recently stated that for every loophole closed someone will find another to make money.

Nevertheless, government could introduce legislation to improve efficiencies within the industry by permitting consumers to vote with their feet, that is, retirement funds or members of RAs could change service providers, investment choices, etc without experiencing costs.

This will force service providers to become more accountable and transparent.

Introducing the NSF as a cost efficient, 'no hidden costs' fund, with good returns will most certainly result in a migration to it.

This will hopefully lead life-assurers to improve their present business practices. It is time to remove the leeches from the retirement fund industry. **NB**

Answers to **Organisational Tips** on page 49

(a) = 5; (b) = 3; (c) = 0

Scores

20 = you are an effective shop steward;

10-20 = okay but more attention to some aspects of your job;

0-9 = Perhaps you should reconsider whether you really want to be a shop steward!

Integrating the Unemployed, Youth and Social

Woody Aron

There are a couple of things that you don't do in Brazil - you don't teach the Brazilians how to play football ... you don't teach them how to do the samba and you don't go around questioning, like Cosatu, whether their social movements have a "track record of disciplined organisational practice".

And perhaps it is this melting pot of sport, dance and social movements combined with the methodology of Paulo Freire (the famous Brazilian educator who popularised the concept of people's education around people's life experiences, struggle, freedom and participation) that has helped the country's metalworkers' union, CNM-CUT, to come up with a distinctive education model - Programa Integrar.

Programa Integrar

Fernando Lopes now general secretary of CNM-CUT, describes "Programa Integrar" (the Brazilian model for trade union education) "as a political action integrally related to the metalworkers' resistance strategy" to globalisation, neo-liberalism

and the impact on the workforce and communities.

Emerging in the '90s, it attempted to link education and training within the broader scope of trade union work.

While skills training had previously been a 'bosses' only' prerogative, the programme brought skills training into the political arena of trade union work.

The programme does not substitute for formal education but seeks to bridge the gap between elementary and secondary levels of schooling for youth and adults.

It also creates linkages between the employed and unemployed by initiating workshops and seminars on a broad range of political, economic, social and cultural issues and includes a "Laboratory for Sustainable Development and a Social Economy".

Education for the unemployed has a strong focus on the complex nature of social relations and encourages debate on citizenship: knowledge of public institutions and how these interact with people; intervention on matters of policy making; debating alternative forms of job creation and

Activities of Programa Integrar:

● Cooperatives

The establishment of worker controlled cooperatives under the banner of "sustainable development" is closely linked to the programme for the unemployed. While cooperatives compete in the open market, they form part of the experiment for an alternate social economy.

Aware of their limitations and contradictions within the free market system, cooperatives under CUT have a strong political identity, building worker unity and harnessing the collective effort of its members to resist the onslaught of global capital. Visits to several cooperatives confirmed that workers have had to make enormous sacrifices so that the cooperatives could survive and grow under hostile market conditions.

● Labour centre cooperative

A labour centre cooperative in Sao Paulo, offers assistance to unemployed workers. It registers them on a data base, profiles their skills and where possible, reintegrates them into the economy by placing them in jobs.

But the labour centre has other functions apart from finding work for the unemployed - workers participate in regular seminars on economics and matters of political and public interest and interact with other unemployed workers and the trade unions.

In Porto Alegre, headquarters of the World Social Forum (WSF), a cooperative, run and controlled by women, uses recycled materials to manufacture a variety of T-shirts, bags, banners, etc. for trade unions, social movements, etc.

The cooperative also sources work from the private sector.

Movements with trade union education

income generation; and encourages participation in cultural events - like music, dance, theatre, cinema, art, etc.

There is a strong element of critical thinking that runs throughout the programme. This makes

the learning process open and vibrant to new ideas and methods. Apart from dealing with aspects of social exclusion, the programme seeks to "assist the unemployed to develop and participate in projects that generate work, jobs and income". **NB**



W Around

Workers in one of the CNM-CUT's clothing co-operatives

penetrating every possible niche to create stable employment and enhance the skills of its workers.

● **Building shop stewards' capacity**

Program Integrar also coordinates a project for employed workers, providing courses to build the capacity of its shop stewards so that they are in a position to negotiate with employers on an equitable level. Resources are made available and research undertaken so that the shop stewards have the necessary skills to negotiate better working and social conditions - also the need to engage the state and municipalities in negotiations on matters of mutual interest.

A leadership programme for union leaders covers a broad range of social and technical disciplines, enabling potential candidates to pursue academic studies at universities and higher

institutions of learning. Leaders are expected to plough back their knowledge and contribute to the social well-being and development of workers in society.

● **Accreditation**

In the process of developing Program Integrar, CNM-CUT tackled the question of accreditation for elementary levels of education, as well as secondary levels. In both cases learners obtain a Certificate recognised by the Ministry of Education.

● **Training schools**

Training schools have become a hive of activity. It is not uncommon to find volunteer trade union educators conducting evening classes for adult learners, while computer classes for the youth are highly popular.

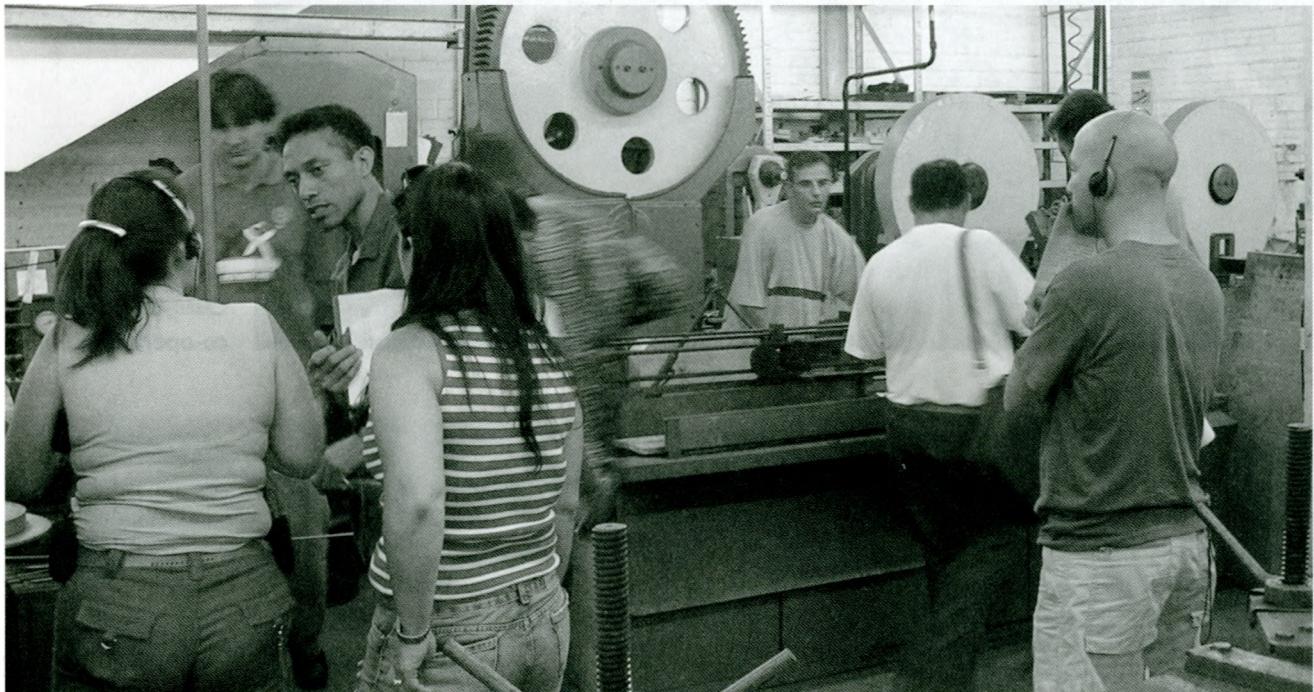
What is Programa Integrar?

It is:

- participatory and democratic
- controlled by workers and their trade unions
- creates linkages: brings people together and builds solidarity
- has a sound infrastructure to facilitate coordination and organisational efficiency
- has successfully set up cooperatives, works together with social movements
- encourages diversity
- promotes critical political action

Overall the Brazilian model has the potential to create an environment for critical discourse and debate on a broad range of disciplines. It links mathematics, science and technology with politics, the economy, the arts, sports, culture and human development. Its focus on humanity resonates throughout the programme.

Its success lies in its ability to harness civil society and engage with social movements, political parties, NGOs, and other civil institutions like the state, municipalities, etc. This ability to maintain a critical focus combined with political action offers in their view the best possible way of building a new society based on egalitarian principles.



W. Aron

A cooperative story

At a motor component factory (manufacturing radiators), workers proudly told their story: The company was under liquidation and workers dismissed. Apart from the overalls on their backs, the workers had nothing. The owner tried to sell off the machinery, but the workers set up a tent outside the factory premises for three months and prevented the owner from removing the machines.

While the union battled it out in court, the workers eventually took control over the machines. With the assistance of CNM-CUT, the workers set up their cooperative, and put the factory firmly back on its head - they meet regularly as a collective and there is no boss-like figure to supervise their work. Instead they have appointed coordinators to oversee the work, market products and promote organisational and administrative efficiency.

What can we learn from the **Brazilians?**

It is important to take note of some similarities and differences, as these will impact on the way we do things in our own union. Over the years Numsa has provided resources for trade union education based on a national programme that recognises the needs of its members, shop stewards and various other levels of leadership within in the union.

Within the education department task teams of educators have produced in consultation with other stakeholders, trade union education materials for shop stewards. In addition the regular appearance of Numsa News and Numsa Bulletin served not only to bridge the gap between the broad membership and the union, but created a space for discussion and input from union members.

Through policy workshops and networking with a range of labour service centres, the union has managed to sustain its education programme. However, attempts to sustain regular political discussion forums have met with little success, despite attempts to encourage these at a local and regional level.

Similarities in the use of methodology - the example of the teachings of Paulo Freire - has to some extent influenced the methodology of our own educators, albeit limitations of a political and bureaucratic nature.

We need a clear political will and focus - embracing diversity and critical political action.

Unemployed

We need a programme that brings the unemployed and employed together, under one roof. This does not necessarily mean finding jobs for the unemployed, but providing unemployed metalworkers with a political space in the union and where possible assist them with the establishment of cooperatives.

We need to look at the question of accreditation of trade union education - this issue has never been



Woody Aroun

resolved at our previous congresses.

More participation from women and youth in union structures.

Establishing our own training schools, facilities for political education, etc.

There is tremendous scope for Numsa to incorporate some of the elements of the Brazilian trade union model for education and training. What we require is the political will and the ability to work with civil society on a scale that goes beyond narrow trade union politics. The call for critical political action with linkages across society serves not only to build resistance to neo-liberalism, but provides a platform that will enrich the intellectual process as workers take up the struggle against global capitalism.

As for Brazilian football, samba and social movements - they embody the people of Brazil, alive with rhythm and pulsating energy. If they work so well in Brazil, then surely there must be something that we can learn from them: let us find inspiration in the words of Jacqueline, an activist from the Movement for Landless People:

"I could have taken up a scholarship making it possible for me to go to university, but this would serve my individual interest ... for now the collective struggle of my people comes first - we need the land - we want our land - so that we may raise our families with pride and dignity." **NB**

"Unite, organise and fight on for a living"

A CAMPAIGN BY 7 METAL UNIONS IN ZIMBABWE

Hlokoza Motau

Facing hurdles like denial of workers' rights, repression of strikes, security laws, government sponsored unions, company clamp downs on workers' meetings, failing economy, bad governance, etc, seven metal-related unions took a brave step on August 16 to 18 2005 to launch a living wage campaign under the theme: 'Unite, organise and fight on for a living wage campaign'.

The seven unions that launched the campaign in Kadoma were the National Engineering Workers' Union of Zimbabwe, Automotive and Allied Workers' Union of Zimbabwe, Associated Mining Union of Zimbabwe, Ferroalloys Workers' Union of Zimbabwe, Electronics, Communication, Radio and Television Workers' Union of Zimbabwe, Electricity and Energy Workers' Union of Zimbabwe, Iron & Steel Workers' Union of Zimbabwe.

This unprecedented decision comes after shop stewards called for such unity and merger during shop stewards' councils meetings attended by close to 600 shop stewards across the country. The campaign entails common wage struggles, closer cooperation on strategy and solidarity in action.

General members' meetings will be held in Sep-

tember to discuss demands for the September to December round of negotiations (because of high inflation). Zimbabwe trade unions now bargain every three months) and the objectives of the campaign which are as follows:

- increase workers' wages, benefits and improve conditions of employment of workers
- achieve uniform standards within the industry
- mobilise members and non-members through the campaign
- ensure greater participation of members in wage negotiations and struggles
- mobilise communities behind workers' demands and struggles
- struggle for fair distribution of wealth which will benefit the communities
- fight for high paying industries
- harmonise conditions with other workers in Southern Africa

Unions have committed themselves to submit similar demands to employers, conclude agreements at the same time, declare disputes and strikes at the same time, not to settle at less than other unions and to act in solidarity to support each other.

Demands for September to December 2005 round

Due to the inflationary nature of the Zimbabwean economy, wage negotiations take place every 3 months. The unions agreed on the following common demands to be presented for this round (September to December 2005). The demands are as follows:

Wages	Wages to be linked to the poverty datum line of Z\$ 5 .4 million. (The poverty datum line has since increased to \$Z 7 million. Inflation has increased from 164% to 254%).
Transport	A transport allowance to be paid equal to the cost of monthly transport and to be increased every time there is an increase in public transport fares.
Housing allowance	25% of a worker's basic salary
Education	Education allowance to equal school fees for three children paid monthly to those with children attending school.
Health and safety	Employers should offer certified appropriate education and training on health and safety for health and safety representatives, in addition to specialised training appropriate to the nature of the work performed in the industry. The union should be given an opportunity to review and participate in such training. The company will bear all the costs associated with such training.

wage"

One of the greatest challenges facing unions in Zimbabwe is increasing low wages, improving the living standards of workers and maintaining a strong organisation under conditions of a siege economy.



B Marie

Workers are barely surviving on poverty wages in the current economic meltdown. The poverty datum line has shot up to Z\$ 7 million per month while workers' wages remain at Z\$ 2 million.

Workers' living standards are under attack with unemployment at 70%, economy at negative 2.5%, shortage of basic food stuffs, lack of fuel, drought and rising inflation. The price increases have seen inflation increasing as follows:

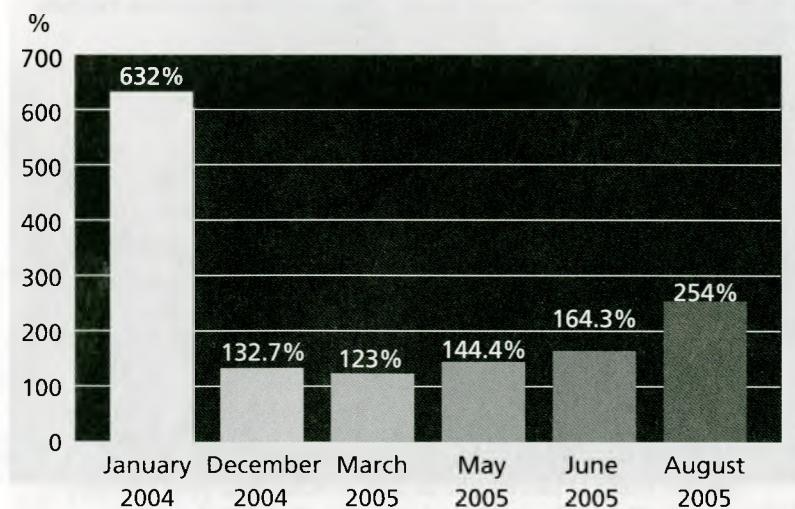
Only a strong organisation will save us

"Only a strong organisation will save us from this predicament", commented one of the shop stewards after sharing experiences of how previous strikes were crushed by the police and the military. The joint collective bargaining campaign increases prospects of the metal related unions merging to form one union which will be the strongest and biggest within the Zimbabwean Congress of Trade Unions

NB

Delegates draw up plans earlier this year.

Inflation dropped in December 2004 but has continued to rise since then.



Should we follow the Chinese miracle?

Check your electrical and electronic goods, your children's toys, your clothes, plates and cups. Chances are that they all come from China. What is the secret to China's export miracle? Is it something South Africa can and should emulate? Jenny Grice takes a look at the dragon from the east.



A Chinese textile worker makes clothes for the global market

Kin Cheung/Reuters/The Bigger Picture

Comparing South Africa to China is a bit like comparing an ant with a dragon. China has 1.3 billion people - that's 25% of the world's population. Just one city could soon be home to more than South Africa's total population. An industrial centre, Chongqing currently has 31.5 million people, but there are plans to double that within the next 20 years.

Factory sizes dwarf our biggest auto assembly plants like VWSA and Daimler Chrysler. In China you will find a shoe factory with 30 000 workers.

Likewise its trade union federation with 134 million members and 1 713 000 affiliates, is the largest national trade union organisation in the world. Potentially massively powerful, it has been denied membership of the International Confederation of Free Trade Unions (ICFTU) because of allegations that its affiliates are 'yellow' and too close to the government.

Direct comparisons are not possible. And yet, with discussions about an interventionist and developmental state, a glance eastwards is informative.

Since 1978, China has gradually opened up its economy to the west. Guided by one of the old guard of the Chinese Communist Party, Deng Xiaoping, the government announced that from then on "development is the absolute principle". As Deng himself admitted in 1982: "We have been making revolution for several decades and have been building socialism for more than three. Nevertheless, by 1978 the average monthly salary for our workers was still only 45 Yuan, and most of our rural areas were still mired in poverty. Can this be called the superiority of socialism?"

But development took a very different route from free market capitalism. Focusing on developing the forces of production, the Chinese government followed a "gradualist reform" model.

"They did scenario planning in party structures and worked out how they would liberalise their economy," says Cosatu's Tanya van Meelis. "They said they would open the door gradually and look to see what happens and then open it a little more."

China's rapid growth can be attributed to a number of economic factors. ANC research coordinator Michael Sachs describes these as "a virtu-

ally unlimited supply of cheap and educated labour, well developed human resources, very high rates of saving, a stable and undervalued currency, relatively closed capital markets and favourable geographic location."

State interventions

These factors were bolstered by the communist state's interventionist stance. Sachs describes these interventions as key to the Chinese 'miracle'.

The state invested heavily in public and economic infrastructure. It encouraged foreign and domestic investment into "clearly identified development priorities" and into particular areas. In some cases the government gives land to investors at 25% of its market value.

It used political measures to control key prices such as the "interest rate, the exchange rate, wages and the prices of agricultural products and domestically sourced natural resources. The state also maintains strategic subsidies (on food, transport, education, housing) and price controls to facilitate poverty alleviation (eg. subsidised micro-credit)."

China has pegged its currency, the yuan to the US dollar. There is general agreement that the yuan is undervalued against the US dollar by 40% - this makes all its exports relatively cheap.

The state also facilitates, coordinates and directs "private investment across economic sectors and geographic regions." In this way it builds linkages while strong industrial policies ensure transfer and diffusion of technology.

Action on the ground

The legacy of communism and central planning makes implementing government policy easy:

"The government will go into an area where peasants are living because it wants the peasants to live somewhere else," says van Meelis. "It will just relocate 7 million people. In another area, peasants are growing wheat but then the government decides they should grow apples for food processing. It tells them they must stop growing wheat, gives them wheat for the next three years so they don't starve and so the peasants plant apples!"



Issei Kato/Reuters/The Bigger Picture

The state subsidises housing like these flats in Chongqing.

The state controls banking institutions and so can direct credit and capital allocations.

It invests in "human capital" especially in the fields of science and technology, is committed to 'learning by doing' (ie. ensuring that foreign investments lead to the transfer of technology and the acquisition of skills amongst Chinese themselves).

Top marks!

The results of this 'controlled free market socialist' experiment are:

- a growth rate averaging 9.3% over the last 25 years (a growth rate of at least 7.5% per year is needed to avoid unemployment increasing)
- the lifting of 400 million people out of poverty.
- in 30 years time, China could be the biggest economy in the world
- an unemployment rate of less than 10%
- a country which although holding 25% of the world's population, now consumes 19.7 per-

cent of the world's copper (up from 10.4 percent in 1998); 32.7 percent of the world's cotton (up from 22.2 percent); 34 percent of the world's cigarettes; 50.8 percent of the world's pork; 32 percent of the world's fish and just over 20% of the world's cellphones.

But some are starting to predict meltdown

... environmental disaster

Pan Yue from China's environment ministry, told German magazine, *Der Spiegel*, earlier this year that the "Chinese miracle will end soon" because the environment can no longer keep pace. He said that acid rain was falling on one third of the country, half of the water in the largest seven rivers in the country was "completely useless", 25% of the population had no access to clean drinking water, 33% of the population were breathing polluted air and five out of ten of the most polluted cities in the world are in China.



China Photo/Reuters/The Big Picture

He said the cost of this pollution was holding back GDP growth and causing health costs to soar - in Beijing alone "70 to 80% of all deadly cancer cases are related to the environment."

...unemployment rising, inequality growing

Unemployment is beginning to rise and the gap between the rich and the poor is growing rapidly. Much of the poverty is in the rural areas where 70% of the population still live. To escape the poverty, more than 100 million of these rural dwellers who are young and relatively educated, have left their homes to find work in the cities.

"A form of 'influx control' is maintained," says Sachs where you get state services at your permanent place of residence. "Temporary migrants" are denied these services. With temporary migrants forming up to a third of the urban population in some areas, wages are being pushed downwards.

...China caught in capitalist clutches

George J Gilboy, a senior manager at a major multi-national firm in Beijing since 1995 suggested in magazine Foreign Affairs last year, that the US need not worry anymore about China.

Not only had China opened up its economy to foreign investments, joined the WTO and welcomed imports, it was also working with US companies just the way the US wanted!

While early Chinese reforms had encouraged joint ventures with foreign firms, revisions since the 1990s had allowed wholly-owned foreign enterprises (WOFES). These now accounted for 65% of new foreign direct investment (FDI) in China and were the leading players in high-tech exports.

With joint ventures the transfer of technology was likely. But WOFES would want to keep a hold on their technology and so perpetuate Chinese dependence on outside technology.

Should the ant follow the dragon's path? You decide. **NB**

Refugees from a gas blow-out line up to receive food at a refugee centre

Biowatch wins GMO court

Althea McQuene

More than a year after environmental non-governmental organisation, Biowatch, took the Department of Agriculture to court, it has won the right to information about genetically modified (GM) crops in this country.



Monsanto and two other companies joined the Department of Agriculture in contesting the court challenge.

Biowatch claimed that section 32(1)(a) of the Constitution and environmental legislation give it the right to access to information on the GMO industry in South Africa.

Government and the companies in support of government argued that Biowatch's right to access to information is given by the Promotion of Access to Information Act (PAIA), and that Biowatch did not follow the procedures as stipulated by PAIA.

In February 2005, Judge Dunn ruled that Biowatch has rights in terms of the Constitution to most of the information that it requested.

The court ruling however also declared that Biowatch must pay Monsanto its costs for the court

case. Biowatch is not happy about this matter and has decided to take it up on appeal.

Monsanto must go

Meanwhile, at a February workshop, representatives from the faith based communities, trade unions, small farms and food garden projects, the anti-gmo lobby in South Africa and on the African continent decided to call on social movements and trade unions to support their campaign to kick Monsanto out of South Africa.

For more information about the struggle against GMOs in South Africa check out the following websites:
www.biowatch.org.za and
www.safeage.org

Althea McQuene is an environmental activist

case

GM crops are plants that contain genetically modified organisms (gmos) - plants that have had foreign genes from a different organism or species added to them.

Promoters of genetically engineered crops, like seed, herbicide and pesticide company Monsanto, say these crops are no riskier than traditional hybrids, that they reduce the use of pesticides and weed killers (and so are less harmful to the environment) and improve yields. In Africa these genetically engineered crops are being promoted as a solution to low agricultural output, poverty and hunger.

Organisations like Biowatch say that none of these claims can be supported.

They say that studies done on farmers using genetically engineered seed have shown varying results. In some global studies, genetically engineered crops have used less insecticide and weed killers for the first three years. But total insecticide and weed killer use has increased in the long run and this has had a variety of toxic effects on non-target plants and animals.

Who is Monsanto?

Monsanto holds a vast monopoly of the world's GMO market - 90% of GMOs worldwide are grown by Monsanto. It is also a major producer of pesticides and herbicides worldwide. The company owns most of the patents on genes.

Monsanto's past personnel include: US Supreme Court Judge, Clarence Thomas, was Monsanto's lawyer; US Secretary of Agriculture, Anne Veneman was on the Board of Directors of Monsanto's Calgene Corporation; the Secretary of Defense, Donald Rumsfeld was on the Board of Directors of Monsanto's Searle pharmaceuticals; US Secretary of Health, Tommy Thompson received \$50 000 in donations from Monsanto during his winning campaign for Wisconsin's governor.

Tribute to all leaders

Bold, brave, unselfish, dedicated and devoted.

To you I give tribute, it is you that I salute.

Everybody is born a leader, but not everybody can lead.

It takes character and dedication to lead.

You might feel that your efforts go unnoticed

You may feel unappreciated and at times even overlooked,

But you are not, to you I give tribute,

It is you that I salute.

Admitting when you are wrong

But still staying strong.

Resting when you are weak,

And persevering when the road looks steep

Leading by example yet always humble

Respecting others rights to differ

Whilst striving to make a difference,

Accepting failure, and learning from your mistakes,

Yet never staying down when you have fallen.

That is why to you I give tribute,

Therefore it is you that I salute.

When today you're feeling down and out,

And your sunshine is hidden under a cloud

Look in the mirror and say it out loud:

"I am a leader and therefore I am proud."

Believe in what is instilled in you

And continue to fight for what you believe is right.

Be it with passion

Be it with might,

You won't always be right

But in with the fight.

I want to see you rise from strength to strength,

Reaching new heights from day to day

Be encouraged comrades be encouraged,

From shop steward to the office bearers to the leadership.

Bold, brave, unselfish, dedicated.

To you I give tribute

It is you that I salute.

Jackie Williams, Swift Heat

BOOK REVIEW

A DITSELA SIYAKHANYA PUBLICATION

Organising Successful Meetings

Judy Madumo



If I were to find this book lying on a coffee table, I wouldn't pick it up because the title does not speak to me. The first thing that pops into my mind is that it is for people who organise meetings, who do "events-management".

And yet turn the cover and it not only speaks about organising, but also attending successful meetings. It has a dedication to "all those working to strengthen democracy in the meetings". The book looks at "fresh approaches to re-ignite the passion through meetings".

The book recognises that it does "not have all the answers". It does not suggest you discard how you have already conducted/participated in past meetings. Instead it introspects your ideas and views and encourages you to compare your actions to them.

The information reaped puts the reader in a position where s/he is able to review meetings attended and those organised. And with this as the backdrop, there is a recognition that trade unions all over the world are struggling to keep their members interested in attending meetings.

In these fearsome times, globalisation continuously rears its ugly head and pierces venomous fangs in to the trade union movement. "Many workers feel demoralised" because of the privati-

sation of services or the restructuring of workplaces with casualisation and massive retrenchments, and as a result, lose interest in long drawn out meetings conducted "in the old ways".

As the book takes you through this journey of discovery, it sets the scene "to re-ignite" these new approaches. With chapters on holding, planning and running successful meetings, the book also gives tips on how to improve participation in meetings as well as how to be a top chairperson, minute taker and participant. One chapter is dedicated solely to "Women and meetings".

The table of contents has pointers under each chapter that guide you to the specific area that you want to read. You can put the book beside you for quick reference during the meeting. You will know where to locate a particular issue without reading the chapter from start to finish.

It is also a useful education tool. Various parts like the "checklists" can be copied for participants.

The book draws on experiences from various trade unions like Cosatu, Numsa, the British TUC.

The fascinating part of it is that it takes no more than two hours of uninterrupted reading to amass fresh ways of doing things. The book is a must have for every workplace and beyond. Especially those of us who draw from and espouse Cosatu's rich culture of internal democracy, its values, its legacies, in meetings. If this historic lineage is to continue past the time when we are great revolutionary ancestors, every bookshelf in every household ought to have this one, for the language and style is within reach of all!

The book is available from Ditsela at a cost of R50 including postage. If you want to stand a chance of winning a copy, then write to Numsa Bulletin telling us what makes Numsa meetings boring or exciting. We will send a copy of the book to the person who writes the best letter. Be sure to give us your postal address including a contact number.

COMPETITION

Be trade aware,

enter the

Trade Monitor competition

Many of your companies are exporting goods to other countries. Other companies are battling to survive against the onslaught of cheap goods from foreign countries. But do you know what are SA's chief imports, where most of SA's goods go to?

Look at the chart on the back cover, read the key to the chart below and then answer the questions that follow. You could win a free subscription to the Trade and Industry Monitor, a quarterly publication, produced by Trade and Industry Policy Strategies (TIPS).

Which countries form part of these trade blocs?

East Asia: China, Hong Kong, Special Administrative Region of China, Japan, Democratic People's Republic of Korea, Republic of Korea, Mongolia, Macao Special Administrative Region of China, Taiwan Province of China

Middle East (also called SW Asia): Afghanistan, Armenia, Azerbaijan, Bahrain, Cyprus, Egypt, Gaza Strip, Georgia, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates, West Bank, Yemen

NAFTA: Canada, United States of America, Mexico

South-east Asia: Brunei, Darussalam, Indonesia, Cambodia, Lao People's Democratic Republic, Myanmar, Malaysia, Philippines, Singapore, Thailand, East Timor, Vietnam.

Questions:

Questions about trade flows to the world:

1. In which quarter did we export the most goods - Q1 2004, Q1 2005, Q4 2004 or Q1 2005?
2. In which quarter did we import the most goods - Q1 2004, Q1 2005, Q4 2004 or Q1 2005?
3. In which quarter did we have a positive trade balance (ie were our exports were more than our imports) - Q1 2004, Q1 2005, Q4 2004 or Q1 2005?

Questions about SA trade with the world: percentage growth rate:

4. By what percentage did our exports grow between Q1 2004 and Q1 2005?
5. Which grew more between Q1 2004 and Q1 2005 - exports or imports?

Questions about the map:

6. Which trade area do we export the most goods to? (look at the red arrows)
7. Which trade area do we import the most from? (look at the blue arrow)
8. Which trade area do we export more to: EU or East Asia?
9. Which trade area do we import more from: EU or East Asia?

Questions about Top 10 products

10. What product is our top export?
11. What product is our top import?

Questions about SA trade by region (Rbn)

12. In which trade regions was our trade balance positive in Q1 2005? (ie exports - imports = positive)

Send your answers to:

Numsa Bulletin
PO Box 260483
Excom 2023
Or fax to: 011-833 6330
e-mail to jennyg@numsa.org.za

Closing date for entries:
November 30 2005

**(Remember to send with it
your name, postal address and
workplace!)**

All about TIPS

TIPS was established at the request of senior policy-makers of the new government in 1996. It is an independent, non-profit economic research institution, active in both the South African and Southern African economic policy arenas and co-ordinates a wide network of established researchers.

Its aim is to respond to the local policy environment, government and other clients' research and information needs, to deliver high-quality, policy-relevant research, and to maintain an overt and strong interest in public policy in the areas associated with developing country economic policy.

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SA Trade Flows to the World

	Q1 2004		Q1 2005		Q4 2004		Q1 2005	
	Rbn	US\$bn	Rbn	US\$bn	Rbn	US\$bn	Rbn	US\$bn
Total Exports	67.25	9.95	69.15	11.53	78.71	13.05	69.15	11.53
Total Imports	64.08	9.48	75.50	12.58	84.55	13.95	75.50	12.58
Trade Balance	3.17	0.48	-6.35	-1.06	-5.84	-0.89	-6.35	-1.06

SA TRADE TIPS A GLANCE

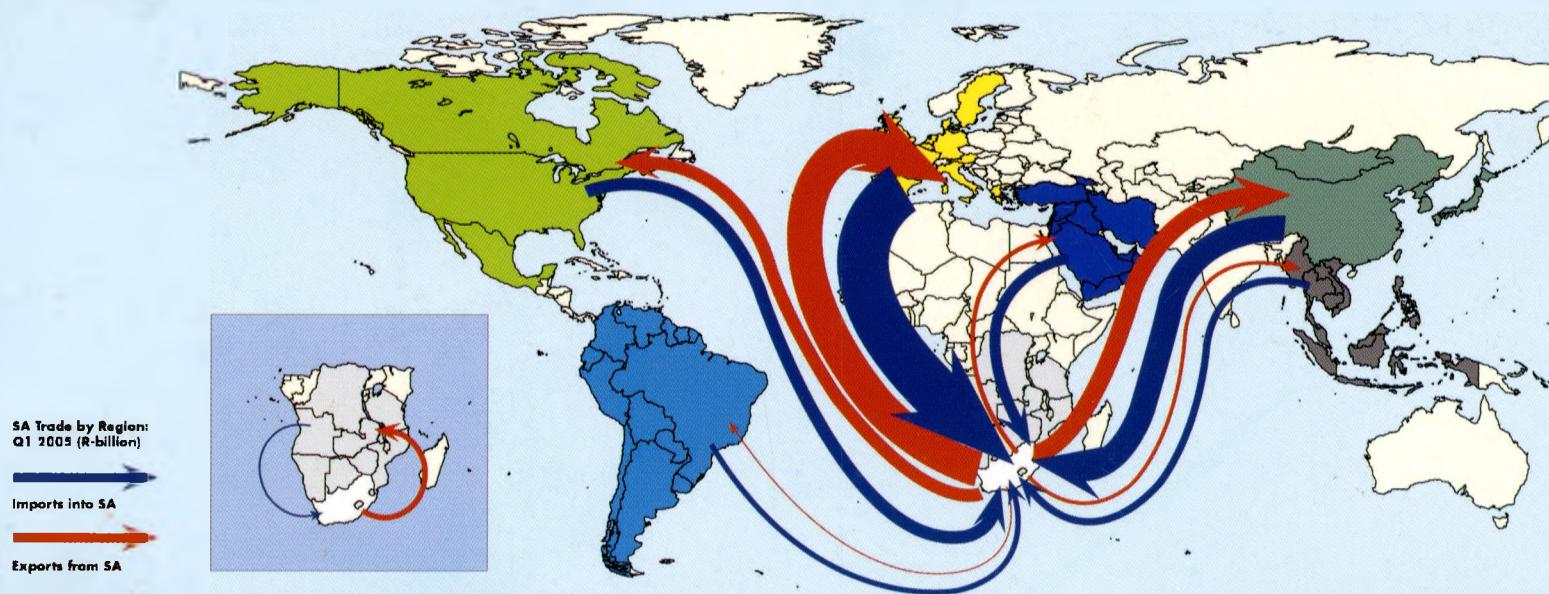
SA Trade with the World: Percentage Growth Rate

	Q1 2004 – Q1 2005 (%)	Q4 2004 – Q1 2005 (%)
Total Exports	2.82	-12.15
Total Imports	17.82	-10.71

Note: Growth rates have been calculated on the Rand values

Key to the chart:

- Rbn = billions of Rands
- US\$bn = billions of US dollars
- The red arrow = exports from South Africa (the width of the arrow tells you how much is exported, the wider the arrow, the more is exported)
- The blue arrow = imports into South Africa (the width of the arrow tells you how much is imported, the wider the arrow, the more is imported)
- Trade balance is calculated by: Exports - imports = trade balance. If the trade balance is negative, it means that the value of imports exceeds the value of exports. If the trade balance is positive, it means that the country exported more than it imported.
- Q1 2004 = The first quarter of 2004 (ie the first three months of 2004); Q4 2004 = the fourth quarter of 2004 etc.
- Q1 2004 - Q1 2005 = the time period between the first quarter 2004 and the first quarter 2005.



Top Three Non-Mineral Exports from and Imports to SA from Regions (HS4, Q1 2005)

Region	Exports		Imports			
	Products	Value (Rbn)	% Share	Products	Value (Rbn)	% Share
EU	Ferro-alloys	1.92	8.00	Motor vehicle parts	3.53	11.20
	Centrifuges	1.67	7.00	Vehicle transport (except buses)	2.94	9.30
	Motor vehicles	1.09	4.50	Aircraft	2.58	8.20
East Asia	Ferro-alloys	1.73	16.10	Motor vehicle parts	2.06	16.00
	Motor vehicles	1.20	11.20	Vehicle transport (except buses)	1.06	8.30
	Rolled stainless steel	0.45	4.20	Computers	0.83	6.50
NAFTA	Ferro-alloys	0.88	12.10	Motor vehicles	0.35	5.60
	Titanium oxides	0.37	5.10	Aircraft	0.27	4.40
	Motor vehicle parts	0.15	2.00	Medical instruments	0.20	3.30
SADC	Structures, parts of iron/steel	0.27	4.40	Nickel ores and concentrates	0.32	11.30
	Commercial vehicles	0.17	2.80	Cotton	0.17	5.90
	Maize (corn)	0.15	2.40	Copper wire	0.07	2.50
Middle East	Hot-rolled iron	0.07	3.00	Polymers of ethylene	0.10	1.90
	Aluminium plates	0.07	3.00	Radio and TV transmitters	0.09	1.60
	Tobacco	0.06	2.60	Mineral or chemical fertilisers	0.08	1.60
South-East Asia	Rolled stainless steel sheet	0.23	11.30	Motor vehicle parts	0.44	15.20
	Chemical wood pulp	0.16	8.00	Computers	0.29	9.80
	Semi-finished iron products	0.10	4.80	Office machine parts	0.25	8.40
South America	Ferro-alloys	0.10	15.10	Motor vehicle parts	0.50	23.50
	Acyclic hydrocarbons	0.03	4.30	Wheat and meslin	0.20	9.60
	Synthetic filament yarn	0.02	3.70	Soya-bean oil-cake	0.17	8.20

EU



SA Trade with the World: Top 10 Products (HS2; Q1 2005)

Products	Total Exports (Rbn)	% of Total Exports	Products	Total Imports (Rbn)	% of Total Imports
Precious metals	19.6	28.3	Machinery and boilers	12.5	16.6
Iron and steel	9.2	13.3	Mineral and fuel oils	8.6	11.4
Mineral and fuel oils	6.3	9.1	Electrical machinery	7.4	9.8
Vehicles	4.9	7.1	Vehicles other than railway	7.1	9.4
Machinery and boilers	4.3	6.2	Motor vehicle parts	6.7	8.9
Aluminum	2.5	3.6	Aircraft	3.5	4.6
Citrus fruit	1.9	2.8	Medical & surgical equipment	2.5	3.3
Inorganic chemicals	1.7	2.5	Plastic	2.0	2.6
Ores, slag and ash	1.6	2.3	Precious metals and stones	1.9	2.5
Organic chemicals	1.3	1.8	Pharmaceutical products	1.6	2.1
Total	53.24	77.0	Total	53.80	71.3

SA Trade by Region (Rbn)

	Q1 2004		Q1 2005		Q4 2004		Q1 2005	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
EU	21.44	29.61	23.97	31.59	24.35	32.62	23.97	31.59
East Asia	11.07	12.45	10.72	14.89	14.74	17.08	10.72	14.89
NAFTA	7.07	6.44	7.24	6.50	8.52	7.79	7.24	6.50
SADC	5.39	1.38	6.05	2.83	7.08	2.10	6.05	2.83
Middle East	1.97	2.47	2.46	5.25	2.52	7.19	2.46	5.25
South-East Asia	2.10	2.85	2.04	3.35	2.22	3.57	2.04	3.35
South America	0.69	2.42	0.66	2.62	0.69	3.01	0.66	2.62
Rest of Africa	2.70	0.55	2.87	0.74	3.40	1.31	2.87	0.74
Rest of the World	14.82	5.92	13.15	7.73	15.19	9.86	13.15	7.73

Note: Share refers to the proportion of total exports/imports from the specified trade partner.

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