

PROCESSED

*TRADE UNION AND
CENTRE*

RESTRUCTURING THE MUNICIPAL SECTOR TO DELIVER ON THE RDP

Position arising from the SAMWU Policy Conference, 30 October 1996

The Privatisation Threat

Building the Campaign

One of the biggest threats to RDP delivery in the municipal sector is that of privatisation. The Conference re-affirmed the long standing anti-privatisation position of SAMWU. In order to advance this position, the following proposals are made:

- That the Union develops a clear campaign to promote our opposition to privatisation and our support for the retention of basic services under public control and ownership through the "turning around" of local government services.
- That Regions discuss the elements of this campaign and that this is finalised in the next NEC.
- That for the campaign to succeed, it must be mass based. We should focus on getting worker and community support for our fight to retain services in public hands.
- An essential element of the campaign would be to ensure implementation of the last COSATU CEC resolution which calls for basic services like water, electricity, housing etc. to remain under public ownership and control. This includes identifying those services which should be brought under public ownership and control(nationalisation).
- Another important feature of the campaign should be the integration of the research findings(the joint ILRIG/SAMWU Research Project) into the programme. The research should both illustrate international and national consequences of past privatisation experiments as well as illustrating public sector superiority in the delivery of basic services(democratic alternatives to privatisation).

Local Government Funding

The current crisis in local government funding is acknowledged. We support a centralised system of public funding for infrastructural development within local government. This will eliminate corruption and will go a long way to addressing the current financial crisis in local government. As far as possible, we should avoid relying on private sector funding.

SAMWU should campaign strongly for the re-introduction of pre-scribed assets. This form of financing was used to built apartheid infrastructure and is a viable vehicle for post-apartheid reconstruction. We should engage all democratic forces in promoting this position.

SAMWU members, as municipal employees, should become directly involved in building the Masakhane Campaign. This should involve much closer contact with communities. The success of this campaign will also greatly improve the financial state of many local authorities as well as delivering improved levels of service.

An additional area to be put forward is that of national tariff reform. This should include identifying what constitutes life-line levels of service as well as making provision for adequate levels of cross-subsidisation.

Private Sector Involvement

Consistent with our anti-privatisation position, we are opposed to the concept of private/public partnerships. This includes concepts like delegated management. Regarding those services which have already been privatised, we are saying that our campaign should include strategies for returning these services to public hands. This includes analysing contracts to see if earlier return is possible. In the interim we would continue to represent our members employed in these companies.

Even if the Union could regulate wages of private companies within local government bargaining arrangements, if no job loss occurred and if we could organise these workers, we would still oppose private sector involvement. We still believe that the long term effects will be negative to workers and the community eg. international experience has shown that service costs rise over time and quality of services decline.

A strong argument is made for small business development and black economic empowerment when privatisation is being promoted. Whilst we support government intentions to promote small business, this can be done in ways other than privatisation eg. tax concessions, low interest loans etc. In respect of black economic empowerment, we are opposed to schemes which merely generate self-enrichment and the creation of a layer of black capitalists. We do however support affirmative initiatives which seek to give black businesses access to work put out to tender by government.

Non-profit companies

We do not favour the creation of non-profit companies. Some of the reasons for this are:

- We could end up with different sets of employment conditions within the sector.
- These companies end up as profit-making companies and are ultimately privatised.
- They potentially consume large amounts of local government resources.

Turning Local Government Around

Co-determination and workplace forums

It is conceded that much of the engagement with management would take place in forums other than our normal bargaining forums. The form which these discussions, on issues like broad banding, delayering, retraining etc. will take, will more than likely be co-determinist in character. Co-determination was defined as a process, outside the normal collective bargaining process, where the two parties jointly decide on matters affecting production and related matters. This was recognised as a major shift in policy by the Union. A warning was sounded that we need to be very careful not to weaken the Union in this process. Some of the considerations mentioned included:

- We would have to take joint responsibility for the effects of any decision.
- The threat of co-option of worker leaders.
- Tensions within the Union and the possibility of deflecting the militancy of workers.

Much discussion was had on the structure and form of these forums. Workplace forums were also considered. Our current position on workplace forums, based on our understanding of what the new LRA is saying, is that we are opposed to these structures and would not be initiating them in workplaces where we enjoy the required majority. Notwithstanding this position, we are recommending that the Union needs to do a full and thorough review of what the LRA provides for in respect of workplace forums and how, if possible, these structures can be used for our “turning around” negotiations with management. A workshop would be held, as soon as possible, for this purpose. The workshop would also look at other possible structures which can be put in place to deal with these negotiations. What is important, is that we have uniformity of structures, throughout the country.

Pilot Projects

It is acknowledged that the public sector in general, and local government in particular, has been characterised by, amongst others, high levels of inefficiency, ineffectiveness and in certain cases corruption. Some of the reasons for this are:

- Councillors with little or no experience and often acting without mandates from their constituencies.
- Officials who are able to control and manipulate the information made available to elected councillors.
- Administrations which reflect the effects of apartheid.
- Senior management not committed to transformation eg. not willing to work in townships etc.
- No proper training for employees.