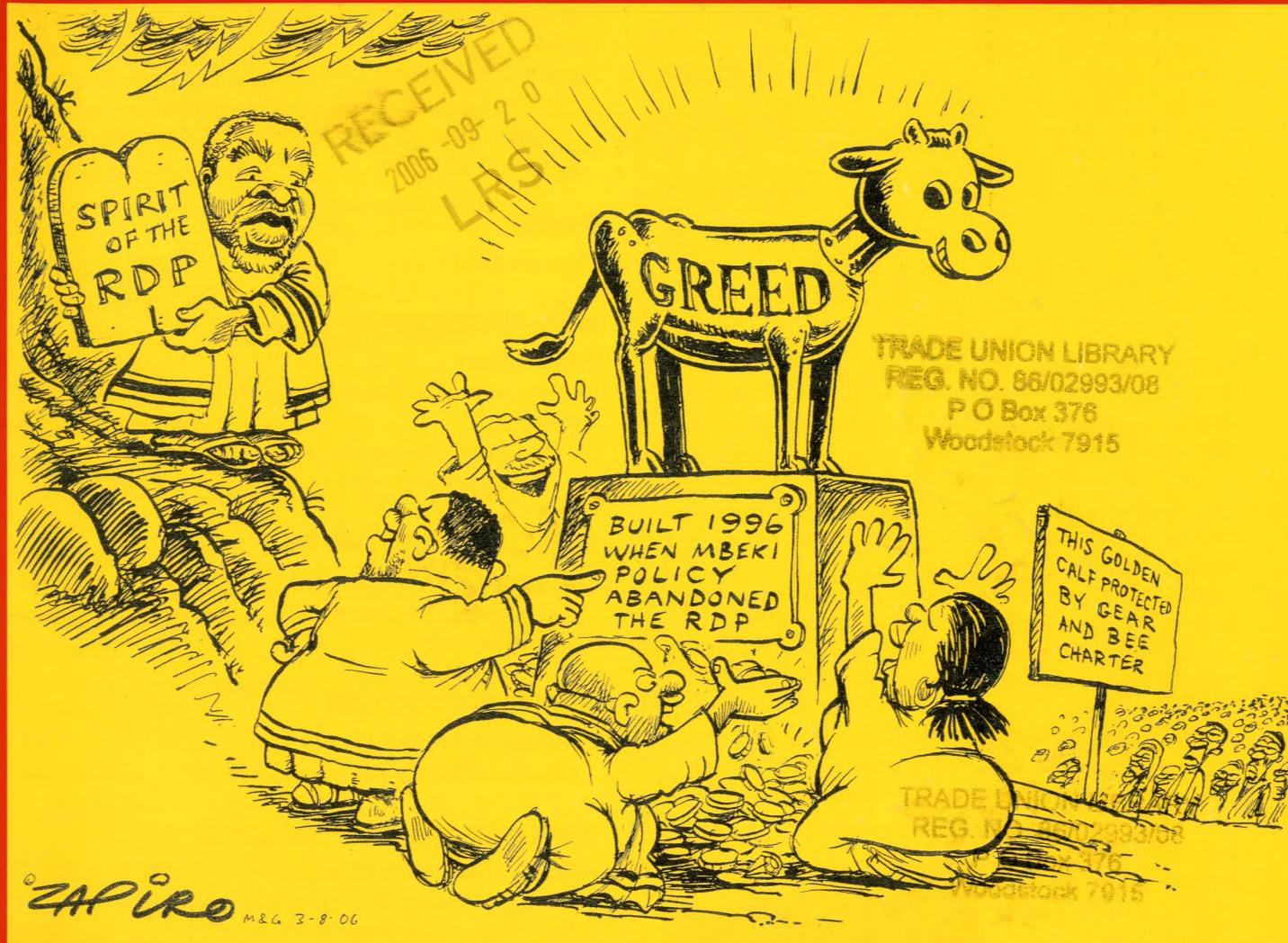


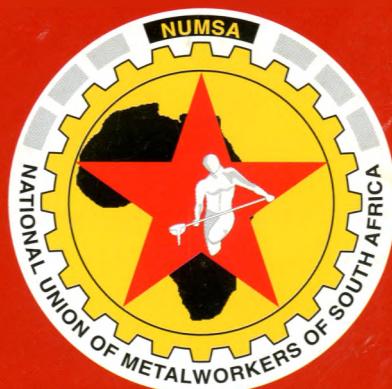
# NUMSA Bulletin

No 16 - 17 September 2006



## Analysing alliance differences

**Cosatu Congress Special  
BEE in the metals sector  
Merseta on Jipsa  
Non-racialism**





## PREFACE

**A**n annual Numsa Bulletin seems to be becoming the norm! However our aim is still to bring them out more often.

Cosatu Congress is the focus for this Bulletin (pages 17-39). We assume that you have Cosatu's resolutions and secretariat report so you will not find them here.

We have instead included other background documents and articles that we think will help comrades debate resolutions in the September Congress.

- read the different understandings of the NDR by the alliance partners (page 18)
- how should we judge the actions of a developmental state (page 20)
- how Cosatu's jobs and poverty campaign can learn from Spain (page 23)
- understand what the Financial Sector Charter is all about (page 26)

But there is much more to read - read the contributions from readers (pages 8-15), decide which brand of feminism you support (page 48) and do the test to see how gender sensitive you are.

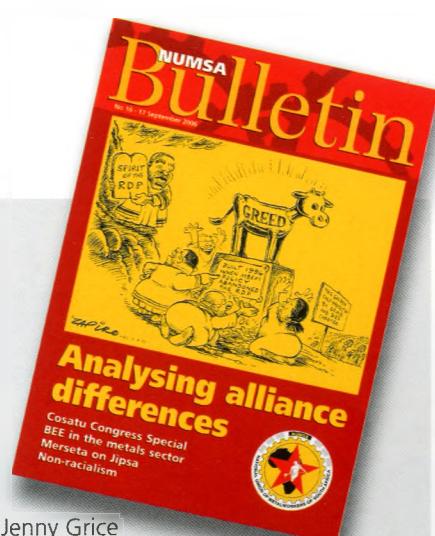
Learn tips from Aubrey ka Saki on how to avoid the VW-type situation (page 51) and absorb the findings of BEE research into Numsa-organised companies (page 55). How does your company compare?

Do you have Esops in your company? Should Numsa adopt Esops as a way of going the BBBEE route or is it too risky?

Study how the Merseta plans to complement Jipsa and how Bolivia is nationalising its hydrocarbons sector (despite a few hiccoughs!)

Look at the glossary for definitions of those long words that always pop up at congresses and add words that are troubling you to it.

Happy reading  
Editor



Editor: Jenny Grice  
Editor in Chief: Silumko Nondwangu

Cover cartoon: Zapiro

# SEPTEMBER 2006

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| <ul style="list-style-type: none"><li>▲ offer readers new ideas, arguments or information.</li><li>▲ Avoid making personal attacks – rather criticise a political position. Substantiate your argument and give a constructive alternative.</li><li>▲ Back up statements, like "membership has dropped", "meetings were poorly attended", with statistics to prove them.</li><li>▲ Explain jargon – different people interpret words differently.</li><li>▲ Make people want to respond to your argument.</li></ul> |    |

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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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 P.O. Box 260483, Excom 2023  
 Telephone: (011) 689 1700  
 Fax: (011) 833 6330  
 e-mail: jennyg@numsa.org.za

# special focus

# COSATU

**9TH NATIONAL CONGRESS**

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# preparing FOR COSATU CONGRESS

**S**amora Machel in his piece of work on women's liberation made the following observations:

*"A society based on private ownership of the means of production, on the exploitation of men, creates and imposes the ideology and culture which upholds its values and ensures its survival. The economic exploitation of women, their transformation into mere producers with no rights, at the service of their owners – whether husbands or fathers – requires the establishment of a corresponding ideology and culture, together with an educational system to pass them on. Obviously, this is not something which happens all at once, but a process developed and refined over thousands of years of the society's existence.....The process of alienation reaches its peak when the exploited person, reduced to total passivity, is no longer capable of imagining that the possibility of liberation exists and in turn becomes a tool for the propagation of the ideology of resignation and passivity. It must be recognized that the centuries-old subjugation of women has to a great extent reduced them to a passive state, which prevents them even understanding their conditions."*

Numsa has sponsored a resolution on the gender question and how the Federation must deal with this issue moving forward. We argue for a different ideological approach

Last month, we once again joined millions of women in our country in celebrating 50 years of the 1956 women's march to Pretoria. This historic celebration was preceded by the launch in Bloemfontein of a National Women's Movement.

This occasion was attended by hundreds of delegates representing women from across the length and breadth of our country. It was an occasion to celebrate the achievements that women have scored since the ushering in of a democratic state, but more importantly to once again reinforce in the words of Samora Machel,

*"That the economic exploitation of women, their transformation into mere producers with no rights, at the service of their owners – whether husbands or fathers – requires the establishment of a corresponding ideology and culture, together with an educational system to pass them on. Obviously, this is not something which happens all at once, but a process developed and refined over thousands of years of the society's existence....."*

It has been emphasized in a number of writings towards and after this launching conference that this formation must be representative of the urban and rural divide in our country and in class terms. reflect the most exploited of women who reside in the deep rural areas of South Africa.

The test for this women's formation will be the extent to which decisions taken in this conference reflect its composition and the nature of women's exploitation in our country and the continent.

The forthcoming National Congress of Cosatu, the SACP conference and the ANC conference, the latter scheduled for 2007, will have to take stock of what we have done in this period to emancipate women in all spheres of society.

In the composite resolutions that the Cosatu Congress will debate, Numsa has sponsored a resolution on the gender question and how the Federation must deal with this issue moving forward. We argue for a different ideological approach in dealing with the gender question rather than a neo-liberal tendency of numbers and quotas as if, on its own, it will overcome what Samora Machel defined as. "the ideology of resignation and passivity."

# COSATU 9TH NATIONAL CONGRESS

## Cosatu Congress and the NDR

Consistent with our militant tradition of rigorous debates in Numsa Congresses, we have also tabled for the Cosatu Congress a number of resolutions dealing with the characterization of the current conjuncture of the National Democratic Revolution (NDR).

The essence of our argument is that the Alliance must develop a common strategy in this decade to struggle and defeat the hegemony of white monopoly capital. We strongly believe that our resolutions submitted to Cosatu will lay a firm foundation to assert the leadership of the working class in the NDR.

This is not a task as we have argued in our political discussion paper titled: **Breaking new ground on the most vexing questions confronting our revolution**, that you decree in a resolution. It is a struggle that the working class has to fight and win ideologically in society.

It entails among other things a struggle to build an all-round cadre that understands and appreciates the challenges of the trade union movement and the working class in general. We will not be doing any good if we go to the Cosatu Congress and lament about the weaknesses of Cosatu when we know very well that there are serious organisational and ideological weaknesses that we have not attended to sufficiently.

## 2015 Plan

The 8th Cosatu Congress set out the 2015 Plan. This covered organisational, political, socio-economic and international matters which the Federation and its affiliates had to pursue towards this 9th Congress. The question that we should pose is, what foundation have we laid in this period towards 2015? These are some of the matters that this forthcoming Congress will have to deal with to strengthen the Federation and its affiliates. As metalworkers we will engage other affiliates in a robust and constructive manner that seeks to build the federation.

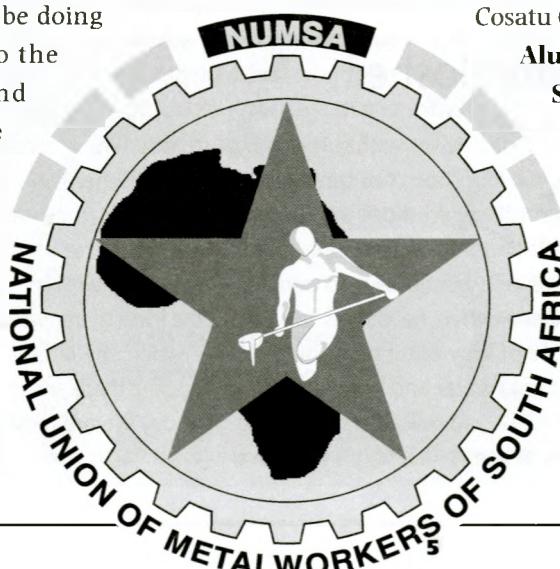
On behalf of the National Office Bearers, we wish to thank in particular the national Numsa Preparatory Team that has made it possible for our regions to prepare thoroughly for the Cosatu Congress. We are confident that the work we have done towards this Congress will make us walk tall. We have lived up to our tradition of a militant, revolutionary and united metalworkers union.

“Asinamona, asinandzondo, siyayidumisa i-Cosatu”

Forward to a united and successful Cosatu Congress!

**Aluta Continua!**

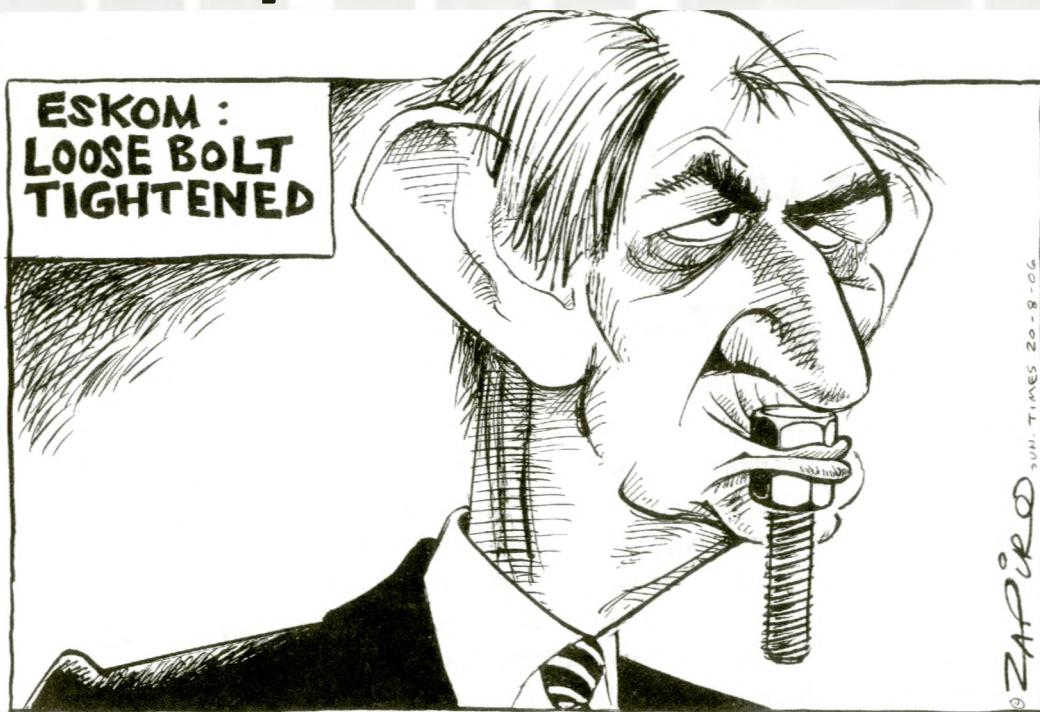
**Silumko Nondwangu,  
general secretary**



“Asinamona,  
asinandzondo,  
siyayidumisa  
i-Cosatu”

Forward to a  
united and  
successful  
Cosatu  
Congress!

## "Out, out damned bolt!"



Not sure who was happier during the Koeberg bolt saga - ANC deputy president, Jacob Zuma or minister of health, Manto Tshabalala-Msimang because that biting cartoonist, Zapiro, suddenly had someone else to attack with his cruel pen. Or Zapiro himself who at last could diversify his attacks! And what fun he had!

### The truth will come out!

And still on minister of public enterprises, Erwin, it seems his prediction that the biggest threat to government's massive infrastructure programme was that a very large part of the inputs for the programme would be imported, is starting to be seen.

Local dump truck manufacturer Bell Equipment is up in arms over a little notice that appeared in Government Gazette Notice 1041 of 2006.

#### Point 2 of the Notice reads:

The proposed creation of a provision for the rebate of the customs duty on goods of any description for use in the infrastructure known as the Gauteng Rapid Rail Link, at such times and in such quantities as the International Trade and Administration Commission of South Africa (ITAC) may allow by specific permit. Response due by 15 September 2006.

The reason for the application: "Some of the products applied for are not manufactured within SACU"

*Big Belly just wants to know: when Bombela Consortium put in its tender to build the Gautrain, did it budget for the more expensive locally manufactured goods or the imported ones with the customs duty rebated?*

### Exorcising the apartheid "tokoloshe"

Alan Boesak had his audience rolling with laughter when he tackled the apartheid 'tokoloshe' head-on in his address at the recent Numsa non-racial conference in Cape Town.

"We must accept that from our past we buried Apartheid in a very shallow grave. It takes something like this Numsa Non Racial Conference to make all those ghosts rise up again – it's like a tokoloshe

– you can't get rid of a tokoloshe by putting salt in your shoe. You can't get rid of him by putting two shoes at the front door, one facing this way and one facing that way as one auntie says to confuse the tokoloshe when he comes in. You can't get rid of it by putting on the table a bottle of cold water and hot water – on the same night you will hear ting a ling there goes glasses in kitchen – you have

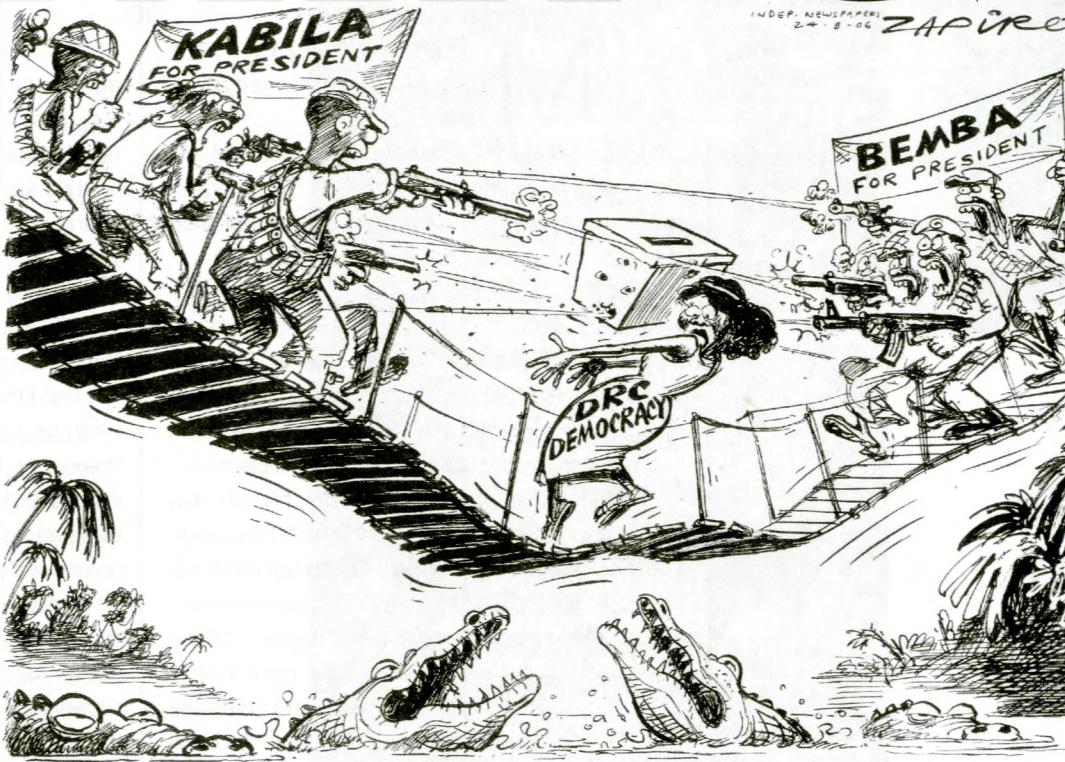
to deal with it otherwise you have the situation where the wife said to the husband that they can't stay in this house anymore. They must relocate and so when she came with the last suitcase to put on the lorry there was a bucket upside down – when she lifted it to see what's in this bucket there sits the tokoloshe and says 'today we are moving together'."

## Cannibalism in DRC!

The rebel movement led by one of the 33 presidential candidates, Pierre Bemba, is known for eating people. In the East side of DRC, there is a tribe called the Ituris. There is a belief that when you eat them, you become clever.

We wonder how many can be eaten, if he succeeds in becoming the President of the country. Just imagine every parliamentary sitting, a President eats an Ituri? How many Ituris will be alive after the Presidential term?

Those who thought sleeping with a child could cure Aids will find like-minded people like Bemba in the DRC!



## Is there a cure for Aids?

If you answer yes, then you can count yourself amongst the almost 40% of South African civil servants who believe there is a cure.

Perhaps one should expect it from that province in the east that has not had such a proud history of tackling the HIV/Aids problem, but when almost 50% of civil servants in Gauteng said "yes" there is a cure, then one has to worry!

Perhaps they know something we don't!

## Just what is black economic empowerment (BEE)?

When Seifsa's economist reported to a Numsa BEE workshop earlier this year he put this question to the delegates:

"What is black economic empowerment? A black woman with an office in Sandton who employs a few administrative workers and imports taps and plumbing accessories from China OR Cobra Watertech that employs more than 100 workers and is now threatening to retrench workers because of the cheap Chinese imports?"

### Are companies transforming?

If Numsa's recent commissioned study on BEE is anything to go by,

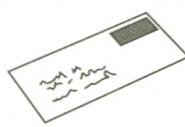
then we think not. Of 147 companies approached to be interviewed, only 25 responded leaving us with suspicions that the other 122 companies didn't want their lack of transformation exposed! Even the achievements of those that did respond leave much to be desired.

### And still on BEE

To all those employers that think they can score BEE brownie points for the amounts they have paid to Numsa for their workers' union subscriptions - be warned, it won't work! We have advised your BEE/empowerment rater what the income was for and you'll have to look elsewhere for those points!

## WINNING LETTER

### Numsa please workshop



**M**y name is Bo. I am 23 years old, a SACP, YCL, ANC member in my branch.

I am writing in my capacity as a concerned revolutionary. At a gathering organised by a progressive youth movement in my area, a couple of shop stewards were invited.

You won't believe comrades how shocked I was when I heard the shop stewards agreeing to a statement which was uttered by one of them: "The days when shop stewards used to inform workers to go on strike are over. We don't have time for strikes in our freedom, we should be more responsible now."

I failed to understand the freedom this man was referring to but equally importantly such flimsy low-talk should not be allowed. We should not allow our people to be exposed to such poisonous rhetoric.

But then I tried to understand, maybe with the company vehicles, airtime, incentives, the capitalist bosses have managed to manipulate and neutralise our comrades and as a result caused them to ideologically "cross the floor".

In this regard I would urge Numsa in this region and everywhere else in South Africa to pull up their socks and watch closely to prevent a situation whereby even the provision of ABET which is a basic human right, would neutralise our comrades.

At this stage in our revolution, unity is an imperative, but the comrades clearly need thorough political workshopping before they lose their revolutionary vision and become sell-outs.

I do understand that this is one risk that we are taking having comrades join the enemy camp. But we should take it anyway. Rather than having politically weak shop stewards we should rather have radicals. Radicals won't be pulling to the right whilst the working class is pulling to the left.

This kind of oration is clearly in support of the views of the new VW Managing Director who says there is no need for labour unions. We should be very careful comrades - this has got an element of discouraging new employees from joining labour unions and participating in its activities. This has got an element of encouraging labour to succumb to the evil that the capitalist bosses are always seeking to put forward. This has got an element of advocating surrender of workers' rights with the interest of promoting unprincipled peace.

No wonder many of the youth are not participating in labour actions including Numsa's and even Cosatu's national actions. No wonder so many of the youth who are employed in Numsa-organised companies are proudly calling themselves ANC supporters but they know nothing about the SACP or

### Let's reclaim what Numsa stood for

**A**s a Numsa card-carrying member, I believe we have to adhere to our constitution which stipulates our aims and objectives as an organisation.

Numsa is one of the most powerful organisations which endured prejudice during the dark days of the apartheid regime. Its history started 15 years ago whereby fallen heroes sacrificed themselves so that this union is a force to be reckoned with as it is today.

I'm a former Johnson Control shop steward. A world-class agreement clubbed together with alignment of benefits was signed in September 2003. In those negotiations fundamental issues like annual leave and sick leave were intensively scrutinised.

We reached some compromises with regard to annual leave. We agreed that all employees at the four plants across the country will enjoy 22 days annual leave. All new employees employed after the signing of the agreement would start on 15 days leave. After three years service they will get 18 days and after five years

they will get 22 days.

On sick leave, we couldn't compromise to 36 days over a three-year cycle which two plants were enjoying so it was agreed that the status quo would remain.

To my surprise now our management is manipulating this agreement to their advantage. The agreement never said that new employees would start at 30 days sick leave.

We raised our concern with our local organiser whereby a dispute was laid on our behalf. Until now it is still pending with no feedback about the outcome.

I urge local shop stewards and regional shop steward councils to revisit our local, regional structures so that Numsa can reclaim and symbolise what it stood for and members can again have trust and confidence in it.

*Long live Numsa!*

*Christopher Kolele, Johnson Controls, Watloo*

# shop stewards

are anti-SACP - such a shame!

But I have the feeling that we should work hand in hand to root out liberal mind-sets in all their forms and guises among our comrades. We want shop stewards not capital-stewards or agents of capital among our people.

If this continues unattended, the working class struggle is far from being a success and we are risking having politically challenged future shop stewards. As a result we are risking having more of the not so desired "sell-out" shop stewards.

To those comrades who decided not to deviate, not to vacillate, not to sell-out - you have all my respect and honour. Keep it up. Together as the working class we will iron out neo-liberal and greed-perpetuated mindsets and actions.

A real communist does not sell-out.

Ikhomanisi alisoze lathengisa abantu

If you've got a vision as the working class, does it include the things I've mentioned? If not, then we are in deep, deep trouble....

Viva Numsa viva, Viva Cosatu viva, Viva SACP viva

*Amandla!  
Madwara Elijah*

## We want to hear from you:

- What do you say about the letter of cde Bo?
- Are you working as shop stewards or capital stewards?
- Are young workers members of Numsa?
- Are they taking part in Numsa and Cosatu campaigns and if not, why not?

**Write and tell us.**

# Child labour

**Aubrey ka Saki**

**Them racking 'n scrapping  
Porn to worst scenarios,  
Yet democracy prevails,  
So which way to freedom?**

**With sore hands  
And scarred feet,  
On racist farms, them  
Toilers of the earth.**

**Kind of minister,  
Where are you?  
Department of justice,  
Are you working?**

**Sentimental scenes these  
Are, to witness slavery  
During liberation years,  
In our own fatherland.**

**Save the naked sting  
Of the Scorpions,  
Them hunt one-side  
To trail Black elite.**

**Crime is child labour.  
As sinful to the act,  
Thus nail perpetrators,  
And ban child labour.**

**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](mailto:jennyg@numsa.org.za)  
The winning letter will receive the Cosatu CD – Solidarity forever.  
Congratulations to Cde Bo – you are this edition's winner.

**Workers speak out** about the history of exploitation, the ANC and socialism. You are welcome to join in the discussion on anything that gets you writing!

## Not yet Uhuru!

**Vuyisile ka Fundakubi**

**W**hites took our land by force, pushing our ancestors into poor areas but it would be naïve to suggest that black people should reclaim land by force. There has also been dissatisfaction with the way in which "Vakomana" handle the situation of land in Zimbabwe.

That on the other hand is quite understandable because the land question is more problematic for Zimbabwe National Liberation War Veterans' Association. The land issue started about 500 years ago. This started after the arrival of whites from Europe. The late author of "Africa my beginning and Africa my ending", Ingoapele Madin-goane, on the rediscovery of black history on humankind said:

They came from the west  
Sailing to the east  
With hatred and disease flowing from their flesh  
And a burden to harden our lives  
They claim to be friends  
When they found us friendly  
And when a foreigner met a foreigner  
They fought for the reign  
Exploiters of Africa

When they arrived in Africa, long and bloody unnecessary wars were fought in Africa. They were responsible for the death of innocent people in this land. In the beginning they were not aware that African people have as much right to happiness and the wonderful life of this world as well. Their habit of thinking when they first arrived in Africa resulted in untold loss of life.

Sol Tshekiso Plaatjie expressed his dissatisfaction

Millions of African people had to depend on wages just to stay alive. Out of these hardships came a new birth, the **birth of the working class**

tion over landlessness, misery and despair that was caused by white people. He painfully described how a family was turned off their land and forced to wander the Free State's roads in freezing weather and forced to trespass on a farmer's land and bury a dead child amid fear and trembling, as well as the throbs of torturing anguish. Indeed, they sought to dehumanise the entire African community.

### **Because of their colour.**

Namibian farmer, Zacharia Lewala, who discovered a diamond, died a poor man. Newspapers said nothing when he finally died, after a long sickness. Politicians across the political spectrum never paid tribute to him because he died before being an internationally known businessman like Harry O.

Is it a shame to be black and be poor? Only public representatives might have an answer. Zacharia's family were deprived of their basic good of life time because of their colour. This diamond that he found was rated among the most expensive on the planet, the quality was so perfect yet the profit which was made by mining diamonds did not go to Zacharia but went to Consolidated Diamond Mines that is controlled by Oppenheimer's family, a shareholder in Anglo American Corporation and De Beers diamond company. Ernest Oppenheimer signed and made a deal with the mine owners in 1920.

The South African government together with Oppenheimer received a piece of diamond-rich land known as Sperrgebiet. "No entry" signs were seen all over the land. It is painful to look at how whites messed up black lives in this country.

I don't want my views to be interpreted in racial terms but this just doesn't seem normal that people in leadership positions and not the layman on the street, introduce a confusing argument after the death of Harry O. This to me is just a clear illustration that in South Africa we are still living in two different worlds.

There are those who would not be convinced by this information, but the sickness that left no-

one in the southern part of the continent untouched started with the discovery of diamonds around Kimberley in 1860 and the discovery of gold in the Transvaal in 1886. Before the discovery of gold and diamonds, black people were commercial farmers. Commercial farmers in those days meant they were making money by selling their crops and cattle, some were producing goods for their own needs. African people were very happy working hard on their own and, there were those who hired land which actually produced a profit for the community.

The Cape Prime Minister Cecil Rhodes came up with something new. He limited the land that a black farmer could own. the government closed the free market to black people. it became illegal for African people to purchase land in white areas. Black people were forced to stay in the already overcrowded reserves. The purpose was to force the black farmers to work on the white-owned farms and mining industries. Hut tax was introduced, that means a person should pay for every hut built on his or her land. Location Act, Native Trust, Land Bill and later more regulations were introduced.

### **Devastating consequences**

These were all designed to get the African farmers. Africa was reduced to dependency on the industrial capital of Europe for its own commodities. This is one clear example that imperialist profit for Europe was more important than the lives of black people. The 1913 Land Act was passed in parliament, and the British Governor was called to sign. This Act has had devastating consequences for black people, dispossessing their land birthright. Whites were fined if they allowed blacks on their land, they were not allowed to own land in African areas either. That was the beginning of the homeland system, migrant labour and apartheid.

Millions of African people had to depend on wages just to stay alive. Out of these hardships came a new birth, the birth of the working class, a class that had to depend on other people to survive. Employers found out that they don't have enough workers in the mining industries. Blacks were not interested in the mining industry. A father of six children when questioned about his situation underground, responded by saying that

**The land shall be shared** among those who work it. Restrictions of land ownership on a racial basis shall be ended and all the land redivided amongst those who work it,

every day when one is descending a shaft it brings the fear that one might not ascend alive.

Oppenheimer's family was party to the government that dispossessed African farmers of their land. They were party to the government that created a situation where Africans may own land in the Bantustans. Black property rights were destroyed and white privilege was entrenched.

Sol Tshikiso Plaatje, a journalist, author and politicians, was a most remarkable man, one of the moving spirits behind the formation of the African National Congress (ANC), South African Native National Congress. Their aim was to establish a permanent black national political organisation.

Plaatje and John Langalibalele Dube, the first president of the ANC, went to Britain to contest the passing of the Land Act. The British government's response was negative.

In Kliptown's Freedom Square on June 25, 1955, thousands of people from various organisations in South Africa gathered to draw up the Freedom Charter as a blueprint for South Africa.

On the land issue, the Charter declares that:

"The land shall be shared among those who work it. Restrictions of land ownership on a racial basis shall be ended and all the land redivided amongst those who work it, banish famine and land hunger, the state shall help the peasants to implement seed, tractors and dams to save the soil and assist the tillers, freedom of movement shall be guaranteed to all who work on the land, all shall have the right to occupy land wherever they choose."

Yes, it is not yet Uhuru!

## Let's learn from Cuba and Venezuela

**Mlungisi Tikolo**

The debate that was sparked by both the SACP and Cosatu discussion documents is a welcome necessity. For far too long we have massaged each others egos in our critique of each others shortcomings lest we are labelled unpatriotic, counter-revolutionary and or reactionary.

Sadly the ANC's response to these documents has been dismissive, personal and tried to dress down its authors instead of responding to the substantive issues that are raised in them. Duly elected leadership was referred to as 21st century Marxists, ahistoric as well as subjective in their analysis. The SACP has by and large adequately responded to these accusations. Mine is to add a worker's perspective.

### ANC NWC DOC (JUNE 2006)

On page 3 no11 President Mbeki is quoted as saying that the SACP should help to define the stage that we are at in the NDR. This is what the SACP did by releasing that important document. As 21st century Marxists we are at least mindful of the fact that the way to deal with 21st century challenges may not be the same as the 19th century revolutions - unlike the bourgeoisie who have moved from barbarism to decadence without going through any form of civilization. Marx and Engels had this to say about them:

"The modern bourgeoisie that has sprouted from the ruins of feudal society has not done away with class antagonism. It has but established new classes, new conditions of oppression, and new forms of struggle in place of old ones. Simply put

Sadly the ANC's response to these documents **has been dismissive**, personal and tried to dress down its authors

its primary aim is to accumulate wealth for the few by exploitative means".

The National Democratic Revolution's primary motive forces are twisted to include the rampant accumulation of wealth by a minute minority as if to get rich is contagious. We are again told that the ANC has never adopted socialism as its ultimate objective and yet we are all aware of the fact that the majority of the ANC voters and members is by far working class.

The ANC document also states that the ANC is a broad church or omnibus that tolerates all classes and ideologies but the question is who the dominant high priests in this church are? Who are the drivers and conductors of this omnibus? It seems that the technocrats and the capitalists that have exaggerated influence in the state are privatising our movement for their selfish gain.

### On why the SACP lose cadres

Cadres join or are recruited to the Party because they believe and show potential in building the party for socialism. The SACP has no material benefits or promises of reward for joining it. It's like the case of a deployed Cuban doctor who refused to go back home after his South African term had expired. Surely one cannot blame the Cuban revolution for his selfishness and greed? The socialist revolution is far bigger than individuals.

Like comrade Fidel Castro our battle cry when faced with imperialism reinvented as globalisation should be "Socialism or Death".

### 21st Century Marxists' war on black capitalists

The more one reads this document the more one gets the impression that it justifies wealth accumulation as a vital vehicle that will lead to transformation. It also seeks to undermine the SACP's argument that says among other things that the state should not overtly concentrate on BEE at the



expense of the workers and the working class in general. Our argument is based on the fact that the capitalists, regardless of their pigmentation, have the same objective of endless accumulation and total disregard of the job creation and poverty reduction.

The role of the working class cannot be reduced to ululation and waiting for the trickle down effect of BEE charters as if rich capitalists get rich on our behalf. As if that is not enough, we are also made to believe that in order for the economy to grow, our labour laws should be amended so that more workers can be absorbed. Karl Marx had this to

say about all this: "What the bourgeoisie therefore produces above all are its grave diggers. Its fall and the victory of the proletariat are equally inevitable."

Let us learn from other countries like Cuba, Venezuela and other South American states on what we can do to improve the lot of our class - the working class. Lastly Joe Slovo had this to say in his 1990 document "Has socialism failed?" "We continue to assert that it is only in a non-exploitative, communist, classless society that human values will find their ultimate expression and be free of all class related morality". Need we say more!

## Socialism there shalt be!

### Aubrey ka Saki

**H**as socialism failed pondered the late SACP stalwart, Joe Slovo, after western imperialists roared with jubilation following what they deemed the fall of the soviet union in the 1980s. Then the Russians took to the streets as a result of Mikhail Gorbachev's introduction of Russian perestroika and glasnost (scientific develop-

ment in openness).

Seemingly there had developed a thinking in Russian politics to shift from their form of government, a mistake that led to the fall of Gorbachev.

Espionage and infiltration by the west wing led to turmoil as foreign agents went about their covert operations to destabilise the once powerful eastern bloc, then a friend and great supporter of all the world's oppressed and suppressed countries. Short-



API/aver Galeano

## Socialism is alive in Cuba

ly after such developments in the east, where socialism was the theme of the day, the world was torn into two bits, one side took a breath, the other took a dive.

Communists around the globe tightened their belts as their foremost leader, the soviet union, appeared to have crumbled. But to this day socialism is alive in India, Cuba and the untouchable, impenetrable and much respected North Korea. Ask the USA (United States of Aggression)!

## Has socialism failed?

It has not. What are you doing to build it? The struggle in South Africa for a socialist environment started long ago. Just where do you stand?

Make no mistake! Socialism will not come on a plate. The freedom of South Africa is one solid proof. The struggle for our liberation was through more thorns and spikes than those on the head of Christ. So nobody can dare say the road to socialism is willy-nilly, unless you don't live on this planet. Know one thing, whoever you are, it took 400 years to annihilate apartheid. As socialists we are prepared to go another 400 years to destroy a system called capitalism. Come what may!

## Socialism will not come on a plate.

What are you doing to build it? The struggle in South Africa for a socialist environment started long ago. **Just where do you stand?**

As South Africans, who a decade ago got our much-earned emancipation, we committed a dreadful error of gunning for the political reins of our country which is why to this day, the capitalists are laughing all their way with billions out of our fatherland to their foreign countries. So who can declare that socialism has failed? In fact capitalism had for all these donkey years failed.

As a father, worker and writer, throughout my walks of life amongst various sectors of communities, I have been exposed to evils perpetrated by the capitalist class. Capitalism has produced, amongst others, the following hardships

- privatisation and outsourcing (resulting in retrenchments)
- escalation of unemployment, hunger and famine
- escalation of shacks and poverty living
- eruption of infectious diseases
- the rich becoming richer, the poor poorer
- up and down impacts on the rand
- ignoble violence.

Do you remember the late Curtis Nkondo, Azapo's first president and later chairman of the Release Mandela campaign? He died like a true leader, though today he is little spoken of. He had cautioned his fellow strugglers against fighting to secure the right to vote for political reins and not aim for economic power as well. Which is why capitalists are so opposed to socialism.

So what happened in 1994? Blacks in South Africa committed the same mistake done by black Americans and the so-called red Indians. After the ban by Abraham Lincoln on slave trade in 1834,

Americans wrongly thought that they had crossed the River Jordan, and that their total dignity as human beings was attained.

We share the same fatal belief though but unlike them, we had been warned by Curtis Nkondo. The economic power we had side-stepped, is still with the capitalist class, with all its earthly known results.

### Future direction

So where to from here? Has every hope to restore economic balance in South Africa gone with the deaths of Slovo, Chris Hani and Mbeki Ngwenda?

Not for once! As long as a fierce opposition towards capitalism exists, the struggle to replace this evil however long this takes, continues. Too many deaths are recorded from the liberation struggle against apartheid. Triple those deaths of martyrs if you want for the sake of this onward venture against capitalism and every available communist will be sought to engage his or her will for the implementation of socialism.

Just where do we begin? There is great work to be done. Know this, the battle has long started, though you may be falling behind. Yes, it is about time to come up with a party to be spearheaded by the working class. One is already calling the shots. The SACP must move from being a vanguard party to a mass party. This organisation must be pushed to be broadly based amongst societies, from the workers, to the unemployed, to students, to teachers, lawyers, academics, churches, farm labourers.

Wherever you find a restless or non-restless human soul, educate him or her about his or her needed role within the SACP and the future that lies in socialism.

As for the party itself: it must do more than it is doing. As for the alliance, together with Cosatu, the SACP must quit. It's about time to act as desired.

The tripartite alliance has done its virtues. So these inseparable twins must use the umbilical cord that binds them (workers) to launch a workers' party.

There will be repercussions here and there, but then as workers, we mean business. So come one, come all.

The SACP must carry out thorough studies

**Cosatu and the SACP must quit the alliance.** The tripartite alliance has done its virtues. So these inseparable twins must use the umbilical cord that binds them (workers) to launch a workers' party.

behind progress in countries where socialism is the order of the day and report back to the masses. If westerners hide behind the failures of socialism, say in Poland where Solidarity Free Trade Union was eventually outvoted, we'll learn from them. If Frederick Chiluba's trade union party failed the Zambians, we'll learn from there. We won't leave any stones unturned. Instead, we'll pick up every bit of lesson and refer for future reference.

South Africans are a blessed nation. Ask the USA, Britain, Germany, France, in fact ask the G-8. We are even favoured by the kingdom of God to go through no tsunami, earthquakes, Katrina or Rita.

As for the workers themselves, the message is out. Push forth for the socialist dream! It is real! As workers we dig gold and diamonds we cannot possess. We manufacture tyres and assemble cars very few of us manage to buy or hire. We plough and sow plantation-fields, but we can never reap for ourselves. Our sisters scrub the floors, wash large curtains and prepare luxurious bedrooms they cannot afford. Now is the cry suitable to announce: "Forward with socialism".

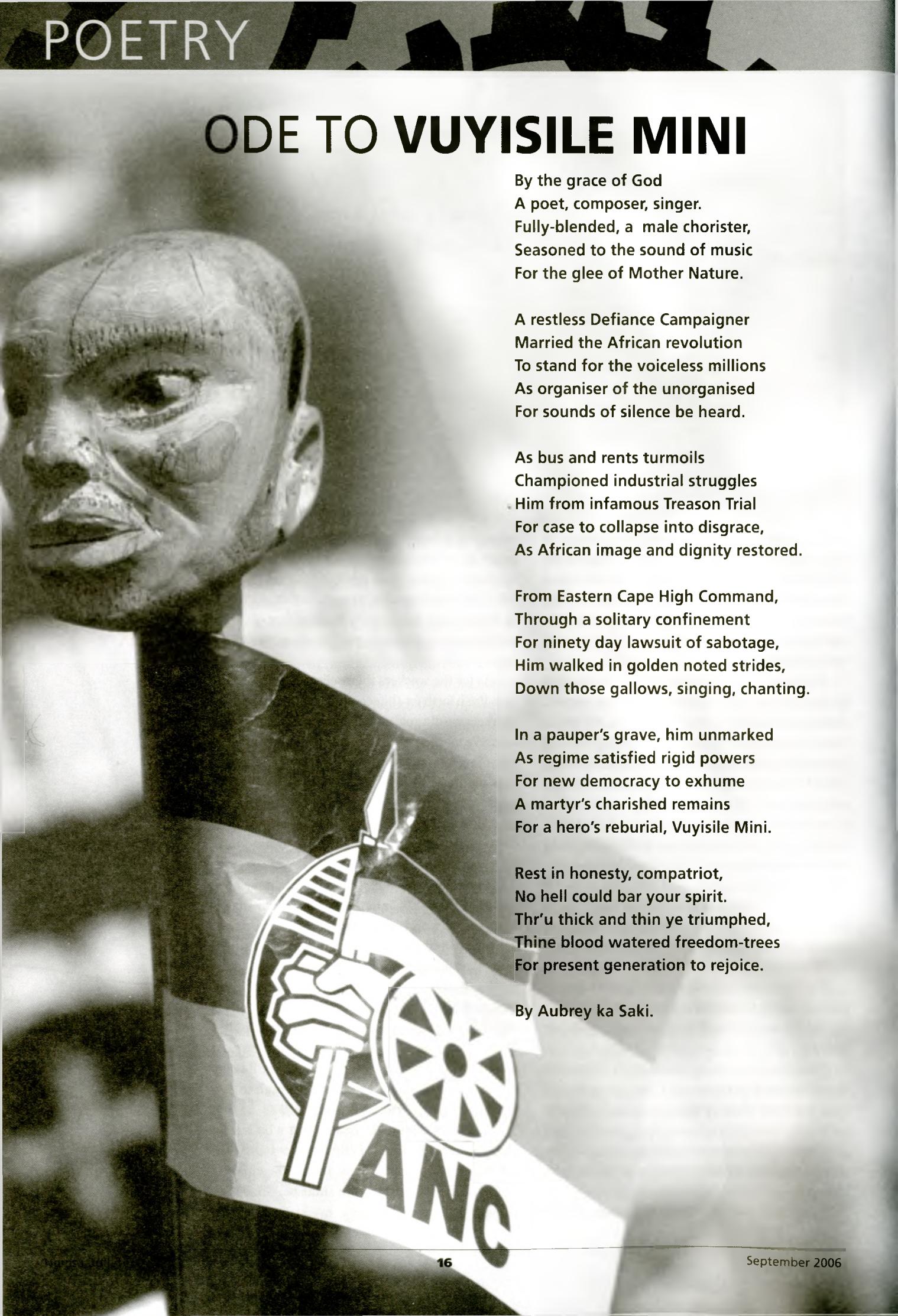
Remember one thing. Some mines have been closed, valuable assets have been privatised, important services in big industries have been outsourced. Unemployment in South Africa is high above the imaginations of the ruling class.

Comrades, fellow countrymen, workers, priests and poets. Hear my say! In the general elections of 2009, we'll support the ruling party for the last time! Thereafter the SACP must go it alone. At least even if we do not make it then, we'll come back for more. We will have done enough to be a vigorous official opposition.

As for those who like to ask "just who is talking", my reply is simple. I am whoever I am. I am the anger of the spirit of my ancestors, with one bold vision, socialism there shall be. Share the dream!

NB

## ODE TO VUYISILE MINI



By the grace of God  
A poet, composer, singer.  
Fully-blended, a male chorister,  
Seasoned to the sound of music  
For the glee of Mother Nature.

A restless Defiance Campaigner  
Married the African revolution  
To stand for the voiceless millions  
As organiser of the unorganised  
For sounds of silence be heard.

As bus and rents turmoils  
Championed industrial struggles  
Him from infamous Treason Trial  
For case to collapse into disgrace,  
As African image and dignity restored.

From Eastern Cape High Command,  
Through a solitary confinement  
For ninety day lawsuit of sabotage,  
Him walked in golden noted strides,  
Down those gallows, singing, chanting.

In a pauper's grave, him unmarked  
As regime satisfied rigid powers  
For new democracy to exhume  
A martyr's charished remains  
For a hero's reburial, Vuyisile Mini.

Rest in honesty, compatriot,  
No hell could bar your spirit.  
Thr'u thick and thin ye triumphed,  
Thine blood watered freedom-trees  
For present generation to rejoice.

By Aubrey ka Saki.

# special focus

# COSATU

## 9TH NATIONAL CONGRESS



# Understanding the

If you are confused by the public disagreements between the alliance partners over their understanding of the National Democratic Revolution (NDR) then read TENGELA and WOODY AROUND's summary.

## Cosatu

The NDR is about thoroughgoing radical transformation of social and property relations.

The following documents are said to give the

most expression to this project:

- The ANC's 1969 Morogoro strategic perspective
- The Freedom Charter's economic vision
- The RDP which offers a radical programme for changing social and economic relations

The paper further contrasts the radical project that has been espoused by the above documents with what it calls "The 1996 class project".

## SACP

The Road to South African freedom, the ANC's 1969 Morogoro strategy and tactics document, and the ANC's 1979 Green Book articulate the shared perspectives of the radical NDR.

The above documents articulated a radical transformative NDR which was seen as the shortest route or an uninterrupted advance to socialism.

However a rift within the Party opened up within the leadership of the Party and between groupings within the ANC. This 1960s and '70s conundrum led to an emergence of a project which culminated in the 1996 class project of the ANC.

### 1996 Class Project

This Class Project was premised on a belief that a resolution of the South African problem had to take a capitalist path of development with capitalist-driven growth.

## ANC

The ANC sees the NDR as a process of liberating black people in general and Africans in particular from the yoke of apartheid colonialism.

The NDR is meant to resolve the national grievance (liberation of black people) and at the same time improve the material conditions of the previously marginalized.

The ANC approach to property relations is best articulated in the Alliance discussion document "The state, property relations and social transformation".

The ANC after the first decade of freedom, together with its alliance partner, has come to the

conclusion that a legal framework has been created to advance the interests of workers, youth, women etc. However with regard to the economy less has improved.

The ANC argues that there is consensus that the primary motive forces of the NDR are the working class and the poor. It agrees that differences within the alliance arise on the place and the role of the black capitalist class.

It further says that the Strategy and Tactics document calls for vigilance with regard to the danger of elements within the black capitalist class relying on state patronage and corruption to advance their interests.

The historical role of the ANC is not to build socialism and it has never pronounced on this in any of its official conferences.

# differences

## Characteristics of the "1996 Class Project"

- The growth of the power and influence of capital and the weakening of the mechanisms of discipline by both state and capital which are as a result of globalization and neo-liberalism
- Around this time South African capital became

transnational investing in speculating markets

- The emergence of the tiny but influential black bourgeoisie which is tied to white monopoly capital and the democratic state
- The culmination of this project was the imposition of GEAR from above (state)
- And this class project was aimed at steering the NDR project away from its radical orientation

This centre-left class project has been dominant within the ANC-led state. The class composition of ANC structures is reflective of these class forces.

## The SACP document characterises this project as the following:

- It is a modernising and not a conservative project
- It is anchored around a powerful political-technical-managerial centre within the state, cen-

tered around the Presidency with close ties to the dti and Treasury

- This class project has spearheaded a self-styled developmental state that can be characterized as technocratic-vanguardist
- This modernizing centre-left project has benefited a stratum of parasitic and compradorist emerging black capitalists that are using the state as a site of accumulation.

The document further calls for a NDR, driven by the working class and the poor, around which revolutionary forces in South Africa must rally.

In another discussion document "Challenges of leadership" the ANC argues the following:

- The NDR does not seek to eliminate the core class antagonism of class society between the working class and capital. Its task is to resolve the national grievance.
- It further notes that the core motive forces of the NDR are the working class and the poor.
- It does acknowledge that "these core motive forces do reflect a level of alienation that should be cause for concern".
- The document further calls on the ANC to define its ideological relationship with the working class and it further suggests that the ANC should define in more positive terms the kind of society that it seeks to build and the kind of economy that it seeks to create.
- The ANC must clearly define the organizational

and structural relationship that it seeks to build with organized workers.

- The ANC structure should reflect the gender, class, national content of the NDR and balance cadreship in government and outside of the government terrain.
- The ANC should conduct its mass and ideological work and define itself to ensure that the working class, professionals, and the middle strata, and significant sections of the capitalist class find common cause under its wing.
- The defining character of such coalescence should be a left agenda to build a caring society, in line with the best and most progressive traditions of social democracy.
- The ANC should be the driver of a potent social contract.

# ECONOMIC THEORY Towards a Democratic

If a state intervenes in an economy, it does not automatically make its actions progressive says TENG TENGELA. A look at South Korea is but one example.

## Introduction

The debate about the developmental state has been going on for a while within the liberation movement. Understanding the debate will allow us to assess more accurately whether the state in this country is making progressive or reactionary moves. This article takes a look at the South Korean example to help us understand the issues.

## What is a Developmental State?

Part of the problem in the debate is the way in which theorists define a developmental state.

Castells contends that: "A state is developmental when it establishes as its principle of legitimacy, its ability to promote and sustain development, understanding by development the combination of steady high rates of growth and structural change in the productive system, both domestic and in its relationship to the international economy... Thus, ultimately for the developmental state, economic development is not a goal but a means."

According to Johnson "the developmental state was one that was determined to influence the direction of and pace of economic development by directly intervening in the development process, rather than relying on the uncoordinated influence of market forces to allocate economic resources".

Whilst not rejecting the above definitions, one point that is common is the fact that both treat state and development as if they are class neutral.

However Ben Fine believes that this ignores the classic Marxist definition of the state. For him it is impossible to have a state that is autonomous and independent of class forces. This is because the state is an instrument of class oppression; it is unable to act outside of class forces. So for him measuring economic growth and development is not sufficient; a look at which classes benefit from the development is also crucial.

Tengela is Numsa's researcher. In future issues of the Numsa Bulletin, Tengela will look at the Swedish path (a social democratic path) as well as the Kerala example of a state-led growth path that was more revolutionary.

## Why does a developmental state arise?

Chibber has recently remarked that: "In a period when free-market policies have little credibility, but labour is not strong enough to pose a serious challenge to private property, some kind of statist developmental project appears to many to be the transitional programme of our time".

What Chibber may mean is revolutionary forces have capitulated from their historic role of building socialism because labour is weak. They are now locked in some reformist statist developmental agenda.

Because there is no substantial left alternative, the statist approach appears more popular within the left leaning formations and in some circles of academia.

Another slightly different analysis could say that a state-led developmental project, spearheaded by a revolutionary bloc of social forces led by the working class is the most realistic way of taking forward the struggle for radical social reforms. This revolutionary bloc of social forces led by the working class must, as its starting point see these radical social reforms not as an end but as a means towards an end.

## South Korea

By examining South Korea we can test all these theories.

South Korea is often held up as a model of a developmental state that all third world countries should follow. This is because it achieved high growth rates and developed the country after it attained independence.

A number of internal and external factors contributed to its developmental path.

Internally the country shifted from an import substitution industrialising strategy to an export-led developmental strategy. This was prompted by a social pact between Korean industrialists and the military Junta (the military were in charge of the government).

The social pact worked because industrial capital agreed to be disciplined by the Junta. In return the Junta pledged to invest in infrastructure and

# Developmental State



AP/lee Jin-man

The Junta used state repressive machinery to undermine the labour movement

was prepared to be used as an instrument to negotiate deals on behalf of industrial capital.

Moreover, externally, the global class balance of forces was reconfigured with the US emerging as the global hegemonic power after the end of the Second World War. With its policy of containing the Soviet Union, it used funds from the Marshall Plan and invested in South Korea. It also opened its markets to Korean firms. In return Koreans allowed United States to build its military camps there to police East Asia.

More importantly, and this is where Fine's point about a state not being 'class-neutral' is relevant, the Junta agreed to use state repressive machinery, including legislation, to undermine the labour movement so that industrial capital could develop unhindered.

As Hart-Landsberg puts it: "Although South Korea is widely celebrated as an economic model, working people paid a high price for their country's economic growth. Military dictatorship kept workers disorganised and on the defensive for most

part of the 1960s and 1970s through control of the only legal labour federation, a maze of ever more restrictive labour laws and increasingly violent intervention, into labour disputes by the Korean Central Intelligence Agency and special labour police".

As the old man Karl Marx said: "The his-

## Discussion questions

**In whose class interest was state intervention in South Korea?**



**What kind of an accumulation path did the South Korean State pursue?**

**Was it accumulation from above or below?**

**Do you think South Africa is a developmental state?**

**Whose class interests does the current developmental path favour? Why?**



- Quarterly reports being submitted to EPB which was accountable to the Presidency.

However, Fine argues "for a theory of the state that locates its policies in terms of the complex outcome of the class interests that act upon it and in turn lead to the strengthening, weakening, and even the transformation of the underlying structure".

Evidence of these class forces at play is found in these relationships at an industrial strategy level:

- The Korean state was using industrial licensing to discipline industrial capital while at the same time providing it with incentives
- The Korean Automobile Association, Korean Trade Association, and the Electronics Industry Association of Korea were the organised voices of Korean industrial capital

## No organised voice of labour

However, there was no organised voice of labour in this social pact. Who was to defend the interests of workers in this pact? This is the point that does not come out to those who are praise singers of the Korean model.

On a positive note, the most important contributor to the success of South Korea was the fact that the financial sector was nationalised and this was used as leverage to discipline capital.

The exclusion of labour in the pact between industrial capital and the Junta led to the deterioration of the conditions of workers, which later triggered rebellion from workers. According to Hart-Landsberg "South Korea's export growth strategy had benefited greatly from a highly exploitative labour regime". He further says "over time, however, industrialisation created large working class-dominated cities and massive industrial enterprises that eventually encouraged labour solidarity and an explosion of labour organisation, massive strike waves swept the country in 1987 and 1988 resulting in significant wage increases".

These working class struggles and wage victories combined with international pressures on the economy of South Korea led to South Korean industrial capital refusing to accept continued state direction and control of its activities.

By this time industrial capital had grown powerful and was strong enough to resist state intervention in the economy. This led to South Korean capital launching an attack on the disciplinary institutions of the state.

As Uncle MARX said: "the history of human kind is the history of class struggle!"

NB

*Large working class-dominated cities and massive industrial enterprises eventually encouraged labour solidarity and an explosion of labour organisation*

tory of mankind is the history of class struggle." South Korean workers did not need to read this. It was their painful experience. Unfortunately history is written and narrated by the victors. In this scheme of things history was made by powerful individuals - kings, queens and presidents - not by ordinary men and women.

Fine would also disagree with other scholars in South Africa, such as Edigheji, who believe the "coherence and autonomy of the [Korean] state is [another] important institutional lesson.."

Edigheji's emphasis is that the Korean state had autonomy from social forces and therefore was able to govern using "meritocratic (on merit) recruitment, [with] predictable career paths for top economic bureaucrats and the presence of super ministries: these enable[d] the state to have the in-house capacity to be able to independently formulate and implement economic policy without being captured by societal interests."

Power was centralised in the presidency for example:

- The Economic Planning Board as the administrative core of industrial planning
- The department of finance, which coordinated annual expenditure from different departments, making submissions to the office of planning coordination which was accountable to the Economic Planning Board (EPB)

## A Long Walk

**While on a 240 km walking pilgrimage to the tomb of St James the Apostle in the City of Santiago in north west Spain, Greg Stanley came up with these ideas from Spain for Cosatu's jobs and poverty campaign.**

### **End retrenchments and casualisation of labour**

Spanish workers have for some years been trying to face down the threat of casualisation of labour which was an intervention by the previous government on behalf of big business. The recently elected socialist government is currently rewriting its labour legislation to halt the contract labour system.

### **Retailers, other large companies and government at all levels must commit to expanding local procurement**

There are very few hyper-stores or supermarkets

as we understand them in Spain. It is a country of shopkeepers, most of whom are very specialised. Pharmacies only sell patent and prescription medicines, you will not get an aspirin at the grocer.

Yet cheap and subsidised imports, mainly from China are sold everywhere and like in South Africa, the Spanish textile sector is taking a lot of punishment. Retailers who opt for local procurement will not be able to compete and will go out of business. Like South Africa, Spain needs government intervention.

It is very easy to blame China for the problem, yet they like every other country including our own are only trying to maximise their exports for the well-being of their population. The solution must come from Government in the form of bilateral agreements, tariffs and support for high skills and high employment industries such as textiles.

The government must ensure that trade negotiations at the WTO do not undermine employment creation or limit the provision of basic services by the government.

Greg Stanley is a  
Numsa worker  
representative at  
Toyota

## The pilgrimage

Surprises abound on a pilgrimage. In a small Galician village I stopped for a beer. The barman was an elderly and studious looking gentleman, he had many old photos of Fidel Castro and Che Guevara and other Cuban revolutionaries hung around the bar including one of himself and Che taken at Santa Clara in Cuba in 1959. I spent about two hours and a few more beers listening to his tales of the revolution.

The pilgrimage to Santiago has been going on for over a thousand years. In the last 10 or so years the Spanish Government has encouraged the development of various routes through Spain as a tourist initiative. It is expected that some 650 000 pilgrims will reach Santiago this year. This provides an economic boost to many villages and small farming communities throughout northern Spain

I am sure that something can be done along the same lines in South and Southern Africa. Walking tourism is becoming a big thing. We may not have a St

James the Apostle, but we do have many sites of historic importance and a beautiful country.

We have had many visionary leaders and we have accomplished great things. Yet it seems to many that the battle is won and new voices are not heard.

On the pilgrimage to Santiago, many was the time that I had plodded wearily up a long and winding path and felt relief as I got to the top only to realise that the downhill was a rocky path and that an even longer hill was awaiting. On one of the sections my map read that my next destination was 19 kms away when in reality it was 32 kms. On another day I misjudged the terrain and was still walking at 8.30 at night before finding a place to sleep. One of the hills continued for 17 kms without a bar or cafe or shop or lodging.

Our hard won liberty is not a short journey. Like a pilgrimage there are many more hills to climb, many rivers to cross and many bridges to build before we can sleep!



**The tomb of St James the Apostle attracts 650 000 pilgrims to it per year.**

Many times we hear the call from African States and our own Trade Unions for the European Union (EU) and the USA to halt subsidies to their farmers and yet through WTO and IMF policies African States are restricted from subsidising their own produce. This destroys African agriculture and sustains poverty.

Whilst walking through the Spanish province of Galicia, I noticed the many small farms that provide fresh produce in the region and kept the farmers on the land. Yet very few of these farms could be described as sustainable.

Without agricultural subsidies the farmers

*What I did notice in Spain was that most car owners drive small and medium cars, very few of the large luxury sedans or SUVs are to be seen.*

would have to pack up and go and look for jobs in the cities, much as what happens in many of our rural areas. Unemployment would increase and poverty would prevail.

These farmers are not wealthy, they live in small houses, they work long hours, but they at least have a sustainable standard of living.

If the subsidies stopped, besides the social disaster, the government that dared to stop the subsidies would be booted out at the next election. If we in Africa believe that EU governments are going to halt subsidies we are mistaken. What we need to do, is what they do, support our own agriculture to provide all our own food and maybe much of Africa's, keep our people on the land and in the small towns to make land redistribution both practical and sustainable.

If we do not include these principles in our negotiations with the WTO and other trade agreements we will never eradicate rural poverty or stop the drift to the cities.

**Government must do more to expand public works programmes as a source of employment, including in provision of social services, cultural programmes as well as infrastructure.**

Infrastructure is the foundation of economic expansion in Spain. The Spanish are masters of infrastructure development and they are not scared. They build huge roads on high bridges to take highways over mountains and huge tunnels to take highways through mountains. They link each and every part of their country with excellent roads and freeways. High speed trains that run at almost 300 kms an hour link their major cities and lower speed trains link everything else.

Long distance bus services are superb, safe and co-ordinated to serve the whole country. Metropolitan public transport could not be better. Bigger cities such as Madrid, Bilbao and Barcelona have subway and surface rail commuter systems. Bus services are equally as good.

Public transport in Bilbao is an excellent example. Besides the fastest and best subway system they also have a variety of different size buses as well as an interesting and effective modern tram that services the city centre.

In Granada, children, invalids and pensioners travel free on the buses. National railways and metropolitan public transport are state or municipal owned.

Spain had last year some 45 million tourists and much infrastructure has been created to handle the volumes including a modern efficient and brand new airport designed to cope with 70 million people a year.

Yet we have been fiddling around with Johannesburg Airport for at least 40 years and we still have not built the proposed new airport in Durban.

Spain looks after its cultural heritage. It preserves its antiquities, develops its art galleries, encourages arts and crafts. Its regional cultures make a visit worthwhile. They also have vision. The building of the Guggenheim Gallery, a masterpiece of modern design and engineering in Bilbao has brought more than 2 million visitors to a city that can only be explained as industrial. How about a Guggenheim-Africa on the top of the Bluff?

We are improving on protecting and developing our heritage, particularly in terms of reviving our ancient past, but more can be done. Cultural activities and the arts provide employment and interest to both domestic and international tourists.

The support to sport is obvious, a few weeks ago in Seville, a newspaper headline read. "Spanish Sporting Glory" (translated) Seville FC had won the UEFA Cup. Barcelona FC had won the Champions League. Rafael Nadal had won the Italian Open tennis tournament. Fernando Alonso had won the Spanish Formula One Grand Prix and they had two winners at the International Motorcycle Grand Prix.

How do we get there? Not by the way that we run soccer, rugby or any other sport for that matter. It is time for a new look at the huge pool of unexploited talent available in South Africa.

#### **The provision of quality education and other basic services must be guaranteed to all South Africans at an affordable cost.**

High literacy and a healthy population are rights we should all be enjoying.

I did not experience how Spain deals with education and other basic services. However recently I had a debate with an English immigrant who is a practising psychologist and some South African teachers about the merits of free education. The teachers opposed it on the basis that free education was unaffordable and that the elites, the workers and the poor would mingle and break down class structures.



AP

The psychologist informed us that she came from a working class family in England. Without the free education that she had received up to post graduate level, she would not now be a psychologist but rather a shop floor worker like her father and mother before her.

Free education is not only about improving our population it is also about crossing the divide. It is inevitable that class structures will never entirely be broken down, but quality education goes a long way.

What I did notice in Spain was that most car owners drive small and medium cars, very few of the large luxury sedans or SUVs are to be seen.

#### **The state must end understaffing, which places an intolerable burden on public servants.**

Early morning in Madrid and many of the larger cities in Spain are characterised by hosts of street cleaners who scrub the places clean every day. They are followed by traffic police that man most intersections and keep the traffic moving. On the highways there are constant patrols and state security personnel that board each and every train.

Have you tried to get a driving licence or an identity card or passport lately? Not only do you stand in line for a long time, the process time adds to your woes.

The public service fails us in many areas in terms of the burden placed on public servants and the lack of delivery in many areas but its greatest failure is the unemployment cost of staffing cuts.

**These Spanish farmers are not wealthy, they live in small houses, they work long hours, but they at least have a sustainable standard of living.**

NB

# ECONOMY

# Financial Sector

## How can trade unions see Charters as

**Trade unions shouldn't take a back seat in the Financial Sector Charter, says Enoch Godongwana, chief executive officer of the institution.**

### **Why was the Financial Sector Charter signed?**

There was a recognition that the financial sector is not representative of the demographics of the country both in terms of ownership, human resource skills, management and control.

Moreover the broad mass of our people do not have access to these financial services, while some, particularly poor people, are excluded from them. Physical infrastructure like banks and ATMs are not available, and where they are, the atmosphere is not friendly to them and the products are not necessarily appropriate to their needs.

The other element of the Charter introduced a developmental aspect. It said that the financial sector should provide a significant amount for transformational infrastructure.

### **What powers do you have in your position as principal officer?**

The first one is a management role. The Charter creates an institution that manages the implementation of the charter. Its primary purpose is to receive, consider and approve reports from financial institutions and confirm their ratings. For example Standard Bank may go to Empowerdex (BEE rating company) who give them a rating. We look at it and see if they have complied in terms of our standards and then we declare whether it has a "B" or "C" rating for instance.

### **When you talk about transformational infrastructure what do you mean?**

There is the infrastructure for access to finance institutions eg how many ATMs, how many banks, look at densification. That's the first part of the infrastructure.

But there is another one as well. These financial institutions manage all our savings in the economy. They held R2.3 trillion as at December 2003.

They then said that we should take about

5.75% of that which is about R123 billion and split it along the following lines:

- R50bn to BEE financing
- R40bn to low income housing (to provide to those earning between R1500 to R7500 in January 2004 prices but adjusted by CPI index since then)
- R25bn for transformational infrastructure – transport, schools, water etc
- R5bn for small and medium enterprise
- R1bn for cooperatives
- R1.5bn for agriculture – especially emerging black farmers

The underlying test for all of these investments must be that they are put in under-serviced areas. So if you increase the number of banks you have in Sandton, it doesn't count in the Charter!

### **Do you have guidelines that guide institutions on how and where to put the money?**

Yes, they are on our website [www.fscharter.co.za](http://www.fscharter.co.za). We have calculated poverty indices per area for municipalities around infrastructure. Institutions score more by investing in the worst (poorest) municipalities.

### **In other words if a bank goes to invest in a worse off area, they get a better score?**

Yes.

### **What's in it for the institutions if they get a better score?**

The institutions that do not comply with the provisions of the Charter will find it hard to do business with government and parastatals. Once the codes are gazetted they will be binding on government and parastatals.

### **So government will only be able to use the ones with high scores?**

Yes, that's the tricky thing about BEE. They can remain as white institutions but government can then say "we will not transact with you".

# charter

## a site of struggle

### Does government draw up these codes?

The Department of Trade and Industry (**dti**) codes talk about ownership, management control, human resources, employment equity and skills development and the "residual". In the residual part, each sector can adopt different permutations.

Our residual includes things that are not in **dti**'s codes. For example transformational infrastructure is not in the **dti** codes. We have given this a good weighting. We still have to discuss with **dti** this weighting but we don't think they will be at odds with it.

### Would you say that the Charter approach is more like a carrot approach rather than a stick?

Yes, we encourage the financial institutions to abide by the guidelines. Everyone is going to look at their performance. **dti** has created a BEE advisory council. We have to report annually to them. As these things reach the public domain in terms of how each sector is transforming, they become available to everybody and everybody would like to be seen as a nice person!

### You've said that financial institutions have pledged R123 billion to transformational infrastructure. Is this pledge similar to what happens worldwide?

Yes, in the US they have the Community Reinvestment Act. It forces institutions to invest in poor communities. There are precedents.

But remember that financial institutions are also under heavy pressures. Vuyani Ngalwana, the pension funds adjudicator has taken R 3bn off the insurance sector, the Competition Commission has announced it is going to scrutinise bank charges. They are taking quite a hiding!

### Financial institutions are putting money into transformational infrastructure – how will that work in practice?

One of the difficulties you have is that government is a gatekeeper. For example Asgisa says that over the next five years it needs to spend about R19bn



N Zalik/PictureNET Africa

on water. But it has only made provision for R 3bn. They hope the remainder will come through Public Private Partnerships (PPPs).

One of the resolutions that we have taken is to have a multi-stakeholder workshop to try and identify where are the opportunities without constraining competition between institutions. We must know which projects are coming up and institutions must be able to cater for them depending on the cost structures of government.

**The Financial Sector Charter sets out how many banks and ATMs must service areas**

**What role do you see unions like Numsa playing in this charter?**

Numsa is a major player in the metal industry retirement funds. It is among the top eight in the country. It is a signatory to the Charter through the Institute of Retirement Funds.

**So some of our members' money is also part of these commitments?**

Yes.

**Numsa and Cosatu have always demanded prescribed assets. Can one say that the Charter is really going the prescribed assets route?**

Yes. The problem with most unionists is that one organiser will deal with the pension fund and focus on trustees meeting, but the transformational role of these workers' monies is something that is distinct from the thinking of union.

**But if the multi-manager comes to the trustees and says "if you put your money into equities you will get a 20% return", doesn't the demand for good returns on workers' money threaten trade unions' transformative role?**

It is only a limited portion that is required for the charter – about 5%. The rest trustees can go and play with as they like. The other investment will go into high yielding stock – it is one of the sacrifices we need to make. Trustees should also play a role in seeing that investment policies of these pension funds are adjusted in line with charter thinking.

**What else should unions be taking up?**

Trustees should take up shareholder activism. There was sharp transformation at Sasol because Brian Molefe (the Public Investment Company's CEO), one of the big investors in Sasol, made a noise (about the whiteness of its board).

Pension funds are investing in other companies that are on the stock exchange. We can make a noise in the stock exchange. For example, we could challenge Shoprite Checkers on the numbers of casual workers that it employs, but this presupposes that there is shareholder activism.

There's also the issue of transformation and the BEE charters. There are issues coming up in the charter. In 2008 we will be revising these targets. What is labour thinking?

For example in the mining industry, it would

be useful to talk about social housing – you move people from compounds into social housing. Are there funds set aside to deal with social housing? I know they are dealing with social plans.

**What is the effect of trade unions taking a backseat in these areas?**

Currently, because trade unions are taking a back seat, what has dominated BEE thinking has been the ownership and management control aspect. Issues of human resources and skills are critical for the labour movement but haven't been given priority. Transformation for me means skills.

When we are discussing the skills that we can develop on a mass basis in Asgisa, artisan training should be given priority. In 1975 there were 33 000 registered white artisans. In 2000, there were only 3000 registered apprentices. The average age of an artisan is 54. Those are skills that you can produce en masse so that Sasol doesn't go to Singapore to look for welders.

That must be the battle for the unions over the next few years. Who is going to build power stations? The institutions that were created to do these things - Iscor, Sasol, Transnet - are now all privatised or commercialised, their focus is now on profit not on skills.

But instead we now have some of the most bureaucratic things called sector training authorities (setas) whose main provision is guided by demand from industry.

Unfortunately they catch up late, it takes time to train people that is why we have the problem of the shortage of 5000 welders.

So we must just supply the skills even if it means flooding the market with them. A skilled workforce is an investment. That is the kind of thinking we need to be saying. There will be different interest groups that focus on this. What is the class nature on these issues – to what extent can we infuse a class content in this as we transform it?

We also need to ask ourselves, "is there a way that we can see the charters as a site of struggle, in line with the notion of taking the battle on all fronts?"

N:

Godongwana was talking to Mlungisi Cele, Hlanganani regional education officer and Jenny Grice.

## Dear Numsa Bulletin

**Please can you assist me with information around the SACP policy on South African banking systems eg Standard Bank, ABSA, First National Bank and others and SACP's view on the way of doing things in the SA banking system.**

**Comradely yours in struggle for socialism  
M. Selokoma**

This was the SACP's response to cde Selokoma's letter



### Dear cde Selokoma

As the SACP we do not have a policy on banking,. However, in line with our financial sector campaign we made a number of demands which call for the transformation and diversification of the sector.

In 2000 when we launched our Red October campaign we called on banks to serve the people.

The manner in which capitalist banks are operating is seriously disadvantaging the poor; more so in that they are not contributing anything in ensuring that our people have access to banking services.

Banking services in our country are so expensive that the majority of our people are not accessing the services, hence our call for an affordable banking for the poor and the working - victoriously so, this led to the establishment of the so-called Mzansi account. Despite its limitations, it has afforded many people access to banking services of whom the majority are women.

The other thing is there is monopoly of banking in this country. This expresses itself through the fact that there is no other banking except capitalist profit-obsessed banks.

In line with this abnormality we have called for the creation through legislation of community and co-operative banks. Our research and study of countries in which these kinds of banks exist, informs us that these kinds of banking systems are able to address some of the basic needs of people ranging from these banks investing in development and food production and other things.

A Cyprus example indicated that co-op banks are able to look after crèches and women empowerment. These banks are not obsessed with profit but with job creation and poverty eradication.

We are currently seeking to broaden this campaign in terms of engaging not only the banks but the entire financial sector. In line with this view we are calling for a once off credit amnesty from the credit bureaux. The majority of black people are blacklisted. As such they are unable to benefit from anything ranging from the ability to be economically active to denying people the right to borrow, buy a car, house or to study. We therefore think that a once off amnesty will go far in addressing this problem.

For more information please visit our website: [www.sacp.org.za](http://www.sacp.org.za)  
Kaizer Mohau, Media Liaison Officer  
South African Communist Party (SACP)

# Extracts from a catalyst for Shared and

Delivered by Deputy President, Phumzile Mlambo Ngcuka to Parliament, 6 February 2006

**A**sgisa's ultimate objective is to halve unemployment and poverty by 2014. Asgisa is not a new policy nor does it replace Gear and it is not an Industrial policy.

Between 2005 and 2009 we seek an annual growth rate that averages 4,5% or higher. Between 2010 and 2014 we will seek a growth rate of at least 6% of GDP.

Our recent growth although welcome has been unbalanced and based on strong commodity prices, strong capital inflows and strong domestic consumer demand which has increased imports and strengthened the currency way beyond desirable levels; yet levels of unemployment are still too high and growth has not been adequately shared. The divide between the 1st and 2nd economy has meant that those who live in the 2nd economy have less benefits.

We seek to take advantage of the growth in order to share the benefits and base it on a more sustainable basis beyond commodity prices/consumption and capital inflows.

The high business confidence offers an opportunity to create a healthy and a growing private sector in the 1st economy which can address the challenges of the 2nd economy.

(Asgisa emphasises) partnerships with business, labour, civil society and other members of society.

Asgisa responds to binding constraints which are:

- The volatility and level of the currency;
- The cost, efficiency and capacity of national logistics system;
- Shortage of suitably skilled labour amplified by the cost effects on labour of apartheid spatial patterns;
- Barriers to entry, limits to competition and limited new investment opportunities;
- Regulatory environment and the burden on small and medium businesses; and
- Deficiencies in state organization, capacity and leadership.

## Infrastructure

Overall government expenditure for infrastructure spending totals some R370 bn over the current MTEF.

- 40% will be spent by Public Enterprises:
- Eskom - R84 bn - cover generation, transmission, distribution and others
- Transnet - R47 bn. R40 bn is "core" ie. Harbours,

ports, railway and petroleum pipeline), ACSA (R5,2 bn which includes airport improvement and Dube Trade Port),

- Water Infrastructure (R19,7 bn),
- 2010 Infrastructure, which will include building or improving the 10 stadiums to be used, and investment in the environs and access to the stadiums,
- ICT Infrastructure which includes the strategy to rapidly grow South Africa's broadband network; implementation of a plan to reduce telephony costs more rapidly; the completion of a submarine cable project that will provide competitive and reliable international access, especially to Africa and Asia, and the provision of subsidies to encourage the establishment of call centres and labour intensive business in poor areas.

(Some provincial projects will come on track later.)

## Sector strategies

Sectors with the highest potential for impact within a short time are Tourism and Business Process Outsourcing (BPO) (call centres) sectors. (Call centres) have the potential for 100 000 additional direct and indirect jobs by 2009.

Tourism could take its contribution to GDP from about 8% to about 12%, and increase employment by up to 400 000 people by 2014.

Other priority sectors under consideration are: biofuels, chemicals, metals and metallurgy, agriculture, agro-processing, creative industries, wood pulp and paper, clothing and textile and durable consumer goods. These will be announced when more work has been done.

There are several cross cutting industrial policy challenges being addressed too, including: inadequate competition and import parity pricing; capacity for trade negotiations; a more coordinated Africa development strategy; better incentives for private R & D investment; and better use of BBBEE to encourage industry transformation, beyond the transfer of equity.

## Education and skills development

For both the public infrastructure and the private investment programmes, the single greatest impedi-

# Accelerated Growth (Asgisa)

Cedric Nunn



**Asgisa will increase women's participation in the economy**

ment is the shortage of skills – including professional skills such as engineers and scientists, managers and financial personnel, project managers; and skilled technical employees such as IT specialists and artisans.

Key measures to address the skills challenge in the educational sphere will focus on:

- quality of education;
- ABET, FETs and artisan skills. Scarce and priority skills include high skills and artisans.

A new institution will be established in March - the Joint Initiative for Priority Skills Acquisition (JIPSA). This structure is led by a committee of relevant Ministers, business leaders, trade unionists and education and training providers or experts. Its job will be to confirm the urgently needed skills and find quick and effective solutions.

Solutions may include special training programmes, bringing retirees or South Africans who are working outside SA, and drawing in new immigrants when necessary, programmes for placement of personnel and unemployed graduates.

JIPSA will have an initial timetable of 18 months; placement of skills for local government is already advanced.

Plans for private sector placements in infrastructure project management is also advanced and will ensure women's involvement.

## 2nd economy interventions

Inequalities are entrenched in the structure of SA economy and a systematic policy intervention will be elaborated outside Asgia which will only consider more urgent interventions.

Without interventions directly addressed at reducing South Africa's historical inequalities, growth is unsustainable. The intention is to create sustainable bridges between the 1st and 2nd economy:

- to enable growth and graduation to a sustainable economy;
- to unlock dead assets/asset poverty in poor people's hands eg livestock, housing, land, etc;
- to promote local economic development and local content;
- to grow cooperatives with a link to 1st economy markets;
- to address the "missing housing stock" valued between R50 000 and R150 000.

All priority sectors will have to provide a bridge to the 2nd economy. Tourism, BPO, Creative Arts, Agriculture, Clothing and Textiles are sectors which are easily responsive to the 2nd economy.

Links in the business plans with the 2nd economy are being made. Infrastructure is crucial for such linkages.

There are several other interventions designed



Ambrose Peters/Sunday Times

“ (Call centres) have the potential for 100 000 additional direct and indirect jobs by 2009. ”

to support Small and Micro-Enterprises (SMMEs). Nafcoc's commitment to establish 100 000 new SMEs per year is laudable, and government will support Nafcoc's efforts. A key challenge is to address the gap in loans between R10 000 and R250 000. One such effort is a new partnership between Khula and business partners in a R150 million fund for business loans of this size. We also plan to accelerate the roll out of the Apex and Mafisa programmes for loans under R10 000.

Government is trying to establish new venture funds for SMMEs. The IDC's R1 bn programme and the National Empowerment Fund's venture fund will make a considerable impact on the growth of small businesses.

The other intervention is in the area of Preferential Procurement. For Public Enterprises, the State Owned Enterprise Procurement Forum is codifying and spreading best practices for Affirmative Proc-

urement which will have a dedicated Supplier Development Programme.

For the government, the DTI is developing a procedure through which 10 products will be set aside for procurement through smaller black owned businesses.

A further key small business initiative will be to pursue these issues:

- the Minister of Labour leading a review of labour laws' impact on small businesses;
- reforms in tax administration affecting small businesses;
- preparation by DTI and DPLG on how to improve the regulatory environment for small businesses in municipalities;
- sector departments reviewing the impact of their laws and regulations on small businesses;
- DPLG, in consultation with the DTI, to improve the capacity of local government to support local economic development.

## Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme (EPWP) will be expanded beyond its original targets. The relevance of training provided will be given greater attention. EPWP mandate has been extended to a larger number of roads and some larger road projects. This will entail about R4,5 bn additional funds over the coming MTEF period, about 63 000 more people maintaining roads, and about 100 000 additional people in jobs averaging 6 months in road building. In addition, 1000 more small black contractors will be developed. New access roads will have a significant impact on conditions and opportunities in some poor and rural areas.

## Women and youth

To achieve ASGISA's goal of halving unemployment and poverty by 2014, we will have to work more closely with women and the youth.

On women the focus will be on:

- human resource training;
- ensuring they have access to finance across the board;
- fast tracking them out of the 2nd economy;



**Asgisa will promote local economic development to build bridges between the 1st and 2nd economy**

- ensuring their significant participation beyond SMMEs and
- improving their access to basic services;
- increasing their participation in EPWP.

On the youth front we will:

- target unemployed graduates for jobs or learnerships
- support the Umsobomvu youth fund initiative to register unemployed graduates on their database.
- set up 100 new Youth Advisory Centres.
- enrol at least 10 000 young people in the National Youth Service,
- enrol 5 000 volunteers to act as mentors to vulnerable children. 70% of our population is below 35 years.
- expand the reach of our business support system to young people and
- intensify the Youth Cooperative Programme.
- closely monitor the impact of our programmes on youth skills training and business empowerment as an integral part of our national effort.

In relation to the 2nd economy, much focus is on

women and youth in the rural and urban areas and on programme interventions to achieve mass impact. Cooperatives, land reform and productive use of land, and housing stock problems of the range between R50 000 and R150 000 will receive special attention.

Already agreed initiatives which are meant to benefit the 2nd economy will be prioritized, BEE charters, GDS, offset agreements will be followed up by relevant departments.

## **Governing and institutional interventions**

Asgisa will push for government to implement and respond better to the public. On local government and service delivery we are focusing on addressing the skills problems identified in Project Consolidate.

(We will) urgent(ly) deploy experienced professionals and managers to local government to improve project development implementation and maintenance capabilities.

**NB**

# dti's new industrial strategy

## Plan aims to diversify economy

**dti's** document argues that manufacturing has grown as fast as the GDP in recent years. But it has lost jobs and has not qualitatively shifted the economy away from minerals dependence. International trends underscore the need to engage more in high-tech products for export, which are growing fastest, and to take more advantage of domestic and regional markets.

Summary of **dti**  
industrial strategy  
presented to  
Nedlac, June 2006  
  
(The summary was  
written by Neva  
Makgetla, policy  
analyst for Cosatu)

### dti's industrial strategy vision for 2014:

- To diversify the economy away from its traditional reliance on minerals and mineral-processing activities; increase value-added per capita characterised by increased downstream beneficiation; participation in higher-value activities and value chain segments; and technological leadership in specific technologies.
- To promote a more labour-intensive industrialisation path characterised by sustainable labour-absorbing manufacturing and services sectors and economic linkages which catalyse employment creation.
- To promote broad-based industrial growth characterised by greater levels of participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy.
- To assist economic development on the African continent by actively supporting the productive capabilities and greater regional trade integration.

Experience shows that state intervention, including

### Tackling the complex interrelationship between labour costs and industrial productivity

The document notes that,

"More complex is the interrelationship between relative labour costs and industrial productivity. In US\$ terms average manufacturing labour costs per hour were on a downward trend between 1995 and 2002. However, the recent appreciation of the Rand has induced a rapid reversal of this trend with relative labour costs rising substantially .. The debate around labour costs needs to be approached with sophistication because issues of labour cost and productivity are inextricably linked, particularly through investment in capital equipment and skills development. (p 31)"

industrial strategies, are needed to bring about growth. But they can also fail.

### Minimising the risks of state intervention

The **dti** recommends:

- Providing financing to companies only on condition they produce – with monitoring and enforcement.
- Determining what activities to support through intensive research and stakeholder interaction as well as targeting quantitatively new activities.
- Designing interventions around the strengths of existing institutions rather than setting up new institutions.
- Ensuring early reaction and change when interventions are failing.

### Global trade rules and industrial strategy

Global trade rules limit the scope for industrial strategy compared to earlier decades, but still leave room for action.

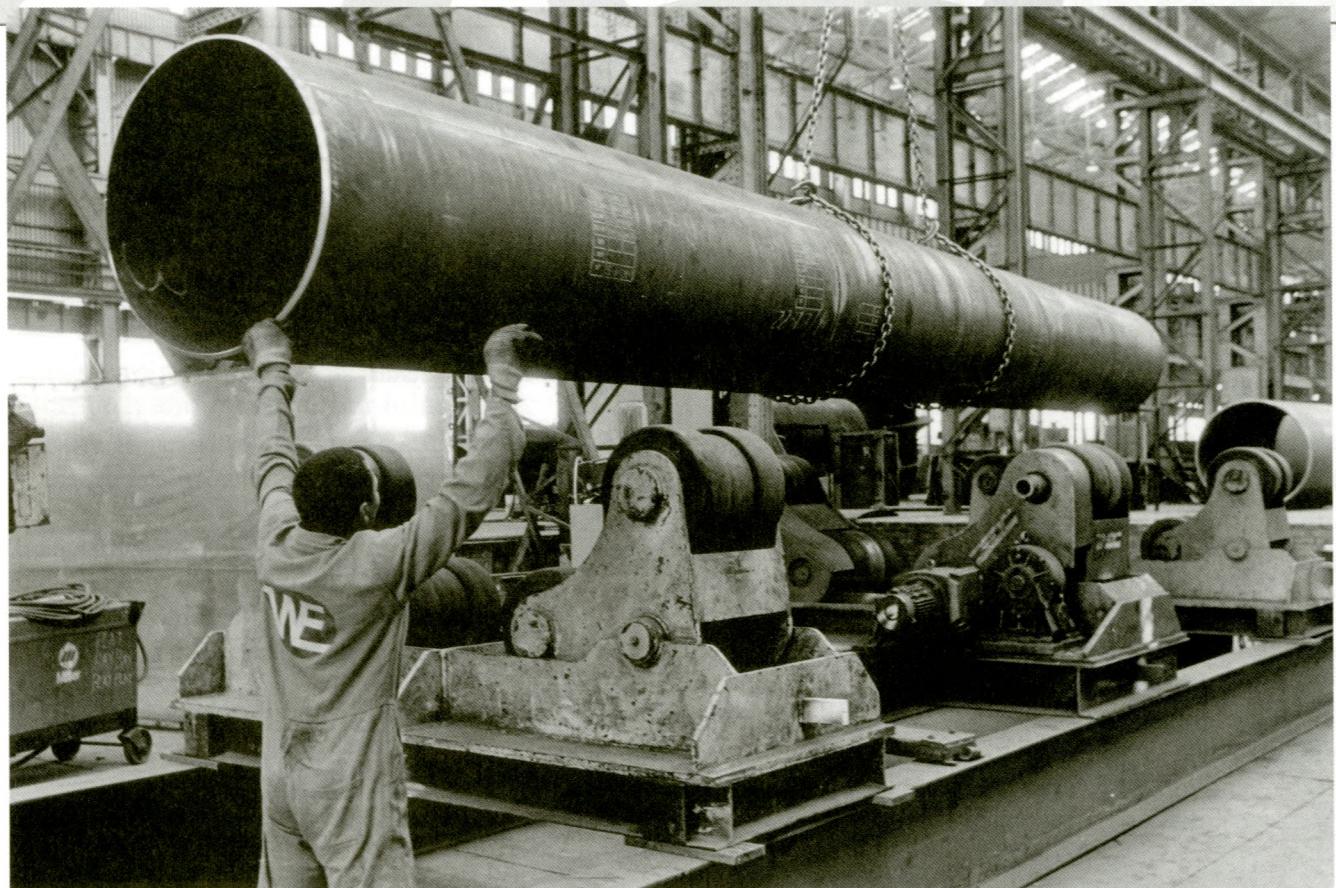
### Supply- and demand-side interventions

Industrial strategy must focus on supply and demand-side interventions:

| SUPPLY SIDE INTERVENTIONS                           | DEMAND-SIDE INTERVENTIONS             |
|-----------------------------------------------------|---------------------------------------|
| Build a low-cost, production base                   | Build domestic economies              |
| Build sophisticated industrial capabilities         | Build economies of scale for exports. |
| Increase inclusion in the mainstream of the economy |                                       |

### Specific challenges that the country faces:

- A relatively small domestic market, and the long distance from wealthy export markets.
- The volatility and recent appreciation of the exchange rate.
- High prices and poor quality transport and telecommunications infrastructure.
- An historic legacy of underdevelopment in skills and technology.
- High levels of industrial concentration associat-



ed with large price mark-ups, particularly with respect to intermediate products.

- Fixed investment by both the public and private sector has been too low to sustain high growth and employment rates.

#### ...But on the plus side

- SA has established manufacturing and, in some pockets, technological capacity;
- public spending to drive fixed investment is growing over the coming decade; and
- domestic demand is growing.

#### Critical interventions government will make are:

- A review of industrial financing in line with the principles above. Industrial financing has too often been captured by resource-based projects that do not contribute to development.
- Trade policy must follow industrial policy, and especially the Customised Sector Programmes (CSPs).
- Ensuring that government investment does more to stimulate local production.
- Ensuring that BEE and women's empowerment programmes must be accelerated and linked more closely to growth and employment.
- Support for high-tech activities, including world-class manufacturing, improved standards and quality assurance, and intellectual property rights.
- A strengthened competition policy.

- Improving the effectiveness of small business institutions.
- Support for regional industrialisation.
- A supportive infrastructure, skills development, technology development and macro policies.
- A policy for engaging with the rest of the continent.

**One of the sectors that dti's strategy will support is the metals sector**

#### Sectors government will support include:

**Downstream industries** – metals, machinery, plastics and possibly white goods

**Advanced manufacturing** (in line with the analysis that these are the growth areas in world trade)  
– automotives, other transport, aerospace and electronics

**Labour-intensive sectors** - both potentially viable industries and industries that are major employers but that require major restructuring to survive. (No examples are given.) These sectors also include services – Business Process Outsourcing (BPO) and project management for construction and mining.

In addition, two new CSP-type processes will be initiated:

- investigate opportunities for greater labour intensity in existing sectors and to develop CSPs for labour absorption service sectors, particularly non-tradable services.
- identify new high potential sectors in terms of value addition and employment opportunities. **NB**

# DRAFT: Cosatu position paper on dti industrial strategy

June 2006

**The dti's industrial strategy paper reflects a persistent failure to develop a coherent approach to South African realities, and instead relies on foreign models (in this case, primarily South Korea). But at least it tries, which is a step forward.**

This is an edited version of the paper Cosatu presented to Nedlac in June 2006

**T**he paper proceeds, as is the habit in government, without ever admitting to any mistakes. That makes the discussion more difficult.

The paper also clearly sees the main stakeholders as business, with labour a poor second and consumers and the unemployed entirely excluded. This emerges, for instance, in the proposal that they set up five forums on different aspects of industrial policy, with business represented in all and labour only on two. (section 13.13, p. 56).. On the plus side is:

- the recognition of the need for employment creation;

- the subordination of trade policies to industrial policy;
- strong state intervention in the context of extensive stakeholder consultation and improved capacity;
- the call for policy co-ordination (including macro); and
- growth to meet local demand, not just for exports.

## Problems with the document

**...Fails to quantify how many jobs and how income will be distributed as a result of its proposals**

This results in a persistent emphasis on high-tech industries, with far less attention paid to lower-tech, more labour-intensive sectors that could create employment and provide basic goods and services for poor households.

### Problems with dti policies in the past

- failed to identify poverty and unemployment as the critical challenges for economic policy. Growth and increased exports were only a means to address that challenge. As a result, **dti** officials focused on integration into world markets at any cost, and more recently on BEE.
- because of the weak analysis on structural change, especially to support labour-intensive sectors, **dti's** sectoral staff were demoralised and tended to be lower-level staff.
- lack of coordination with the rest of the government. Key elements of industrial policy – allocation of infrastructure, taxation and tax subsidies, skills development and competition policy – have been outside the purview of industrial policy.

### Comments on new strategy

- does not prioritise employment and equity and doesn't set guidelines for the structural changes needed to achieve the Asgi-SA targets
- new plan raises the seniority of staff involved in sector strategies. But simply improving the capacity in the sense of more research and higher skilled people is usually not enough to make an industrial strategy work.
- new document does call for more coordination through interdepartmental forums but fails to interrogate the systematic weaknesses in government that have led to policy incoherence in the past.
- action plans are weak; little to ensure quality control or prioritisation of employment creation and poverty reduction. They can neither ensure accountability nor set up a genuine work programme.

### **...contradiction between calling for high-tech and more labour-intensive economy**

The problem emerges with the initial vision, which doesn't seem to see any contradiction between calling for both a more high-tech and a more labour-intensive economy at the same time. More practically, in the description of priority sectors, the document provides virtually no examples of labour-intensive sectors that would enjoy greater support. However, the proposed new "CSP-type processes" could help identify these sectors.

### **...Some potential growth industries excluded from government's support**

The document also cites the sectors listed in ASGISA as priorities. But these sectors exclude the wood/furniture/paper value chain, appliances, ceramics and construction materials. All of these are potential growth industries that could also meet basic needs in SA and in the region.

### **...Base metals incorrectly defined**

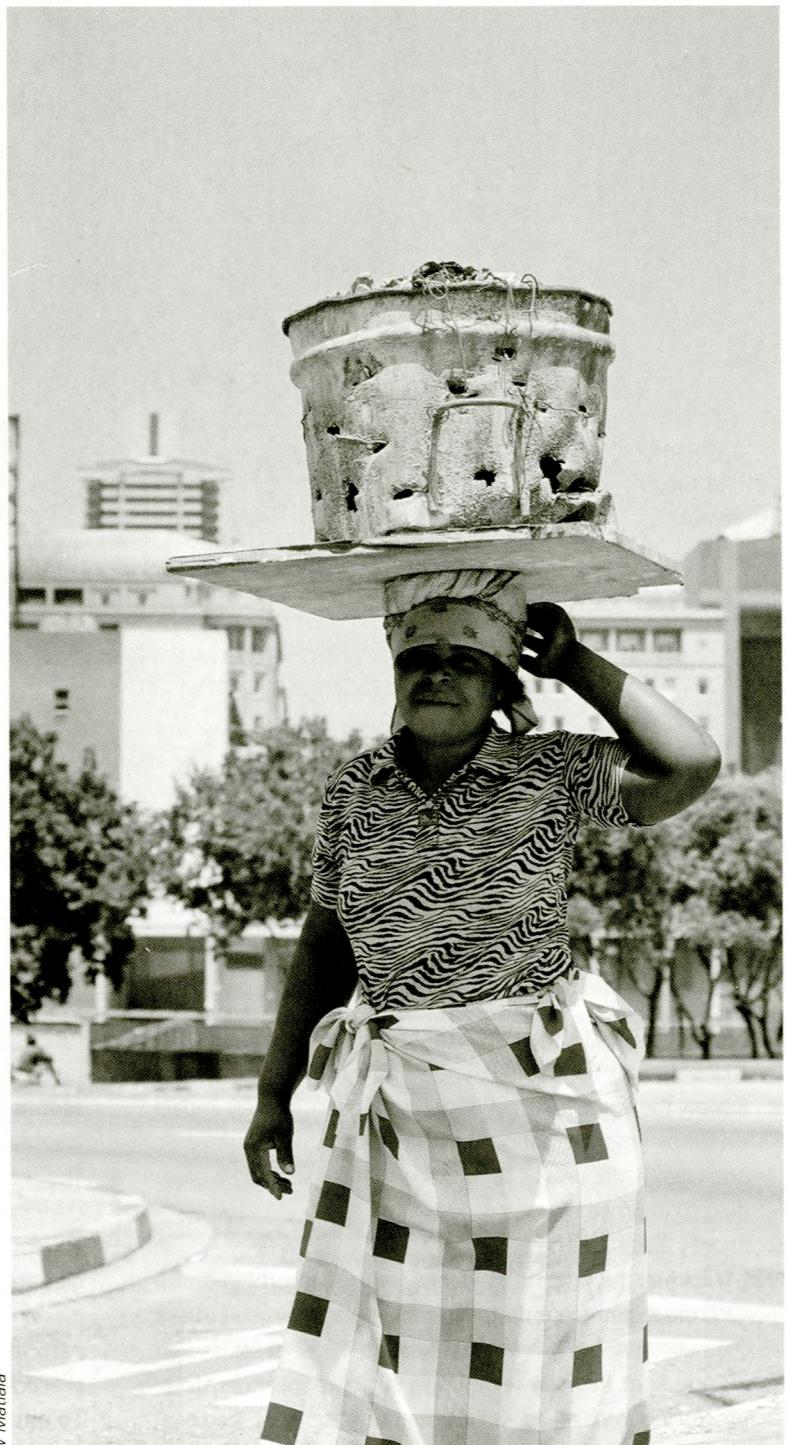
A related problem is the lack of a consistent analysis of the impact of minerals dependency and apartheid. This problem emerges in the inclusion of base metals as part of manufacturing, letting the document claim substantial industrialisation occurred after 1994. True, the statistics define base metal refineries as part of manufacturing. But these industries do little to lessen commodity dependence, whether by creating jobs, increasing export revenues or stimulating downstream production.

### **...Poor analysis of some sectors leads to weak vision on restructuring**

The document does not give a consistent or realistic discussion of how the economic structure, and in particular the focus on minerals plus auto plus heavy chemicals, has caused mass unemployment and poverty. As a result, it cannot provide a strong vision to guide future restructuring.

### **...Ignores how state provision of goods and services can stimulate production and growth**

In this context, the strategy entirely ignores what



**Cosatu says dti must review its strategy and how it will affect employment creation and distribution of income and wealth**

might be called the RDP project – that is, using state provision of goods and services to the poor to stimulate local production and growth. As a result, although there is reference to local demand and government spending as drivers of growth, measures to redistribute income do not appear as fundamental to the industrial policy.



S Bernstein/PictureNET Africa

**dti's strategy fails to target potential growth industries like furniture**

### **...Ignores how government could control the strength of the rand**

Finally, the strategy takes the value of the rand as given. Yet the current overvaluation of the rand is largely driven by speculative capital inflows, which could be slowed down, at least, through appropriate restrictions or taxation.

### **Can the dti implement a new strategy?**

Concerns have been raised about the ability of the dti to implement a new strategy. The proposal for a three-year rolling plan backed by substantial resourcing is an important practical step. BUT can the dti address the comments on the new strategy identified in the box on page 36?

## **Cosatu demands**

- More consistent engagement through regular meetings at NEDLAC with the Minister and Deputy Minister.
- Review the entire industrial strategy to assess its likely impact on employment creation and the distribution of income and wealth. If it proves to be inadequate, it should be modified to improve the outcome.
- Priority areas include:

**Fast-tracking** the process to identify labour-absorbing areas, with the requirement that, taken together, they can achieve the necessary growth in employment. These areas should include light industry (clothing, plastics, appliances, food processing, repairs) as well as the public services, personal services, retail and construction. Land reform is clearly a critical component.

**Developing positions** on trade that will back up the industrial policy in time to influence the current round of negotiations.

**Developing practical proposals** to ensure that the proposed increase in government investment and the broad-based BEE Codes do more to support sustainable employment creation as well as more equitable income distribution and ownership of productive assets.

**Developing an understanding** of SA investment in the rest of Africa, and how it can do more to contribute to sustainable development.

- The paper talks as if the high rand is unavoidable. That

means we are not serious about industrialisation. The high rand is caused by inflows of "hot money" with a potentially serious destabilising impact. There are ways to address this; we need to discuss them urgently.

- The proposed forums are thoroughly inadequate to ensure the re-orientation of government programmes to support employment-creating growth. Successful industrial strategies are characterised by strict co-ordination of state activities around core national priorities backed by stakeholder participation and mobilisation. We need urgently to design practical systems:

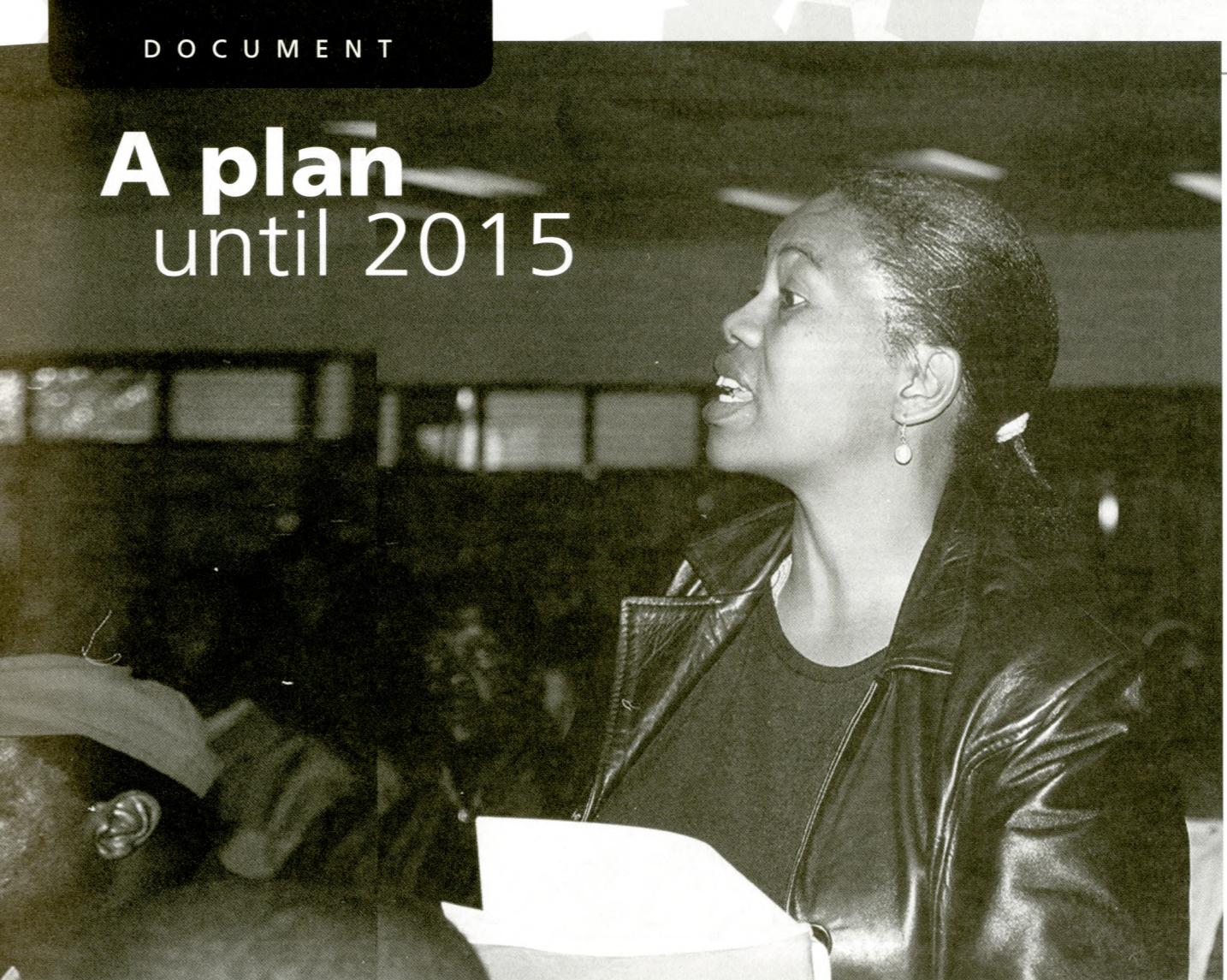
**To ensure** that all new government programmes, without exception, are measured before implementation against the ASGI-SA targets;

**To require** all levels of government to align as far as possible with ASGI-SA strategies, with the industrial policy as part of ASGI-SA;

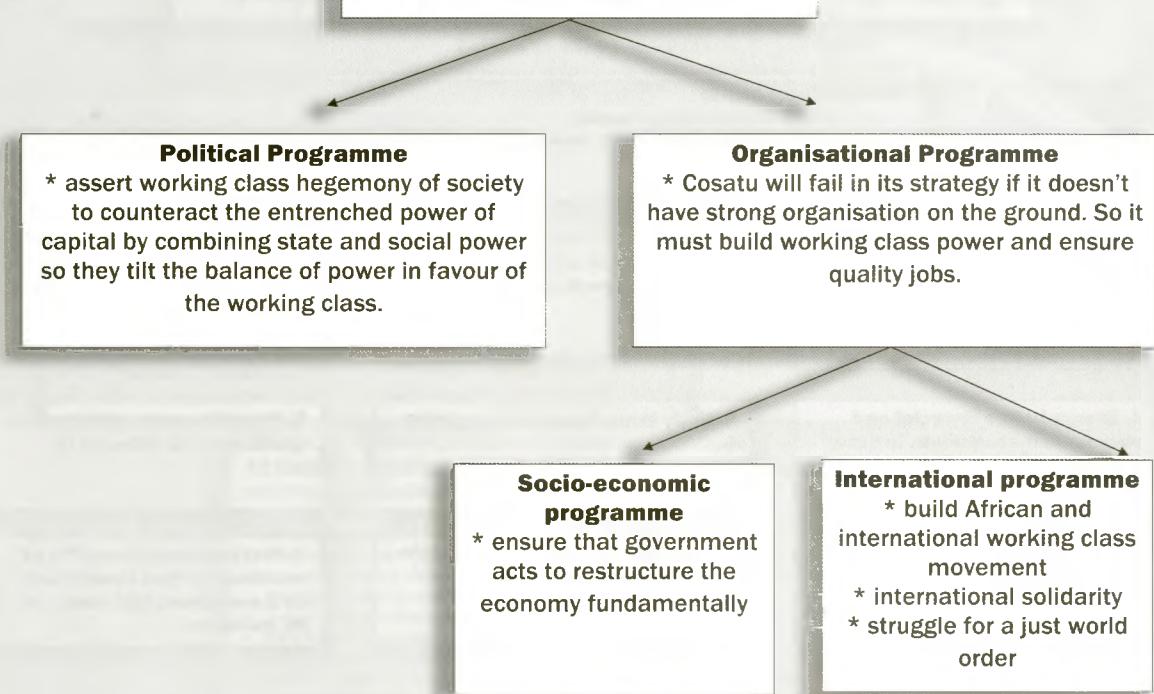
**To use** NEDLAC as the key mechanism for consultation on cross-cutting industrial policy issues; and

**To develop** inclusive and consistent processes for sector strategies, which give a voice to all stakeholders – not just business. A concern here is that the BEE Charters are generally more effective, inclusive and binding than the CSPs. How can they be made a tool of industrial policy, rather than a separate process with rather different objectives?

# A plan until 2015



## Cosatu 2015 Plan



## Pillars of political programme

### 1. Democratise the state

- \* build a functioning alliance
- \* mixed electoral system - 35% proportional, 65% constituency based
- \* empower Nedlac
- \* defend and build public sector to drive transformation
- \* develop capacity to influence policy and legislative processes

### 2. Elections

- \* analyse what has been achieved and what still needs to be done and input this into the Election Manifesto
- \* establish election teams
- \* mobilise financial resources
- \* mobilise workers to register and vote ANC

### 3. Build the alliance

Cosatu wants a political centre that will:

- \* allow alliance partners to participate equally and fully
- \* share information and develop common positions
- \* serve as a forum to debate differences on key policy issues
- \* influence events in all parliamentary structures
- \* meet regularly at national, provincial and local levels.

### 4. The ANC

- \* swell the ranks of the ANC
- \* develop a joint programme with ANC on campaigns, education etc

### 5. SACP

- \* Build it into a mass-based organisation
- \* Cosatu to support it financially and materially and in its campaigns

### 6. MDM

- \* continue working with traditional allies ie Cosas, Sasco, Sanco etc
- \* build new working relationships with organisations around specific issues as long as they comply with criteria set down by earlier Cosatu congresses

### 7. Political education

- \* build the CHI
- \* set aside income for design and delivery of political education across federation
- \* develop pool of political educators
- \* collaborate with progressive intelligentsia
- \* develop ways to attract young workers into trade unions
- \* be at the centre of alternative cultural productions

### BENCHMARKS:

- \* shape elections platform: reassert Cosatu's importance in electoral process
- \* develop concrete programme to build ANC and SACP
- \* deepen ideological contestation around NDR
- \* monitor govt policy and parliament
- \* ensure working class is a factor in ANC and SACP in 2007 and subsequent congresses

## Organisational programme

### Overarching aims:

- build a strong trade union movement
- engage on priority policy issues to ensure employment creation and strengthen social protection

**1. Increase membership by 10% every year - 2.6m by 2006; 4 million by 2009** - target youth, women, migrant workers, casual/part-time workers, unorganised.

**2. Ensure greater support for shop stewards through service and education**

**3. Build education capacity of affiliates, Ditsela, CHI, Cosatu and other institutions**

**4. Ensure better financial and personnel management in each affiliate**

**5. Unify three federations by 2009**

**6. Promote women leadership; quota must be adhered to**

**7. Manage deployment process, exit strategy for leadership**

**8. Implement legislative gains into organisational strategies**

**9. Provide quality benefits to members so that Cosatu seen as a movement that cares for its members**



Cosatu will work to roll back outsourcing to labour brokers as well as casualisation

## Socio-economic programme - defending and creating quality jobs

### At sectoral level - by 2006:

- every affiliate should have a clear programme for sectoral engagement and broad-based educational programmes
- sector summits should have been held in metals and engineering, chemicals, construction, ICT, clothing and textile, agriculture and agro-processing, tourism, call centres, cultural industries, health, education, electricity and local government.
- Cosatu should have capacity to monitor and support where necessary.

### At workplace level:

- Cosatu to develop model demands for living wage campaign for all sectors
- By 2009, living wage campaign should see greater consistency in standards across sectors
- Cosatu to monitor negotiations, set standards and report on its impact to congress in 2006

### At Nedlac/ parliament/ in bilaterals - engage at these levels to support economic and labour market policies that promote job creation and retention and improve social protection.

- counter pressures by capital to restrict fiscal and monetary policy
- work to restructure financial and retail sectors
- ensure trade agreements do not undermine sectoral agreements, destroy jobs
- ensure affordable access to basic services - education, health, water, electricity, sewage, public transport, housing - and fight privatisation and commercialisation
- ensure comprehensive social security system
- fight for measures that consolidate worker rights, roll back strategies of capital eg casualisation, contracting, outsourcing etc
- ensure investment is directed at productive activity by capital, retirement funds, public sector and into the public sector

## Do you have to look up close to see the African in me?

**This question from a poem by Numsa Wits Central West member, Jackie Williams, provided the spark to provoke debate in Numsa's first non-racialism conference held in July this year. Over many days of speeches and discussions, delegates had a chance to tackle the "dark cloud" of racism and resolve on ways to counter people's inbred suspicion, hatred and misunderstanding of each other.**

**T**he conference was inspired by Numsa's preamble to its Constitution which states:

*"We firmly commit ourselves to a united South Africa free of oppression and economic exploitation.*

*Our experience has taught us that to achieve this goal we must fight and oppose discrimination in all its forms within the Union, the factories and in society."*

as well as a Numsa national congress resolution adopted in 2004. This resolution committed the union to tackle the issue of racism by building a working class consciousness that united all races. It sought to deal with the problem that the Western Cape had experienced of coloured people voting "for the Nationalist Party who had subjugated them to oppression for many, many years."

Numsa Western Cape chairperson, Christine Olivier in her opening speech reminded delegates of where Numsa comes from on these issues citing the preamble to the Numsa constitution as well as the Freedom Charter which states that South Africa belongs to all who live in it: black and white.

"Scarcity of jobs forces a competition for resources" Cosatu regional secretary Tony Ehrenreich told the delegates. During apartheid, the Western Cape favoured coloured workers over African workers. Now that there was a scarcity of jobs, "coloured workers want to bring their kids into the workplace and resist the employment of African workers."

"The only solution was to unite around common objectives," he said.

Western Cape premier, Ebrahim Rasool, echoed Ehrenreich's remarks. He appealed to people not to be like blind people describing an elephant, they feel the trunk and it feels like the branch of a tree: instead he asked them to use their eyes and appreciate the whole thing.

He congratulated the region on its initiative - "at last we can begin to have a decent debate about

what is going on in the Western Cape."

Former UDF patron, Allan Boesak, urged people not to "allow new forms of division to come between us and paralyse the struggle that is still going on... We are fighting an economic system that is not just local but global." To fight this required people to fight against individualism and instead to fight collectively.

Provincial ANC deputy secretary, Max Oziensky said the ANC looked forward to a country where the "overarching identity" would be South African - not coloured, Indian, white or African. "We mustn't use race to climb on each others' shoulders!"

Numsa general secretary, Silumko Nondwangu, urged delegates to fight for an ANC "that fights for a radical nature of the NDR". It was no good dealing with the race question at the "exclusion of the class question".

He encouraged conference delegates to reflect on issues of the "national question" that had raised its head over the last 10 years. He described how it had led to the barbaric slaughtering of Christians, Muslims, Jews, Hindus and closer to home Tutsis and Hutus. Unless we learnt from history, there was nothing stopping this country from going the same way. "Despots in Africa did not create themselves but it is our people that contributed to creating them. An individual becomes the organisation and then he can do with the organisation what he wants to do."

Delegates must be careful of "stereotypes" of different groups of people that are often perpetuated by discussions in our own families. Where these stereotypes are mentioned, we must tackle them.

Without tackling this, unity and solidarity were not possible and without unity and solidarity, there was no chance of ensuring "equal redistribution".

Karl Cloete gave the opening address (see pages 43 - 45) and took delegates back in history to give theoretical understanding to the "national question"!

(See also Numsa News No 4, August 2006 for a brief report of the conference or get a copy of the full report from your nearest Numsa office.)

# MAKING SENSE OF THE STRUGGLE FOR A NON RACIAL SOCIETY

## The strategic importance of coloured and African working class solidarity in the Western Cape

Karl Cloete

**O**ur society has undergone significant changes since the democratic breakthrough in 1994.

The current atmosphere in the Western Cape, particularly since 1994, reflects a serious meltdown of African, Indian and coloured solidarity:

- The recent contestation over the distribution of resources particularly as they relate to the provision of housing with regard to:
  - concerns relating to the housing lists and a perception that "people" (ie Africans) from outside of the province are overtaking "others" (coloureds) who have been on the waiting lists for many years;
  - the temporary relocation of victims from the Joe Slovo disaster;
  - Resistance to the perceived entering of Africans into the Bokmakierie School Hostel whereas "coloured people are living in back yards";
  - The perceived targeting of black people for the N2 Corridor housing development as prioritizing African needs over that of coloureds;
- The perception that the job market accommodates coloureds faster and better than Africans;
- The tardiness of the ANC leadership in the province to take a stance on the utterances of Blackman Ngoro who decided to rubbish the coloured community as drunkards and useless to society;
- The perception that coloureds are sell-outs when it comes to elections and therefore a view that mobilization for government elections must be resourced and focused on the trusted African support base to the exclusion of coloured working class areas;
- The perception that the internal leadership battles in the ANC which resulted in the removal of Ebrahim Rasool as Provincial Chairperson and his replacement with James Ngcunu were as a result of race. Rasool is perceived to be representing the non-racial grouping in the ANC while Ngcunu is

alleged to represent the Africanist tendency in the ANC.

For those who believe in the emancipation of the working class and the philosophy of a non-racial and non-sexist society, it is painful to see the racial stereotypes and prejudices that still play themselves out between coloured, Indian and African workers in our union-organised workplaces and our working class communities – whether subtle or in disguised forms.

We knew, as Murphy Morobe, former Publicity Secretary of the UDF said in the Mail and Guardian of 4-10 July 2003:

*"..... that reversing more than 300 years of racially defined political and economic relations would (not) be easy..."*

### What apartheid did

Reminding ourselves of apartheid history can help us understand the extent to which the regime divided the lives of people from different race groups:

*"In furtherance of its policy of divide and rule, the Apartheid regime attempts to play off the main black groups against one another by a system of differential levels of oppression and the imposition of separate sham constitutional "solutions." Within the black groups it tries to win over collaborators and agents so as to separate them from the mainstream of the revolution."* The Green Book Report of the Politico-Military Strategy Commission to the ANC National Executive Committee in August 1979.

At workplace level the regime's Manpower Act and Training Boards created divisions between white, coloured and African workers. It allowed white workers to become artisans while excluding coloureds and Africans from this training. Gradually coloureds were let in and almost as an afterthought Africans were allowed to get training to become artisans.

In the Western Cape, the regime went further to divide the working class. Declaring the province a 'coloured labour preference area', it ensured that coloured workers stood to gain more than African workers.

Karl Cloete is Provincial Secretary NUMSA Western Cape Region. He delivered this speech at the Numsa Western Cape Non-racialism conference in July



Paul Weinberg/South/The Bigger Picture

**The UDF mobilised all communities and class formations together against the apartheid state**

### How do we deal with the past?

In dealing with the national question the same Green Book Report of the Politico-Military Strategy Commission to the ANC National Executive Committee in August 1979 articulated the following position;

*"The main content of the present phase of our struggle is to achieve the aims of our national-democratic revolution whose essence is the national liberation of the black oppressed. Among the black oppressed it is the African majority which, as a community, suffers the most intense forms of racist domination.*

*The aims of our national-democratic revolution will only be fully realised with the construction of a social order in which all the historic consequences of national oppression and its foundation, economic exploitation, will be liquidated, ensuring the achievement of real national liberation and social emancipation. An uninterrupted advance towards this ultimate goal will only be assured if within the alignment of revolutionary forces struggling to win the aims of our national-democratic revolution, the dominant role is played by the oppressed working people."*

Almost 30 years later, the ANC has changed the lives of our people with the provision of water, health care, electricity, housing, education, safety and security. Our constitution with its bill of rights, guarantees both human and socio-economic rights.

The world regards it as a progressive model.

However, Cosatu and the SACP believe that despite these many gains, qualitatively the bourgeoisie and the rising new black elite have gained more than the working class, the rural poor, the marginalized and vulnerable in our society.

In the Western Cape, the same is true. The province remains the most racially segregated province with socio-economic disparities and inequalities continuing to block significant redistribution and transformation.

Whilst this national context is an important point of departure to analyse where we are and how we ought to deepen the NDR for a thoroughgoing and radical transformation, we dare not lose sight of regional dynamics which play an important part in how we apply tactics and strategies so as to rally our people against ignorance, prejudice, exclusion and marginalization.

### Learning from joint struggles against apartheid

Since the establishment of the ANC in 1912 a plethora of organizations located in the white, Indian and coloured communities worked side by side in an alliance with the ANC to overcome the apartheid monster and to put in its place a democratic, non-racial, non sexist and prosperous society.

People's organisations such as the Congress of Democrats (COD – White democrats), Natal and the

Transvaal Indian Congress (NIC & TIC – Indian democrats) and the coloured People's Organisation (CPO – coloured democrats) were in the trenches of our liberation movement to destroy the apartheid regime and to install in its place a democratic state where "the people shall govern in a country who belongs to all who live in it".

The coloured and Indian communities actively participated in the national liberation struggle. Testimony of this is captured in the ANC Strategy and Tactics document of 1969:

*"Historically both communities have played a most important part in the stimulation and intensification of the struggle for freedom. It is a matter of proud record that amongst the first and most gallant martyrs in the armed combat against the enemy was a coloured comrade, Basil February."*

*The jails in South Africa are a witness to the large scale participation by Indian and coloured comrades at every level of our revolutionary struggle.*

*From the very inception of Umkhonto they were more than well represented in the first contingents who took life in hand to help lay the basis for this new phase in our struggle.*

*The stirring demonstrations of the fifties from the Defiance Campaign to the Congress of the People, to the general strike, and peasants revolt and mass demonstrations saw many examples of united action by all the oppressed people.*

*Memory is still fresh of the outstanding response by the coloured workers of the Western Cape to the 1961 call by the ANC for a national general political strike."*

The launch of the United Democratic Front (UDF) on August 20 1983 in Mithcells Plain, in the Western Cape saw a broad front of different communities, organisations and strata throwing their weight in with the struggle for the eradication of the apartheid system and ensuring that all segments of our communities actively partook in the national democratic struggle.

The UDF mobilised all communities (White, coloured, African and Indian) and class formations together against the apartheid state. Through campaigns such as rent boycotts, consumer boycotts, sports boycotts, cultural boycotts and protests against the tri-cameral parliament, the rallying cry of the liberation movement was heeded and rooted in all black communities.

This is not to suggest that the entire coloured community was always together in their association with the liberation movement. In the same way that some in the African community supported the Bantustan system and undemocratic town councils,

some coloureds also saw their salvation in the white minority regime's apartheid institutions such as the coloured Representative Council.

If through the ANC, UDF, SACTU, SACP and other allied formations there was an acknowledgement of the contribution and role played by coloured and Indian people, why do we today have a denial and a refusal to apply the tactics and strategies that would advance and cement the support that we enjoyed over many decades within this community in the Western Cape and within the fold of the liberation movement?

Some developments since the unbanning of the ANC and dissolution of the UDF require very serious and honest interrogation of where we made strategic errors in the manner in which we approached this question including understanding the nature of racism.

### **How racism manifests itself in our society**

Prejudice along racial lines has found a safe haven within many spheres in our society not least the progressive trade unions. It finds expression where one group wants to yield power over others and where there is a scrambling over positions and resources.

Whilst we are not born racist, this phenomenon comes as a result of society's influence on us over time.

As a revolutionary trade union movement we must accept that if we want to defeat racism, racial prejudice and racial stereotypes, we must raise the consciousness of workers. They must understand that no matter what colour or race they are, they are historically tied and bound together as a component of the working class. They are exploited by the capitalist class, who knows no colour when it exploits workers in its obsession to maximize profits.

Despite our principled stance against racist practices or racial prejudice, we must acknowledge that the shopfloor and the relationships between coloured, Indian and African workers remain an area for ongoing work to foster solidarity and unity which is devoid of any apartheid hangover.

How we believe this apartheid hangover is a subject for this conference over the next few days. In discussing this issue it is critical that we are brutally honest on how we achieve and foster non-racialism in our workplaces, working class communities, in the ANC, Cosatu, SACP and other allied formations.

**NB**

# Why?

# JZ – Why are

**During the Jacob Zuma (JZ) rape trial, many women and gender activists were disturbed by some of the arguments that Zuma used in his defense, arguments that they felt belittled women. They were also outraged by the lack of respect his supporters had for the complainant.**

WOODY AROUND

**W**omen are angry for a number of reasons: In JZ's defense, reference to the effect that the alleged victim wore a short skirt will not go down well with women in general and activists in particular. Gender activists have long argued that what a woman wears is her right and shouldn't be construed as a 'come-on'. Instead men should respect women and whether sex takes place or not should be negotiated between equal partners in the relationship.

The images of supporters impersonating and teasing the victim as she was ushered into the court, persistent verbal abuse and aggressive behaviour towards her will remain in the minds of many gender activists long after the trial is over.

To many of his followers JZ has become the symbol of masculinity, the tough freedom fighter who sacrificed everything for the love of his country, liberation and democracy. Amongst the youth his popularity has risen, and his "bring me my machine gun" song personifies this tough guy image almost to the extent of making JZ a cult fig-

ure amongst his followers.

For gender activists it is precisely this type of stereotyping that serves to reinforce the domination of men and the subordination of women. In a country where a woman is raped every 26 seconds, this stereotyping does little to empower women to resist the dominant male.

Apart from this stereotype subordinating women, it also creates problems for males by putting pressure on them to live up to this tough image.

## Gender equality

The legal and political interpretations aside, the JZ trial should compel the public and all its institutions (the trade unions included) to rethink issues around gender equality and the elimination of sexual prejudice. It has become common practice to equate gender equality with quotas, but this is not enough to redeem us from gender discrimination and sexual prejudice.

While the South African constitution calls on the state not to "unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex", progressive civil society movements have argued that a lot still has to be done to promote equality amongst sexes.

In the trade union movement, a number of affiliates have adopted policies and resolutions to eliminate discriminatory gender practices within and outside the trade union environment. Cosatu has called on its affiliates to implement a quota system to increase women's participation in all union structures, while Numsa has a wide ranging resolution calling for the emancipation of

“  
**The images of supporters impersonating and teasing the victim as she was ushered into the court, persistent verbal abuse and aggressive behaviour towards her will remain in the minds of many gender activists long after the trial is over.**  
”



# women ANGRY?

women in all areas of social and economic activity.

But the approach towards gender equality lacks enthusiasm, and is seldom taken seriously. Abraham Boy Mphela, a union shop steward recently complained bitterly to Numsa News about the way gender issues were dealt with in the union.

"Things changed when I was elected as a regional gender deputy secretary a few years back. Male comrades were never supportive from the start. Not even to this day ... from Regional Office Bearers to Local Office Bearers I have seen they don't support this gender structure".

Some unions blow their trumpet when it comes to gender representation at Congresses and meetings, but in almost all Cosatu affiliates, leadership remains in the hands of males and the approach towards women is visibly patronizing.

As the federation prepares for its 9th National Congress, one can only hope that the gender issue will be taken seriously and not simply bandied about as if it is only a case of numbers waiting to be filled through some quota system.

The words of Samora Machel should guide us on the gender issue: "The emancipation of women is not an act of charity, the result of a humanitarian or compassionate attitude.... The main objective of the revolution is to destroy the system of exploitation and build a new society, which releases the potentialities of human beings... This is the context within which women's emancipation arises."

NB

**“ The main objective of the revolution is to destroy the system of exploitation and build a new society, which releases the potentialities of human beings... This is the context within which women's emancipation arises.**

Samora Machel

”

Woody Aroun is kZN's regional education officer

**The answer to this question is a personal one. Your answer depends on your views of society – how you see the issues of class, race and patriarchy.\***

**T**here are different approaches to women's liberation and different types of feminists. The ones that follow are the broad strands of feminism.

### Liberal feminism

Liberal feminists argue that the liberation of women consists of their freedom to choose their lives, to be able to compete with men on equal terms in the professional and political worlds, and in the labour market. They claim that women, like men, are endowed with reason and that their capacity therefore to choose has the same worth as that of men.

But the problem is that there are constraints in society which discriminate against women solely on the basis of their sex and so prevent the exercise of that free choice. Liberal feminism is mobilised against the elimination of these constraints.

Such constraints could be the laws of the country, the belief that women are not suited to certain kinds of jobs, such as those in engineering, for example. There are certain other jobs which are regarded specifically as "women's work", such as nursing, typing and so on and are paid lower salaries.

Liberal feminists do not reject the capitalist system. Equality for them means equality of opportunity and then it is up to individual effort. Working class women can escape their class posi-

The information in this article has been adapted from two articles. One was a Discussion paper presented to the Cosatu CEC in September 2001 and the other "What is Feminism" an article that appeared in gender journal, Agenda in 1987 written by Michelle Friedman, Jo Metelerkamp and Ros Posel.

Look at [www.agenda.org.za](http://www.agenda.org.za) to find more articles on gender related issues.

*There are certain other jobs which are regarded specifically as "women's work", such as nursing, typing and so on and are paid lower salaries.*

tion through sheer individual application.

Liberal feminists are not critical about the way men and women are characterised within present society. They do not argue that the way femininity is defined in relation to masculinity reinforces the position of women.

Their strategies for change include:

- legislation that repeals discriminatory laws and practices
- laws that prevent discrimination for example, laws making the provision of maternity leave compulsory;
- setting up schemes devoted to the provision of opportunities for women to improve and develop their skills for the job market.

They also believe that if women are liberated, men will also be liberated because they won't be the sole breadwinners.

### Radical feminists

For radical feminists, the root cause of women's oppression is patriarchy. Patriarchy is a social system that functions in a hierarchical and dominating way where individual women are subordinated to individual men. For example, society operates according to male defined values. It organises its economic system so that men benefit. It does not value women's labour.

They believe that boys and girls are born equal but that they are socialised to become different.

Patriarchy not only oppresses women it can also oppress men as it requires men to act in a particular way.

There are different strands of radical feminism. Some argue that they are not interested in men at

*... society operates according to male defined values, it organises its economic system so that men benefit. It does not value women's labour.*

# women!

## DO YOU THINK CAUSES INEQUALITY?

all. they hate men. They prefer to form their own women's groups that exclude men so as to encourage women to develop self-confidence and begin to take control of their own lives.

Others argue that while there is no room for men in their own organisations, men as individuals can and should take responsibility for confronting their own sexist power. For example they could support paternity leave, share the household chores and childrearing and challenge the economic structures which undervalue women's labour.

Radical feminists want to "free the human soul" from the constraints that patriarchal societies impose on both men and women.

### Marxist Feminism

Karl Marx never paid much attention to the question of gender. He was concerned to describe and analyse contemporary western society, that is, capitalism. For him, the distinguishing feature of capitalist society was the division and conflict between capitalists and the working class.

Traditional Marxists argued that everything would be better under socialism and that to struggle against men would divert energy away from the class struggle. They claimed that the class struggle would transform everyone's lives, allowing women into working alongside men and this would lead to a society where equality for all would prevail.

However this view was questioned when it became clear that women were also oppressed in pre-capitalist societies. And further questioned when newly-socialist societies, like the Soviet

*Traditional Marxists argued that everything would be better under socialism and that to struggle against men would divert energy away from the class struggle.*



Union, Cuba and China, failed to eliminate women's oppression. Such questioning led to the rise of the ideas of socialist feminism.

### Socialist Feminism

Socialist feminists agreed with Marxists that improved technology and development of the productive forces was necessary in order to move to socialism or communism and that in those new forms of social relations, alienation and exploitation would be eliminated.

However, they also focused on the individual woman. They looked at the work that she did in the

**Liberal feminists believe that working class women can escape their class position "through sheer individual application"**

*Women carried a double burden, they had to work for the society and work for the family and working for the family was unpaid.*

socialist feminists believe that to gain freedom for women requires both a class struggle and a struggle against patriarchy – a public as well as a private struggle.

home, the relationship that she had with her partner as well as her child-bearing role.

This is how Lenin described a woman's role: *"The working woman and the peasant woman are oppressed by capital, but over and above that, even in the most democratic of the bourgeois republics, they remain, firstly, deprived of some rights because the law does not give them equality with men; and secondly – and this is the main thing – they remain in 'household bondage', they continue to be 'household slaves', for they are overburdened with the drudgery of the most squalid and backbreaking*

*and stultifying toil in the kitchen and the individual family household."*

Even if socialism brought women into production, unless the issue of 'household bondage' was addressed, it meant that often women in a socialist society still continued to carry a double burden – they had to work for the society and work for the family and working for the family was unpaid.

The Bolsheviks in the Soviet Union had introduced public child-care, laundry and kitchen facilities to ease the 'household bondage'. But these and other gains were later reversed by Stalin and replaced by conservative family values that supported the old patriarchal system.

The big difference between socialist feminists and Marxist feminists is that socialist feminists believe that to gain freedom for women requires both a class struggle and a struggle against patriarchy – a public as well as a private struggle. ■

## Where do you stand?

**Do this quiz to find out where you stand on the public and private struggle! Find the answers on page 71**

1. Your wife/woman partner wants to stand as a shop steward in her union. Do you:
  - (a) say that she cannot stand because you are worried that the children will be neglected and it will interfere with the cooking and the cleaning of the household.
  - (b) support her and say that together as a family you will all discuss how she can be active in the union and how the family will accommodate her.
2. Your wife/woman partner is a shop steward and wants to attend Numsa national congress for five days. Do you:
  - (a) say she cannot go because a Numsa national congress is not a good place for a woman to be.

3. Your workplace has many women workers. In shop steward elections, workers voted for three new women shop stewards. Do you:
  - (a) carry on having your shop steward committee meetings after work as you have always done.
  - (b) ask the new women shop stewards if the time is alright for them or if they want to suggest an alternative time.
4. Your workplace has always had many women workers but no women have ever stood as shop stewards. Shop steward elections will take place in 18 months time. Do you:
  - (a) assume that it's because women are not committed and that's why they don't stand as shop stewards.
  - (b) speak to workers and set up a gender committee in your factory. Link the gender committee to the shop stewards committee and provide training to the gender committee reps so that they can learn the job of the shop steward.
5. You are holding a shop steward council in your local. The meeting was meant to start at 9h00 and finish at 12h00. However some of the male office bearers are late and the meeting only started at 10h30. At 12h00 many people start to leave, especially the women comrades. Do you:
  - (a) complain that those leaving are not committed.
  - (b) apologise to those that are leaving for having started the meeting late and appeal to all those present to respect the times so that next time the meeting can start and finish on time.

## Let Continental Tyre learn from VWSA

**Aubrey ka Saki**

**T**here is no problem without a solution. There is a crisis at Continental Tyre. What has become clear at Continental Tyre is that there is a missing link between those representing and those represented. Seemingly shop stewards and workers appeared not to find and understand one another and this had a negative impact on the organisation. The trouble is that Continental Tyre is not the only plant to go through such strains. Volkswagen (VWSA) is another example.

However, right now VWSA is stable compared to where it was when instability was a daily occurrence. In 2000 upheavals were on VWSA's menu throughout. Numsa membership and shop stewards were frequently at each other's throats. No-one wanted to listen to the other. Management took advantage of the widening rift amongst Numsa members.

The situation worsened so that a sizeable grouping emerged. The sad part of the game was that while shop stewards would hold a general meeting during lunchtime, those so-called concerned workers would have their own meeting, presenting their own agenda.

It was apparent to all parties that a breakaway

was imminent. It eventually sounded like a volcanic eruption that had an overall impact on the South African market and the political platform. The rest is history!

After the mass dismissal of 1300 VWSA workers, unionism in Uitenhage took a turn for the worse because the newly recruited workers were the chil-

dren of the terminated workers. Bad blood came about as the new generation refused to join Numsa. Other sympathisers and colleagues of the dismissed workers started to organise for a rival union and this greatly reduced the number of Numsa members. Other workers preferred to be without a union at all and adopted a wait-and-see attitude.

It took former underground operators from the fold of the then Uitenhage Youth Congress, both inside and outside VWSA, to re-organise the situation and help bring back life to activities Uitenhage had always been known for, during decades of revolution.

Today out of a total of about 4000 workers, about 3000 are paid up Numsa members. To get there was a thorny path. It was not easy to conscientise a bewildered and divided workforce.

Coming back to Continental Tyre – is it necessary for our comrades there to go the same way as VWSA? Not for once! We must learn from the experiences of other colleagues. Continental Tyre is not an island. If VWSA workers called for a workers' indaba to seriously look at their crisis, assisted by community activists, then what is the Numsa PE local waiting for?

I fully endorse the resolution taken at the Old Ibhayi Council premises to do just that. Nothing is impossible. We are one blood. We need to sing one song. Solidarity forever. All parties must engage one another towards achieving this goal.

It should be remembered that Port Elizabeth produced, amongst other known revolutionaries, one legendary masterpiece, Mbuyiselo Ngwenda, who rose from shop steward to national office glory. His political base dare not go through things like these.

The Mbuyiselo Ngwenda Brigade is set to kick off right in Port Elizabeth. The young Ngwenda needs to be honoured.

**We are one blood. We need to sing one song. Solidarity forever.**

**No-one wanted to listen to the other. Management took advantage of the widening rift amongst Numsa members.**

**It was apparent to all that a breakaway was imminent.**

## EMPOWERING OR SELLING-OUT?

When employee share ownership schemes (Esops) first raised their head in the 1980s, there were cries that they were a ploy to make "every worker a capitalist". But now, dti's black economic empowerment (BEE) code gives points to esops and some are arguing that they are a way to broaden ownership beyond the black elite. Jenny Grice takes a look behind the scenes.

**F**irst implemented in the 1950s in the US, esops aimed to allow workers a way of getting an income stream other than wages. Others saw them more cynically as an attempt to make "every worker a capitalist". By urging workers to work harder so that their dividends from shares would increase, capitalists hoped to keep workers away from strikes and interested in the capitalist system instead of wanting to destroy it.

The esop practice first hit South Africa in the 1980s. It struck Numsa when Ford disinvested from South Africa and donated R100m (this represented 24% of the local company, Samcor's shares) to a worker controlled trust.

"We received R700 (a bit less than their monthly pay packet at the time) as dividends in the first year," remembers Numsa vice president, Ben Khoza. "Then in the second year our dividend was R900 each."

But for the next two to three years, there was nothing. "The company claimed that there were no profits, but workers had suspicions that the company was hiding something because cars were selling," says Khoza.

Workers then demanded that the shares be sold and that they be paid out. Khoza remembers that he received R9000 when 14% of the shares were sold and then another R5000 when the balance of the 10% of shares were sold.

The Iscor experience was a similar one. Dur-

**“**... the company was liquidated and all workers lost their jobs. When workers produced their share certificates, "they were told they were worth nothing"

ing the privatisation process of Iscor in the late 1980s, workers were offered shares. Numsa "didn't think that an esop was a good idea," remembers Bobby Marie, Iscor's organiser at the time, but it also realized that if the union said "no", workers would just go and get them anyway because it was a way of getting cash. In a situation where workers "were barely surviving on their wages each week, any money was wanted now as cash," says Marie.

So the union went along with the process. Iscor gave the union the shares. Each worker then signed for their shares and then signed another document that they wanted to sell their shares immediately. So an esop was created and destroyed in a matter of months!

Kelvinator workers also received free shares. The free shares came as a result of Barlow Rand unbundling one big company into smaller ones. The new owners of fridge maker, Kelvinator, gave the workers transferred from Barlow, shares in the new company.

Each worker was given his own share certificate along with "drinks and meat at an opening party," remembers former engineering sector coordinator, Elias Monage.

For the first two years the company did well, even though it paid out no dividends to its worker shareholders. But as South Africa opened its markets to the world, companies like Kelvinator came under threat.

A few years later, the company was liquidated and all workers lost their jobs. When workers produced their share certificates, "they were told they were worth nothing," says Monage.

#### Different conditions in 2006?

"Not one single company is saying that it wants to establish an esop," says former Numsa auto sector coordinator, Gavin Hartford and yet "now they are doing it". CEO of the Esop Shop, Hartford says that compliance with BEE codes is the driving force.

With promises of up to 23 points out of a possible 100, esop arrangements which sell anything between 3% and 35% of the company's shares to



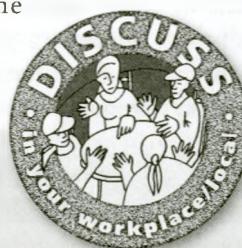
its workers, seem an easy way to secure the ownership points and put the company in line to win government contracts.

While this is the push in Numsa sectors, in the mining sector, the mining charter is the motivator. Signed several years ago, the mining charter commits the sector to broad-based ownership through awarding 6% of the shares of the South African operations to its own employees. It was a way of breaking the stranglehold of "a few black elites" that had earlier secured lucrative deals for

themselves explains Jeffrey Magida, head of Num's service pillar.

Hartford is convinced that esops are the way to go. He believes that the shares must be equally allocated to every employee across the company. Once allocated they should be housed in an independent workers' trust. Workers will not be able to sell their shares for a certain period of time. Once the shares are fully owned and paid

**Ford workers rejected their Esop in the 1980s. When they didn't receive dividends for two years they thought that management was hiding their profits. What do you think of Esops?**



### Discussion points

- What are the advantages of esops?
- Can esops empower the previously disadvantaged?
- What are the dangers of esops? How can esops affect union organisation?
- If you have an esop in your company, what are the benefits, what are its dangers?
- What can we learn from Numsa's esops of the 1980s?
- What should Numsa's policy on esops be?

## Satawu on Putco Esop

Satawu, Nactu affiliated Transport and Allied Workers Union of SA (Tawusa), Numsa (bus body) and Solidarity have just negotiated a 17% esop ownership of Putco. A further 14.4% was allocated to non-bargaining unit employees while a group of black women investors and a group of disabled black investors jointly secured a 12% share.

The deal was driven by BEE ownership requirements and the need for Putco to secure future contracts from government. In terms of the deal:

- each worker pays 1c for each share; the balance of R1.25 cost for each share is paid by a loan granted by Putco owners, Carleo Enterprises.
- 66% of annual profits will go back into the company including cost of wages and wage increases; 33% will be divided between repaying Carleo Enterprises and paying dividends to shareholders ie wage increases will be kept separate from dividend payments.
- if a worker retires, is retrenched, dies or leaves because of disability, s/he will receive the full market share
- if he resigns, he will receive 33% of the value of the shares
- if he is dismissed he will receive what he put out in the first place.

Through the esop, parties have committed themselves to introduce a more participatory model of management.

*(Thanks to SA Labour Bulletin Vol 30 Number 3, August/September 2006 for information)*

off (it could take at least five years before workers see a benefit!) then workers could be able to access cash, social benefits and/or diversified investments.

But there are real dangers. Often repayment of shares is based on the assumption that the company's performance will improve and with this the share price will go up and the dividends paid out will pay for the shares over time.

But this is not guaranteed. That's why Magida says it is important to plan for the worst scenario and with gold prices hovering at record highs while they negotiate their deals, they are well advised to do so. Part of their protection plan is to try and insist that companies like Anglo Gold provide certain shares for free or at very low interest rates.

Another danger is the workers themselves. Intensive education will be needed to persuade workers to be patient and wait for the benefits instead of them expecting the benefits immediately!

### What next?

It seems that BEE will continue to drive esops. But there are dangers as Numsa knows from its past experience. What do you think Numsa's policy stance should be?

NB

## Cosatu's September Commission on Esops

Historically, Esops have been used by employers in South Africa as a device to co-opt workers. Workers were granted a small number of shares individually, which gave them no voice in the company.

An alternative is collective Esops, where the shares are held in a trust under collective control, rather than by individuals (Numsa and Samcor established such a collective Esop when Ford disinvested in the 1980s). In the UK and the USA, employers have initiated such collective Esops in an effort to co-opt workers into adopting

a management perspective. Typically such management initiatives have transferred between 10% and 40% of the company shares to the Esop.

The question is whether unions can make use of collective Esops to gain influence or control of companies. In the US, the Steelworkers have established collective Esops as a vehicle for employees to buy steel mills facing closure. Usually these Esops own 100% of the companies, and are therefore similar to co-operatives. Some unions argue that even a 20% stake can give workers the power to

elect some directors and share in company profits.

Esops also hold very real dangers. They may co-opt workers to the goals of management. They are frequently used to make workers accept increased workloads or pay cuts, or take responsibility for financing a failing company.

The Commission does not recommend Esops. It proposes that Cosatu should discuss whether collective Esops have any benefits for workers and unions, and take decisions accordingly.

## Numsa policy on Esops

Numsa's 1989 congress came out strongly against employee share ownership schemes.

It said that capital at the workplace tried to divide and weaken worker unity and to get workers to

work harder.

One of the ways it tried to divide workers was by giving higher paid workers esops.

However, Numsa has no clear policy on esops although it did agree to

setting up a workers' trust in the Ford disinvestment case. This is not to say that Numsa members are not involved in esops. There are already some operating in Numsa-organised companies across the country.

# Metals sector **not the leader** on BEE!

**A study that Numsa asked the Corporate Strategy and Industrial Development Research Programme (CSID) at Wits University to carry out, has confirmed what Numsa suspected - transformation is not an imperative for metal industry owners! Neo Chabane\* reports.**

**O**n June 26 1955 the sound of the people could be heard from all corners of the vast open space known at the time as Kliptown Square: "the people shall govern", "the people shall share in the country's wealth" and "the land shall be shared among all those who work it". These principles of freedom were included along with others, in what became known as the 'Freedom Charter'.

The basic elements of Black Economic Empowerment (BEE) are therefore not new. Recently though BEE, or the more politically correct version, Broad-Based BEE (BBBEE) has taken the spotlight and is being touted as the 'next big thing' in terms of doing business in South Africa.

## Background to the research

Numsa commissioned the research from CSID because it wanted empirical evidence from both employers and employees on the degree of empowerment and transformation taking place in our sectors so that Numsa could develop a clear, coherent and informed policy on BEE.

The research involved interviews with companies (management and shop stewards), employer associations as well as workshops with shop stewards working in the firms interviewed.

The questionnaire covered all aspects of empowerment from ownership to procurement as well as employment equity and skills development.

Of the 147 firms invited to participate, only 25 responded positively. At the time of the interviews, these 25 companies were mostly medium and large, employed close to 36 350 workers in total and included two SOEs and two OEMs (car assemblers).

## The findings:

### Ownership and board representation - lily white and little changed

Thirteen firms in the study are 100% locally owned

while nine are wholly foreign owned. None of the firms that participated in the study were fully black-owned and only six out of the 25 firms were 'black-empowered' – meaning that over 25% of their equity is in black hands. The 'black empowered' firms were mostly influenced by their relationship with industry empowerment charters (eg the mining and petroleum charters) or by the Preferential Procurement Act and sales to government and/or State Owned Enterprises (SOEs).

However, for one firm the BEE ownership was motivated by the need to source input supplies (of scrap metal) from SOEs. In four cases the sales of black equity were designed to just reach the 25% target for being 'empowered'. It is interesting to note that none of these firms concluded deals with major emerging black conglomerates such as Shanduka, Mvelaphanda or ARM. The BEE ownership consists of a mixture of employee ownership schemes and smaller BEE groups.

White males still dominate positions at board level. On average 76% of the boards of interviewed firms consist of white males, followed by 12% black males, 9% white females and only 3% black females. When the black race group is disaggregated there is a greater presence of African females at board level compared to coloured and Indian males. This could possibly be attributed to the preference of firms to sell equity stakes to women empowerment groups.

In total, white female representation is greater than black female participation on the boards of interviewed firms, with 75% of all female representation being white. Paradoxical as it may seem, representation of blacks on boards of black-empowered companies is still relatively low. 47% of members on these boards are white males and 20% white females. Black males and females only constitute 24% and 6% of board representation in these 'black-empowered' firms respectively. Generally, irrespective of the source of ownership, female representation at board level is very low, with only 20 women on the boards of firms compared to 120 men.

Neo Chabane is  
Numsa's national  
researcher

## Preferential procurement - some doing the right thing for the wrong reason!

Most of the firms interviewed did not outline their procurement practices. Many said they were in the process of reviewing their policies to ensure that they reflected an element of preferential procurement. Others were reviewing the BEE status of their suppliers in order to facilitate BEE with the guidance of existing industry charters. It seems that companies are increasingly looking to their suppliers to provide them with scoring opportunities for their scorecards. Firms are quite happy to 'pass the buck' to smaller companies.

Firms pursue preferential procurement practices for different purposes - none of them seem to be linked to a genuine desire to transform. Those that do have a preferential procurement policy are mostly influenced by the Preferential Procurement Act, and the mining and petroleum charters, given the importance of the SOE and the mining and petroleum markets for these firms. Procurement was also viewed as a way to present a 'BEE-conscious' image and score highly where firms are not willing to give up any equity. Alternatively, it makes simple business sense to source services from BEE firms, as these are activities with low entry barriers that are outsourced to reduce costs.

Surprisingly, the two SOEs captured in the study were not doing very well in sourcing inputs from BEE firms despite being governed by the Preferential Procurement Act. This is a critical weakness in terms of the BEE legislation. If government cannot get its own institutions to procure from small black suppliers it is hardly in any position to expect the private sector to do so. Reasons given

## Main findings:

- the metals industry remains largely in white hands.
- firms are happy to sell off 25.1% of equity to BEE partners as long as it betters their chances of obtaining contracts and tenders from state owned enterprises and other government departments. Such "window dressing" practices are unlikely to change the behaviour of firms.
- there are no links between skills development and employment equity ensuring that workers in firms will be stuck at those skill levels; training that is provided to black workers tends to be in-house, on the job training that provides little avenue for advancement.

included the unavailability of competent BEE firms to supply highly technical inputs. However, black empowered firms seem to fare much better in sourcing technical input from other black empowered supplier firms.

## Employment equity - slow transformation

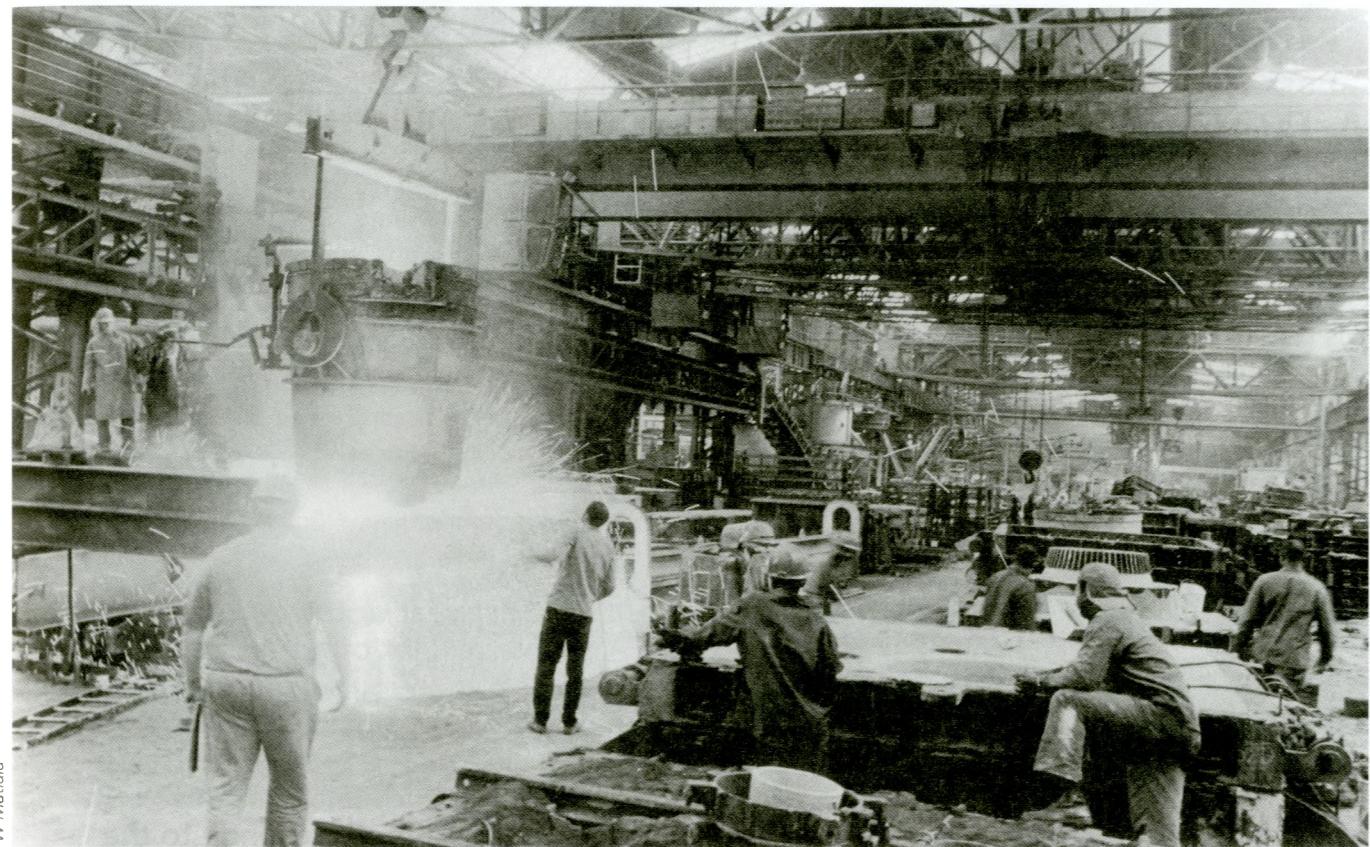
All the firms that were interviewed were subject to the Employment Equity (EE) Act and therefore obliged to have employment equity targets and submit EE reports. Once again these firms performed dismally in this respect. Despite having more than 600 employees and being a large supplier to local government, one of the firms interviewed had never submitted an EE report since the legislation was introduced. One of the SOEs had not submitted an EE report for the last two years.

The actual number of previously disadvantaged individuals (PDIs) in management positions in the firms also showed up the slow transformation. In this historically male dominated sector, female representation is very poor across the different occupation levels irrespective of race. White males still dominate the decision-making structures of the firms in the metals sector while black representation is insignificant: white males constitute close to 80% of total management; followed by black males (below 20%); and overall female representation of about 10%. Black female representation in management positions remains incredibly low. The statistics are almost identical for local and foreign owned firms.

What is even more alarming is the fact that when the statistics are disaggregated they show that black representation at the level of top management has in fact declined from 14 to 10% between 2002 and 2004. At senior management, the graph confirms popular belief that very little has been done to employ PDIs in decision-making positions since the advent of democracy. Senior management typically has significant decision-making powers and is still heavily dominated by white males.

Black presence at the middle management level, where decision-making power is generally very limited, is more noticeable although virtually no change has taken place between 2002 and 2004 in terms of increasing the number of blacks in this level.

It is however not clear from the interviews the



W Matlala

extent to which blacks are actively taking part in the hands-on, operational processes in firms. Despite the desire of the legislature for a genuine process of empowerment, at least one of the local firms interviewed openly admitted to using their black female director as a front in securing contracts with government departments.

#### **Skills Development - lack of advanced training for black workers**

In terms of skills development, black males are more likely to have received training than other groups. But, on closer inspection, this related mainly to elementary training, carried out on-the-job, such as health and safety. The study also found large non-compliance with the employment equity and skill development legislation. The research found no evidence of an obvious link between employment equity and training.

Even black empowered firms by as much as 49% did very little to provide training opportunities for their black workers. For two of these six black empowered firms, training opportunities were more available to whites compared to blacks. And in the remaining BEE firm that gave details, white males received multiple training opportunities compared to blacks.

Companies are unwilling to train black workers in fields which will help them advance into bet-

ter paying and more fulfilling areas of work. In one firm interview, the HR manager (white female) made it very clear that training for workers (factory workers who are predominantly black) is restricted to their daily operations.

She made an example of the union requesting training in basic computer skills / literacy but said the firm refused because it will not train a forklift driver how to use a computer because his job does not require this.

In another instance the HR manager (white male) indicated that the firm had two black workers whom they took through technikon training and management courses but as soon as they reached the level of junior management were poached by other firms that doubled their salaries. This has led to a reluctance to train black workers in fields such as engineering and related skills.

A large equipment manufacturer which spends about 1% of its payroll on training indicated that less than 5% of the training budget is spent on PDIs because the majority of them are at the low end of the organisational structure and the kind of training programmes that they are put on are mostly in-house and not expensive. The white male workers, however, because they are mainly in the middle and upper level of the organisational chart, are sent for more advanced training which is more expensive.

**Black workers are trained but it is mostly on-the-job training like health and safety**

This article is based on the report entitled: 'An investigation into BEE in the metals sector of the economy' prepared for NUMSA by the CSID Research Programme. For the full report see [www.numsa.org.za](http://www.numsa.org.za)

# INDUSTRY Transformation and

## A DOCUMENT FOR THE ENGINEERING INDUSTRY



A "transformation and growth" document for the engineering industry is set to spark debates between parties over the burning issues in the sector. Numsa Bulletin spoke to Thulani Mthiyane\* to find out more background on the process.

### Is this document an initiative of all parties?

Yes.

### Why did it arise?

Most of the things arise from wage negotiations while others were proposed by parties because they think they are important.

We had agreed to deal with issues that were outstanding from the main agreement negotiations. For example the issue of global competitiveness was not part of wage negotiations. The issue of exemptions was raised by employers and the department of labour. They are both not comfortable with our exemption procedure because it does not accommodate non-parties.

Thulani Mthiyane is Numsa's engineering sector coordinator

### Five phases identified:

- Phase 1 Set objectives - define scope of project, goals, key areas, design project
- Phase 2 Status quo analysis - analyse the current conditions, what can drive the process forward and what will be obstacles
- Phase 3 Set out possible strategies showing trade-offs made in each strategy
- Phase 4 Decide on which strategy to follow weighing up trade-offs, and assess which one will achieve strategic goals
- Phase 5 Work out implementation plans, establish new industry partnership structure and joint action teams

Jobs and growth was also not part of the negotiations. Skills and training was part because Numsa submitted six demands. Black economic empowerment and transformation - Numsa submitted a demand after which industry suggested we discuss our own charter.

Grades - Numsa wants an appropriate grading structure. There is a lot of confusion around this.

**Last year or the year before, there were a lot of noises about the engineering sector and its diversity because of some very big and many very small companies and that this necessitated a change to the bargaining set-up. Are these issues likely to come up again in this process?**

The transformation and growth strategy proposal asks parties: "Do you want to continue where you negotiate for one type fits all, or is there a possibility of saying this sector must be protected from others?" This question will come up again in this process.

**What about a mega bargaining council scenario where you bring in auto, tyre, engineering and motor with separate bargaining chambers for each of these sectors as the Merseta does?**



W Matlala

With the Merseta, motor equals motor, auto equals auto etc. However, engineering employers are already arguing that we should breakdown the sector into smaller sub-sectors eg metal containers, etc and negotiate separately for each small sub-sector within engineering.

## Why is Numsa so against that?

Numsa's concerns revolve around those sub-sectors where we are not well organised. If they were to be allowed to negotiate on their own, there would be problems pushing employers to grant reasonable salary increases.

The other issue is that in these sub-sectors where trade unions and employers are not well represented, the department of labour might not be

keen to extend this agreement to all those employers.

**So there's a danger of going back to the Mawu (one of the forerunners of Numsa) time where we had individual plant bargaining?**

Yes.

## Where are you now with the process?

Gavin Hartford, the facilitator, is busy having bilateral discussions with each party, so when he starts to facilitate the process he has some understanding of where the different parties are coming from. The overall objective is to try and deal with the new issues identified.

## Challenges identified in the document

- HIV/Aids
- Global competitiveness
- Flatten grades
- MEIBC reform - sectors and SMMEs
- BEE Transformation Charter
- Skills and training
- Exemptions
- Jobs and growth

## Are the time frames negotiable?

We need to make sure that we comply with the main agreement in terms of issues recorded there. We must make sure that if we have said that training issues need to be finalised by June 2007, that we either have agreement or disagreement. In terms of other issues, obviously if you want to include government around an issue then that issue will take a few years to finalise.

NB

Engineering employers are still proposing that trade unions agree to a more flexible bargaining arrangement

# Merseta to complement Jipsa

**The Merseta is the sector education and training authority (seta) that covers most of Numsa's sectors. Wayne Adams, its acting CEO and Harry Geldenhuys, its auto chamber coordinator, told Mdu Ntuli\* and Xolani Tshayana\* how their organisation will contribute to achieving Jipsa's objectives.**

**WA** = Wayne Adams  
**HG** = Harry Geldenhuys

Mdu Ntuli is a shop steward at Hillside Aluminium in Richards Bay; Xola Tshayana is a shop steward at Volkswagen SA in Uitenhage

## Can you briefly describe the aims of Jipsa?

**WA:** Jipsa focuses on skills development. It is within the Asgisa framework. Its job is to sustain and ensure that the annual 5-6 percent growth target is met.

Currently the skills available in the country are not sufficient to achieve this and sustain this target. Jipsa is attempting to coordinate the skills requirements at national level with the involvement of all stakeholders including business and labour.

The other initiative is to look at infrastructure development and build the capacity of maths and science teachers as well as the possibility of attracting offshore skills. It will also facilitate and fast track and implement the development of skills within sectors.

## Some are saying that Jipsa will run parallel to the Setas. What is your view?

**HG:** This is not the case. Setas will complement the objectives of Jipsa.

For example for many years now Setas dealing with coded welding knew that the skill would be in demand in the near future. But because of the lack of consensus from stakeholders they missed the opportunity to train learners for this need. So now the skill is currently in demand but there are no ready-made people hence there is a debate to import the skills.

## How have you determined priority skills?

**WA:** Priority skills are based on projects. These have been identified at macro level through research that resulted in the Sector Skills Plan (SSP) for Merseta. Based on the SSP, linkages have been

made to infrastructural projects identified and funding has been made available to support these projects through skills development.

## What skills have you prioritised?

**HG:** The sector skills plan focuses on scarce and critical needs. Scarce skills refer to the scarcity of production and occupational skills needs currently and in the future.

Critical skills refer to the current needs of production and what the employees require.

## Do these priorities coincide with Jipsa's?

**HG:** They complement and advance Jipsa objectives. Merseta is in line with these objectives if you look at the number of learnerships and apprenticeships that are registered by the Merseta.

## What are the key projects that the Merseta will intervene in?

**WA:** We have identified the refurbishment of power stations. This will require more artisans and engineers and it is anticipated that manufacturing industries will be involved in 50-60 percent of these projects.

## What is the challenge for Setas with regard to their capacity and resources?

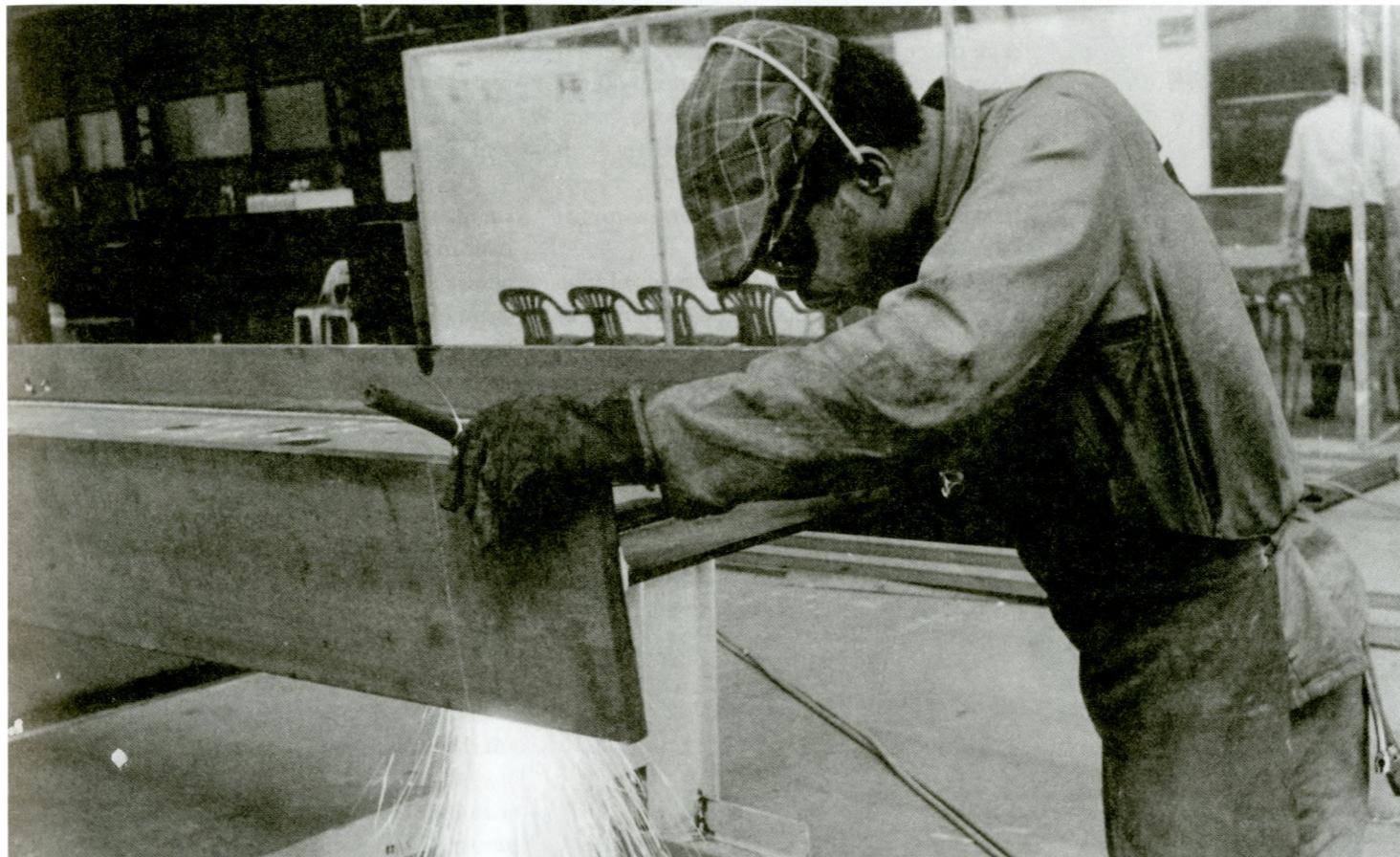
**WA:** The challenge for Setas is to strike a perfect balance between meeting the needs of the stakeholders within the available funds and meeting time frames. Setas will have to look at the current funds and see if they are sufficient to accommodate Jipsa projects.

The levy-paying companies will be the biggest beneficiaries. They will be contracted to train learners for Jipsa projects.

Training numbers will have to increase. Merseta and stakeholders will have to discuss the issue of human capital.

This is not a problem but the critical issue will be the funds. The setas may have to engage institutions like the National Skills Authority for funding.

## Why is Jipsa focusing on apprenticeships and not on learnerships?



W Matala

**WA:** Delays on the developmental work of learnership qualifications on issues like courseware development and unit standards have caused delays in achieving the correct skills in the country hence the reintroduction and more emphasis on apprenticeships.

This is not suggesting that learnerships have failed to deliver. It's only their slow pace which must be addressed.

The current National Skills Development Strategy (NSDS) allows the continuation of the apprenticeship system until 2010 where the strategy will be reviewed.

#### **What is the drive behind the re-skilling of the current artisans?**

**WA:** Changes in technology necessitate the up-skilling of employees including artisans. There is a definite need to be up-skilled since some of them qualified more than ten years ago. Projects like Coega will need ready-made artisans. The process

has to start now rather than later.

#### **What is the Merseta's view on placement of learners after training?**

**WA:** Learnerships should be demand-led. This must be informed by a will to address employment equity and also the companies' responsibility in creating employment for the unemployed learners. Setas are training for employability. Our view is that 75-80% of learners in training must be placed after completion. This is one of the objectives of the NSDS.

#### **What could prevent the Merseta from achieving its plans?**

**HG:** If you look at the seta from a distance one will think that there is cohesion. Participants of stakeholders remain the major challenge. There is a lack of consistency from both labour and employers.

Most of the time employers are sending junior managers without powers.

Labour sends junior shop stewards with no

**Welders are in short supply and the problem is forcing employers to import skilled welders**

**Learners in learnerships  
2005 to April 2006**

**13 839**

**Apprenticeships being  
trained**

**6 329**

understanding of training issues. This results in stakeholders failing to reach consensus and this ends up stifling progress.

The other problem is the competitiveness between employers. The competitive needs of individual companies allow companies not to publicize some of their skills needs because they don't want to be compromised. They opt to import some of the skills from mother plants or overseas to protect themselves.

The last issue is the bureaucratic set up of setas like the registration of learners and claiming of grants.

We need to deal with the turn around time.

**What can be done to address these problems?**

**HG:** Merseta stakeholders are aware of what is at stake.

The starting point is for the stakeholders to prioritise the worker on the shop floor. They must understand that their actions deny the ordinary worker an opportunity to get proper training in order for them to participate in the economic mainstream of the country. The right people must be sent to these structures.

Merseta stakeholders are also aware of the companies who are doing training which is not relevant to production requirements and yet are allowed to claim grants. The time has come for grants to be paid only for NQF and unit standard based training or programmes which lead to national qualifications.

**NB**

## Scarce and critical skills

| ENGINEERING                                                                                                                                                                                                           | MOTOR                                                                                                                                                                                                                                                    | NEW TYRE                                                                                                                                                                     | AUTO                                                   | PLASTICS                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>Scarce skills</b><br>Fitter and turner<br>Tool, jig and diemakers,<br>Millwright,<br>Boilermaker,<br>Fitter, Turner, Earth moving equipment mechanic,<br>Welder,<br>Refrigeration mechanic,<br>Sheetmetal workers. | Mechanics,<br>Suspension fitter,<br>Brake and clutch fitter,<br>Drive line transmission,<br>Wheel alignment and balancing,<br>Paintless dent removal,<br>Auto sound and security fitters,<br>Autotronics,<br>Forecourt attendants tourist guide training | Factory/production management/ industrial engineer,<br>Rubber technology,<br>Polymer technology,<br>Mechatronics,<br>Tyre assembly,<br>Tyre and tyre component manufacturing | Mechatronics,<br>Autotronics,<br>Fitters,<br>Engineers | Chemical + mechanical engineering,<br>Polymer technologist,<br>Setters,<br>Inspectors,<br>Supervisory management skills |

**Workers wanting management to take action against those who insist on referring to others with racist and derogatory terms like "kaffir" have received a blow. A recent Appeal Court judgment has ruled that workers' demand to have a manager dismissed for doing this would have been "unfair". Neo Ramafalo reports.**

**W**orkers at TSI Holdings went on strike because one of the managers, a Mr Attie van Zyl, had been calling workers "kaffirs and bobbejane".

Workers lodged grievances as a result of the manager's conduct.

At the meeting to deal with the grievance, van Zyl stated that he did not swear at the workers in a personal manner.

When the matter could not be resolved satisfactorily to both parties, the matter was referred to the CCMA with the workers demanding, "dismissal of the racist manager".

The CCMA declared the issue unresolved. A 48-hour notice to strike was then given to the company on October 31 2003.

The workers then went on strike and the company tried to interdict them. An interim order was granted against the workers but the Labour Court refused to confirm the final order. Fulton AJ found that the demand for van Zyl's dismissal was not necessarily a demand that he be dismissed unfairly or without a hearing. For that reason she held that it could not be said that the demand was one that required the company to act unlawfully in the sense of breaching the

LRA. Accordingly she held that the strike was a protected strike.

However the company took the matter on appeal. On appeal, Judge Zondo found that the issue in dispute was the workers' demand that Van Zyl be dismissed.

He found that on the evidence before him, Mr van Zyl's dismissal, as demanded by the workers, would have been without a fair reason and in breach of the rights provided for in Section 185 read with Section 188 of the Labour Relations Act.



NB



### Issues for discussion:

**Have you had similar problems in your factory?**

**How did you deal with them or how should we deal with them?**

## Section 185 and 188 of the Labour Relations Act

### **185. Right not to be unfairly dismissed or subjected to unfair labour practice**

Every employee has the right not to be-  
(a) unfairly dismissed; and  
(b) subjected to unfair labour practice.

### **188. Other unfair dismissals**

- (1) A dismissal that is not automatically unfair, is unfair if the employer fails to prove:
  - (a) that the reason for dismissal is a fair reason-
    - (i) related to the employee's conduct or capacity; or
    - (ii) based on the employer's operational requirements; and
  - (b) that the dismissal was effected in accordance with a fair procedure.
- (2) Any person considering whether or not the reason for dismissal is a fair reason or whether or not the dismissal was effected in accordance with a fair procedure must take into account any relevant code of good practice issued in terms of this Act.

# has done it!

Azwell Banda is a Zambian worker who was forced to flee his country at the end of 1997. He is now living and working in South Africa, as a political refugee. This is an edited version of an article which first appeared in *The Post* of Zambia, on May 7 2006

## Azwell Banda

**O**n May Day 2006, Bolivia announced that it had nationalised the country's hydrocarbons sector (natural gas and oil). The new president of Bolivia - President Evo Morales - reversed the privatisation of hydrocarbons instituted in 1996 by then President of Bolivia, Gonzalo Sánchez de Lozada.

Evo Morales and his political Party - the Movement Toward Socialism (MAS) - were elected into office on December 18 2005. They became the first political formation in a long time to win an outright popular majority vote, with an historic 54% of the votes.

## Indigenous leader

For the first time since the Spanish conquest in the early 1500s, Bolivia, a nation with a majority indigenous population, now has an indigenous leader.

President Evo Morales is faced with the incredible challenge of mobilizing the necessary economic resources to combat the extreme poverty and social

and political exclusion of the indigenous population who largely voted his socialist MAS party into office. Nationalising the natural gas and oil sector has always been a popular demand in Bolivia, long before Morales became President.

## Companies affected

Of the companies affected in this nationalisation, Petrobras (Brazil), Repsol (Spain), Total (France), and BG and BP of the UK are the major players in the natural gas sector in Bolivia. Petrobras and Repsol are by far the leading actors, controlling almost 70 percent of the gas reserves in Bolivia.

While the big global media has not yet begun to beat its war drums over this singularly important act that Morales has done for ordinary Bolivians, capitalism is very nervous. This is not how business, capitalist business, must be conducted. There are global fears this might very well be the beginning of such similar acts all over the world where the natural resources of poor countries are being looted by multinational companies.

Speaking from the balcony of the presidential palace in La Paz, vice-president Álvaro García Lin-

## Details of the nationalisation:

All the fine details of the process are not yet apparent, and probably won't be until months have passed. Still, we can safely say that nationalisation means less than the expropriation without compensation of transnational gas companies demanded by the most radical of the social movements, and more than the weakest of the MAS proposals over the last two years (during the May-June 2005 protests the MAS called only for an increase in taxes for transnationals to 50%, while most other sectors in the streets called for 100% nationalisation.)

Article 1 of the Heroes of Chaco decree asserts that, "The state reclaims the property,

the possession and the total and absolute control of these resources." Article 2 states that, as of May 1, 2006, all petroleum companies that are currently active in the production of gas or petroleum within the national territory are obliged to hand over to the property of YPFB - the representative of the Bolivian state - the entire production of hydrocarbons. During the period of transition, according to Article 4, the largest gas deposits - those with average natural gas production in 2005 over 100 million cubic feet daily - will be subjected to the following tax regime: 82% of the value of what is produced will go to the state, and 18% to the gas company to recuperate costs



AP Photo

era, addressing tens of thousands of MAS supporters on May Day, said: "...After today the hydrocarbons will belong to all Bolivians. Never again will they be in the hands of transnational corporations. Today the country - *la patria* - stands up.... This is a patriotic and

*heroic decision that takes back our soul and dignity. But it will be a measure attacked by dinosaurs, conservatives, and traitors of the country."*

For us in Zambia and the rest of the poor sad world, the so called Third World, it is not enough

**Bolivian demonstrators join a march organized by left-wing party MAS (Movement to Socialism) along a road linking La Paz to Oruro, Bolivia in 2005 demanding nationalisation of the country's oil industry.**

and make a profit.

This measure will hit the two largest gas-fields, San Alberto and San Antonio, currently owned and operated by Petrobras (Brazil), Repsol YPF (Spain), and, to a lesser degree, Total (France). The state will generate an additional \$320 million annually through this arrangement. The smaller camps will continue with the current tax regime of 50% to the company, 50% to the state.

The gas refineries of Gualberto Villarroel in Cochabamba, and Guillermo Elder Bell in Santa Cruz, owned and operated by Petrobras since 1999, will be brought under state control. The state will buy 51% of shares.

In a period of 60 days the debilitated YPFB (the Bolivian state controlled oil company) is scheduled to be restructured such that it can assume the task of totally controlling the exploration, production, commercialisation, transport, storage, and industrialisation of hydrocarbons. In a period of 180 days, private companies operating in the sector in Bolivia will be obliged to sign new contracts with the state along the guidelines set out in the presidential decree. If they do not, they will no longer be permitted to operate in the country."

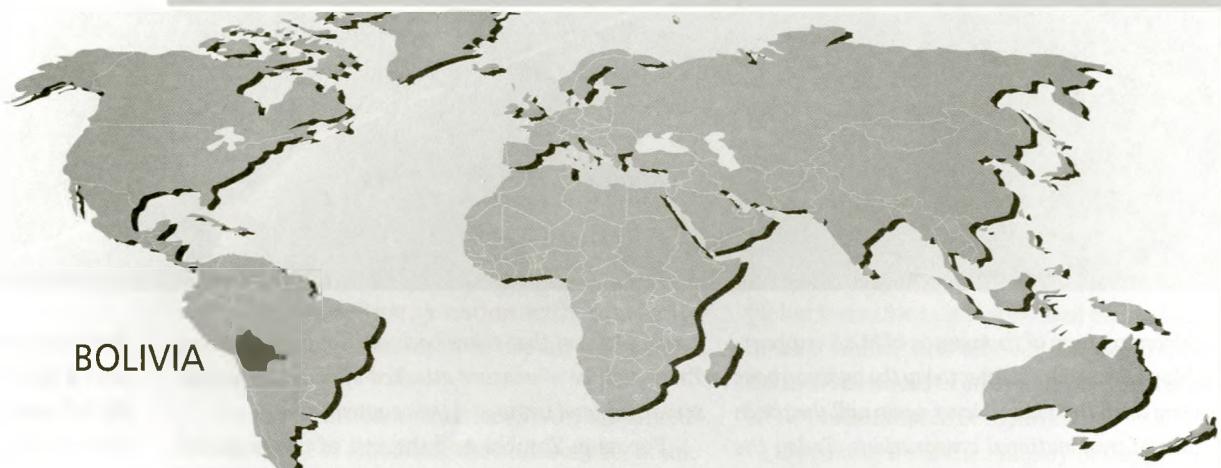
**Jeffery R Webber in the May issue of the International Viewpoint.**

Since this article was written, Bolivia's attempt to nationalise its hydrocarbons has received a blow. According to the *Mail and Guardian* of August 18 2006, the plan has been "temporarily suspended due to a lack of resources". "There were insufficient funds, it said to pay compensation to foreign investors. The ministry said a \$180 million loan was being negotiated with the central bank to revive the programme."

to simply read and learn about such historic economic and political events; we need to join our efforts with Bolivia, and all the people of the world who are trapped in poverty by global capitalism. Our own liberation from poverty depends on returning to the people their wealth.

The global struggle for socialising the means by which wealth is produced is a global war, a war the working class populations of the world must wage against all capitalists. This is the struggle that makes the struggle for a just world, a socialist world, the historic mission of the global working class. We must join, concretely, to defend the achievements of the Bolivian indigenous people and their working class! ■

## Bolivia



### History

- Early 1500s** colony of Spain
- 1809** independence from Spanish rule
- 1809-1825** Bolivian war of independence  
Simon Bolivar was leader of revolution; established a republic

From this point onwards, the country was involved in numerous wars with its neighbours, experienced the rise of militant nationalism, capitalists exploited natural resources and minerals ruthlessly, a chequered capitalist political history with no less than 200 coups, all played out in a country in which the living conditions of the indigenous people, who constituted more than two thirds of the population, remained deplorable.

Forced to work under primitive conditions in the mines and in nearly feudal status on large estates, the indigenous people have consistently been denied access to education, economic opportunity, or political participation. Evo Morales comes from this portion of the population.

### Basic facts

- 2006 population was estimated at 8.9 million people.
- 64% of the population live below the poverty line; 72% eke out their living in the informal sector.

**Exports:** natural gas (large reserves found recently), soybeans and soy products, textiles, crude petroleum, zinc, ore and tin, coca (crop from which cocaine is produced).

|                       |                                                                                                 |
|-----------------------|-------------------------------------------------------------------------------------------------|
| written by:           | IG Metall Vorstand,<br>60519 Frankfurt a.M.                                                     |
| to:                   | The Federal Ministry of<br>Economics and Technology<br>Scharnhorststrasse 34-37<br>10115 Berlin |
| For the attention of: | Mr Michael Glos                                                                                 |
| Date:                 | July 6, 2006                                                                                    |

*Proof that international trade union solidarity does bring rewards  
While government officials were busy having bilaterals with other  
countries around the Non-Agricultural Market Access (Nama)  
negotiations in WTO, Numsa too was busy engaging with its trade  
union counterparts in developed countries. This letter is the product  
of such a bilateral with German counterpart IG Metall.*

Dear Minister,

Following the unsuccessful ministerial meeting of the World Trade Organisation (WTO) in Geneva on June 30, the aim is now to try and find a compromise of WTO member states with the help of WTO Director-General, Pascal Lamy, by the end of July. Apart from other core issues, the focus will continue to be on the modalities of the NAMA negotiations on industrial tariffs. This is a matter of great urgency and thus a reason to address you.

Like our sister unions from developing countries and international trade union umbrella organisations, IG Metall is highly concerned about the foreseeable negative consequences of excessive market liberalisation which is being demanded from developing countries in the course of the NAMA negotiations.

IG Metall takes the view that the export interests of industrialised countries - especially of German industry with its high trade balance surplus - do not justify the pressure which is currently being exerted on developing countries in the context of the WTO. Severe reductions in tariffs can cause serious damage to the local industries of developing countries, their trade balances and public revenues, which are after all essential elements in their development, and have a disastrous effect on the few manufacturing jobs available in mid-level developing countries.

Studies by UNCTAD as well as by the World Bank have established that the majority of developing countries have had to accept a long-term loss of prosperity and employment as a result of overhasty market liberalisation. Successful participation in international trade requires an adequate level of successful industrialisation - not the opposite.

This has also been confirmed by current calculations of the International Confederation of Free Trade Unions (ICFTU). The ICFTU study gives examples of various NAMA scenarios all of which show that the reduction in industrial tariffs will have a negative impact on the 13 developing countries which were surveyed (Argentina, Brazil, Columbia, Costa Rica, India, Indonesia, Mexico, Morocco, Peru, Philippines, South Africa, Tunisia and Uruguay). The sectors which are most affected in these countries include textiles and garments as well as the automobile and furniture industries which, from an organisational point of view, are all covered by IG Metall in Germany. These sectors account for a major proportion of regular employment in developing countries. Severe reductions in tariffs under NAMA will lead to considerable job losses in developing countries as well as to high adjustment costs.

To remain competitive, despite the tariff cuts demanded, labour costs will be further reduced and working conditions further downgraded in many affected countries. Once again it becomes obvious that progressive global market liberalisation under the WTO, which is not tied to compliance with the core labour standards of the International Labour Organisation (ILO), will be carried out at the expense of the workers, particularly in developing countries.

That is why we would like to urge you, Minister, to do what you can to make the Doha Round a real development round as has been explicitly announced in paragraph 16 of the Doha ministerial declaration.

In particular, we kindly ask you

- to use your influence to make sure that the NAMA proposals which were recently put forward by the US, Switzerland, Hong Kong, Canada and New Zealand and, in a similar way also by the EU, are not adopted, whereupon there should only be a difference of 5 points between the coefficient for developing countries and the coefficient for industrialised countries;
- to help ensure that only a NAMA package which fully takes into account the concept of "less than full reciprocity" for developing countries will be adopted. We believe that tariff reductions for developing countries should be considerably lower than those for industrialised countries.
- to help maintain a developing country's scope for a legitimate development strategy which is based on the domestic market and an active industrial policy. The final NAMA project must not stipulate how many tariffs are to be bound and at what level this is to be done. For reasons of social and development policy, developing countries must be able to revise obligations previously undertaken.

To summarise, IG Metall expects the German government to cease pursuing the conclusion of the Doha Round at all costs - even at the expense of developing countries.

In view of current surveys that establish the dangerous effect of current formula proposals for workers in developing and newly industrialised countries, we kindly request the German Federal Government to change its present NAMA strategy.

Please bring your influence to bear to prevent a NAMA resolution based on the current substance of the negotiations. The WTO needs a sustainable reform - also beyond the Doha Round - which takes into account the development concerns and the situation of workers worldwide. We hope that the Federal Government will in future be willing to enter into a dialogue on these issues which are of vital importance to the international trade union movement.

Yours sincerely

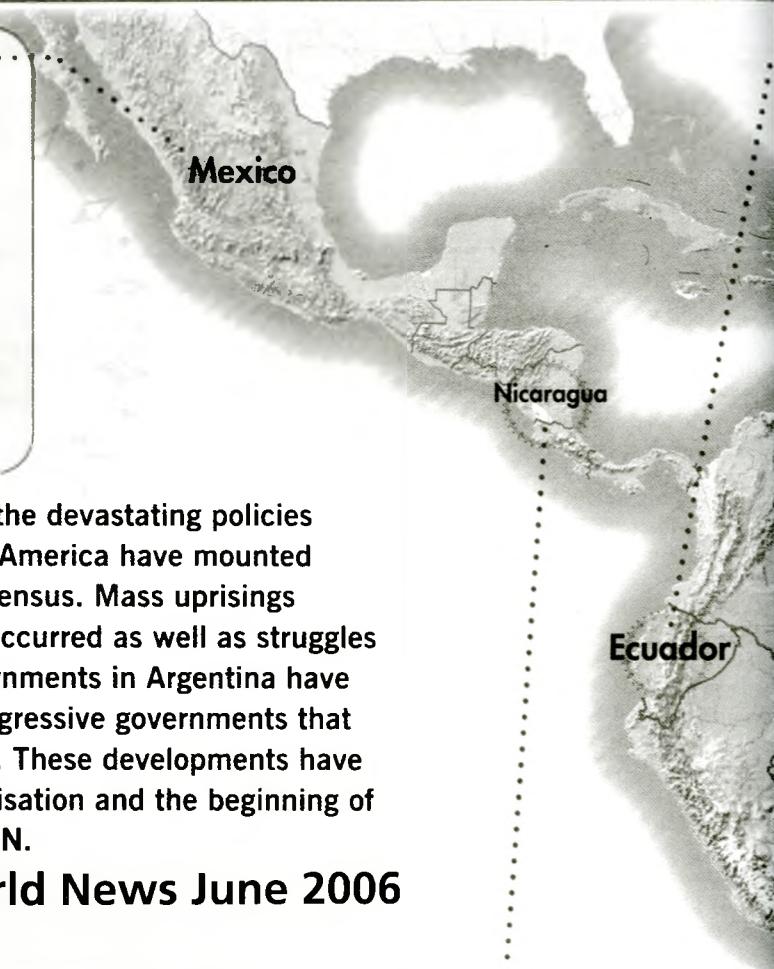
Jürgen Peters

Wolfgang Rhode

# ILRIG ALTERNATIVES TO GLOBALISATION

## Mexico

- In 1999 the Zapatistas, a social movement of poor peasants in Mexico's poorest province, Chiapas, begin to challenge the national state and force the state to recognise their effective control over the countryside in Chiapas.
- Strong peasant and indigenous people's movements become a feature of political life and fight against NAFTA. Despite that a pro-USA, pro-free market government of Vicente Fox elected.
- New Mexican election scheduled for August 2006 and the front runner in opinion polls is the centre-left Andres Manuel Lopez Obrador, with promises of pro-poor legislation and renegotiating NAFTA.



**In response to the domination of the USA and the devastating policies of globalisation, countries of Latin and Central America have mounted a significant challenge to the Washington Consensus. Mass uprisings against privatisation in Bolivia and Peru have occurred as well as struggles for land in Mexico and Brazil. Neo-liberal governments in Argentina have collapsed and we have seen the election of progressive governments that pose a challenge to the domination of the USA. These developments have been hailed as a significant challenge to globalisation and the beginning of developing ALTERNATIVES TO GLOBALISATION.**

**Thanks to ILRIG's Workers World News June 2006**  
[www.ilrigsa.org.za](http://www.ilrigsa.org.za)

## Nicaragua

- USA-backed current President Enrique Bolanos has been increasingly isolated since he led an anti-corruption drive against his predecessor and former ally, Arnoldo Aleman, since convicted of fraud.
- Mr Bolanos' own Liberal Party turned against him in congress and joined forces with former rivals, the left-wing Sandinistas. The election is seen as an opportunity to put an end to this pact, which has dominated Nicaraguan politics in recent years.
- Sandinista leader Daniel Ortega is running for president in the next election and is leading the opinion polls for November 2006. The Sandinistas lost the 1990 elections, following a 10-year civil war against the US-backed Contras.

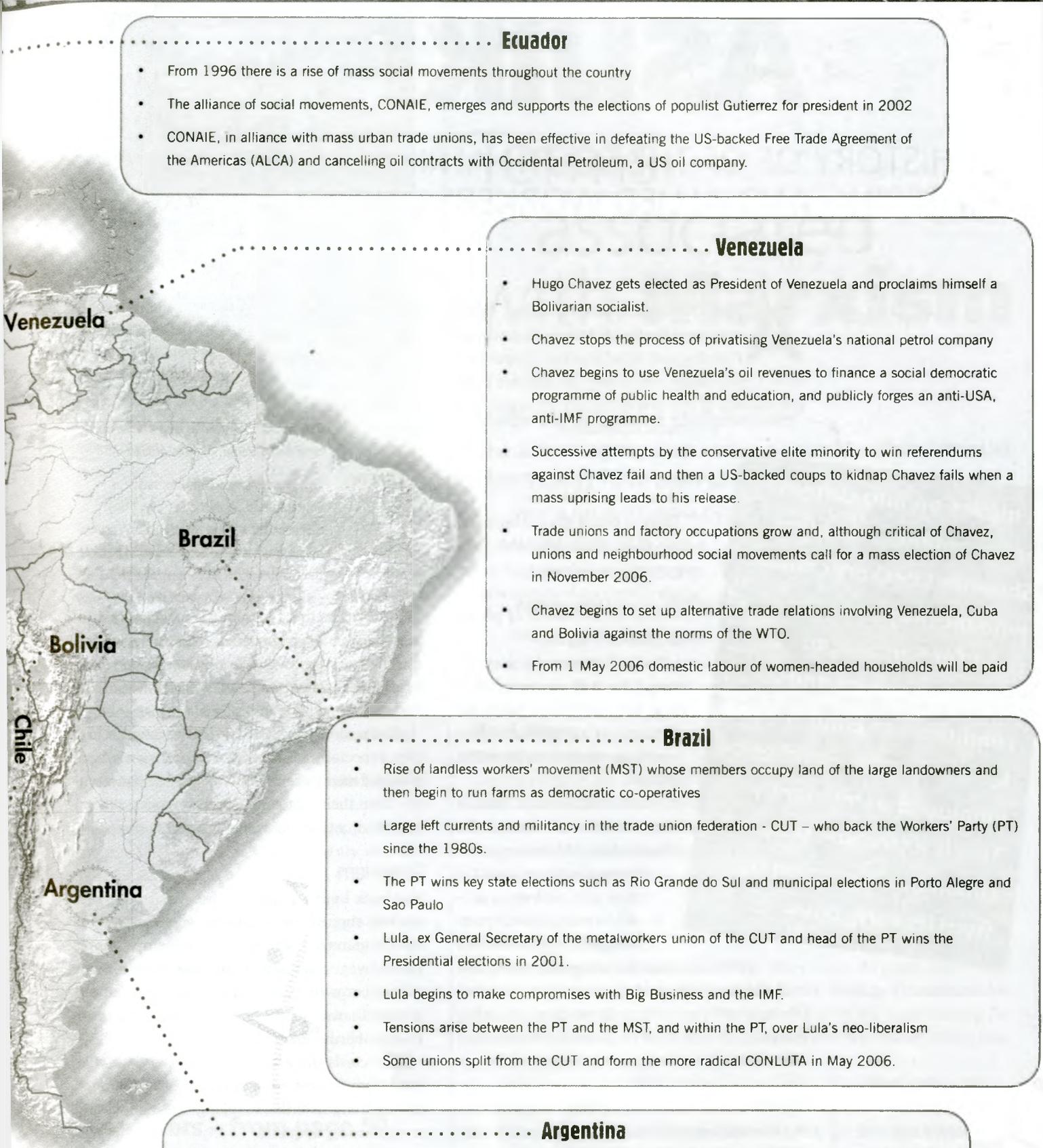
## Bolivia

- Between 2002-2005 mass struggles throughout the country involving new social movements, particularly amongst the indigenous people of Bolivia
- At Cochabamba people successfully stop and reverse the privatisation of their water
- In 2005 mine workers strike and call for nationalisation of the mines and force new general elections
- In 2005 Evo Morales of the Movement towards Socialism (MAS) is elected as president – the first president of indigenous descent and a coca farmer.
- On 1 May Morales enforces the nationalisation of the gas fields and tells Transnational Companies (TNCs) that they must negotiate new terms for mining rights in Bolivia
- Bolivia announces that state land will be made available en to poor peasants

## Chile

- After years of rule by US-installed military dictator, Pinochet, in the 1970s and 1980s, deals are struck to smooth over a shift to democracy in which the military still has much power
- Widespread public dissatisfaction however with the deals struck lead to demonstrations against the impunity granted to Pinochet and others
- Election in 2006 of centre-left candidate, Michelle Bachelet, who beats conservative businessman Sebastian Pinera in a second round of voting to become Chile's first woman president. Michelle Bachelet had been jailed under the Pinochet regime
- The Bachelet government however attempts to stick to neo-liberal policies

# ALISATION



## Ecuador

- From 1996 there is a rise of mass social movements throughout the country
- The alliance of social movements, CONAIE, emerges and supports the elections of populist Gutierrez for president in 2002
- CONAIE, in alliance with mass urban trade unions, has been effective in defeating the US-backed Free Trade Agreement of the Americas (ALCA) and cancelling oil contracts with Occidental Petroleum, a US oil company.

## Venezuela

- Hugo Chavez gets elected as President of Venezuela and proclaims himself a Bolivarian socialist.
- Chavez stops the process of privatising Venezuela's national petrol company
- Chavez begins to use Venezuela's oil revenues to finance a social democratic programme of public health and education, and publicly forges an anti-USA, anti-IMF programme.
- Successive attempts by the conservative elite minority to win referendums against Chavez fail and then a US-backed coup to kidnap Chavez fails when a mass uprising leads to his release.
- Trade unions and factory occupations grow and, although critical of Chavez, unions and neighbourhood social movements call for a mass election of Chavez in November 2006.
- Chavez begins to set up alternative trade relations involving Venezuela, Cuba and Bolivia against the norms of the WTO.
- From 1 May 2006 domestic labour of women-headed households will be paid

## Brazil

- Rise of landless workers' movement (MST) whose members occupy land of the large landowners and then begin to run farms as democratic co-operatives
- Large left currents and militancy in the trade union federation - CUT - who back the Workers' Party (PT) since the 1980s.
- The PT wins key state elections such as Rio Grande do Sul and municipal elections in Porto Alegre and Sao Paulo
- Lula, ex General Secretary of the metalworkers union of the CUT and head of the PT wins the Presidential elections in 2001.
- Lula begins to make compromises with Big Business and the IMF.
- Tensions arise between the PT and the MST, and within the PT, over Lula's neo-liberalism
- Some unions split from the CUT and form the more radical CONLUTA in May 2006.

## Argentina

- Debt crisis and collapse of peso in 2002 leads to banks freezing people's accounts overnight
- Mass strikes and stayaways lead to four pro-IMF/USA governments collapsing in 3 months in 2002/2003
- Rise of neighbourhood movements - the piqueteros
- New trade union movements reflect a more militant labour movement
- Workers begin to occupy and run some factories
- New government of Kirchner, although a pro-capitalist one, gives public commitment to freeze debt payments to the IMF

# ASIJIKI

## A HISTORY OF THE SOUTH AFRICAN COMMERCIAL CATERING AND ALLIED WORKERS UNION (SACCAWU)

**A**sijiki (No turning back) is a slim, idyllic volume of the South African Commercial Catering and Allied Workers Union (Saccawu), graphically presenting the complex modern history of the revolutionary struggles of a non-racial trade union.

But small as the book is, it manages to convey the long, noisy, chaotic and action-packed times.

There is much grim determination to show racism, above all, to be responsible for the sudden re-emergence of black trade unions and the dramatic unionisation of young and militant workers.

Racism's presence is in everything. Like staff canteens, often dark, dirty and dingy hovels for Africans, as against first-class, luxurious conditions for white staffers.

In the retail sector, African faces could not be seen in the front shop. Whites retained positions of cashiers, took the clerical jobs and were promoted to management posts while Africans permanently

carried out unskilled and mostly casual jobs in the back as delivery boys, "cooks" in the place of chefs, off-loaded trucks without training prospects. Coloured and Indian workers were often entrusted with supervisory positions over Africans.

### Racism

And racism is demonstrated through individuals' stories. A stout black worker, Makhulu Ledwaba, was dismissed. His crime - he slapped a white woman in the face in the canteen for queue-jump-

ing after she had sworn at him for refusing to give way to her to go past other black workers who were queueing before her. He then joined the union which successfully fought for his reinstatement. He later was elected president of the then Commercial Catering and Allied Workers Union of South Africa (Ccawusa)

Then there is Alina Rantsulase, currently national treasurer of Cosatu. She was unfairly dismissed for two years from work following her stage-managed police arrest in the factory for allegedly stealing some item she had already paid for.

Stories like these present the malicious side of the white management during those struggle days.

The union's growth after the '80s was too quick for its own resources as youth were politicised and trade union membership surged.

It was mostly women who led Saccawu's struggles, especially in areas like Cape Town where coloured men were thought to be more conservative than their women partners. Women saw an opportunity to wage women's equality struggles.

### Campaigns

The book hardly pauses between reflections on workers engaging in rolling mass demonstrations against management, the launch of campaigns for a living wage, extension of parental rights, for centralised bargaining, against retrenchments and to end to casualisation, to win March 21, May 1 and June 16 as public holidays.

It records the wide range of struggle tactics used from protest work stoppages to prolonged trial of strengths strikes to rolling mass actions and workplace occupations.

With the formation of Saccawu, the union took forward its fighting legacy into the first democratic elections.

The strength of its leadership was confirmed by the important positions they took up in the new democratic government and provincial legislatures, in Cosatu's highest echelons and in high levels of retail management:

Get a copy from your nearest Saccawu regional office. It sells for R100.

**Author:**

**Kally Forrest**

**Reviewed by:**

**Mziwakhe Hlangani**

## Terms associated with Marxism

### Note on Internet References

The following terms associated with Marxism / Marxist terminology have been sourced from

[www.en.wikipedia.org](http://www.en.wikipedia.org)  
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[www.encyclopaedia.thefreedictionary.com](http://www.encyclopaedia.thefreedictionary.com)  
[www.socialpolicy.ca](http://www.socialpolicy.ca)

### Karl Marx

**Karl Heinrich Marx** (May 5, 1818, Trier, Germany – March 14, 1883, London) was an immensely influential German philosopher, political economist, and socialist revolutionary. While Marx addressed a wide range of issues, he is most famous for his analysis of history in terms of class struggles, summed up in the opening line of the introduction to the *Communist Manifesto*: "The history of all hitherto existing society is the history of class struggles."

### Friedrich Engels

**Friedrich Engels** (November 28, 1820, Wuppertal – August 5, 1895, London), a 19th-century German political philosopher, developed communist theory alongside his better-known collaborator, Karl Marx, co-authoring *The Communist Manifesto* (1848). Engels also edited several volumes of *Das Kapital* after Marx's death

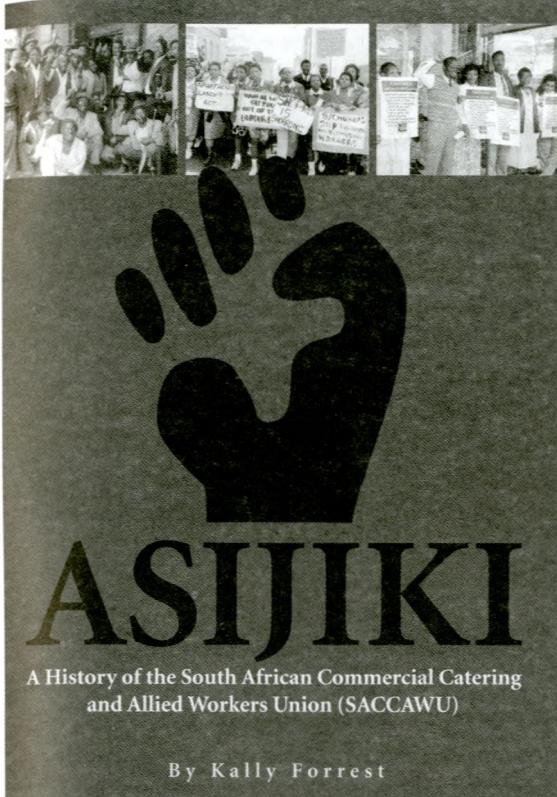
### Bonapartism

Karl Marx ... used the term **Bonapartism** to refer to a situation in which counterrevolutionary military officers seize power from revolutionaries, and then use selective reformism to co-opt the radicalism of the popular classes. In the process, Marx argued, Bonapartists preserve and mask the power of a narrower ruling class. He saw Napoleon I and Napoleon III as having both corrupted revolutions in France in this way. Marx offered this definition of and analysis of Bonapartism in "The Eighteenth Brumaire of Louis Bonaparte," written in 1852.

### Answers – from page 50

If you answered mostly (a) then you need to seriously look at your views on gender and your relationship with your wife/woman partner.

If you answered mostly (b) then you have opened the door to challenge patriarchy. Congratulations but don't stop here!



# GLOSSARY

## **Bourgeoisie**

The class of people in bourgeois society who own the social means of production as their Private Property, i.e., as capital.

## **Bourgeois Society (or "capitalism")**

The ruling class in bourgeois society is the bourgeoisie, who own the means of production as Private Property, despite the fact that the productive forces have become entirely socialised and operate on the scale of the world market.

The producing class in bourgeois society is the proletariat, a class of people who have nothing to sell but their capacity to work; since all the means of production belong to the bourgeoisie, workers have no choice but to offer their labour-power for sale to the bourgeoisie. This system of buying and selling labour-power is called wage-labour and is characteristic of bourgeois society, though it has been around since the Peasant Revolt of 1381. The classic form of wage labour is payment for work by the hour or week. Nowadays many workers work on the basis of contracts and piece-work but these forms only disguise the underlying relationship, which remains that of wage-labour.

Money and all forms of credit reach their highest development in bourgeois society. As a result, life in bourgeois society "happens" to people in much the same way as the weather happens to people, with money flowing around apparently according to its own laws. To put this another way, in bourgeois society there is a "fetishism" of commodities; just as tribal peoples believed that their lives were being determined by trees and animals and natural forces possessing human powers, in bourgeois society, people's lives are driven by money and other commodities, whose value is determined by extramundane forces; instead of ethics and morality being governed by traditional systems of belief and imagined spiritual forces, there is just the ethic of cash-payment.

## **Bourgeois Democracy**

A government that serves in the interests of the bourgeois class. The word Democratic is attached to such a government, because in it all people in such a society have certain freedoms: those who own the means of production, the bourgeoisie, are free to buy and sell labor-power and what is produced by it solely for their own benefit. Those who own only their own ability to labor, the proletariat, are free to sell themselves to any bourgeois who will buy their labor power, for the benefit of main-

taining their own survival, and giving greater strength and power to the bourgeoisie. The state fundamentally represents the interests of one class over others. On this basis Lenin named bourgeois democracy bourgeois dictatorship. On the same token, Lenin made no distinction that the socialist state, being a state that represents the working-class, is a dictatorship of the proletariat.

*In no civilized capitalist country does "democracy in general" exist; all that exists is bourgeois democracy, and it is not a question of "dictatorship in general", but of the dictatorship of the oppressed class, i.e., the proletariat, over its oppressors and exploiters, i.e., the bourgeoisie, in order to overcome the resistance offered by the exploiters in their fight to maintain their domination.*

Vladimir Lenin

First Congress of the Communist International

## **Comprador bourgeoisie**

The comprador bourgeoisie are non-capitalist bourgeoisie who owe their existence to imperialist capitalists but cannot function on their own as a capitalist class. In Marxist terms, comprador bourgeoisie exist in developing countries and act in their own economic interests, often sacrificing national interests and the interests of their country's proletariat in order to do so. The concept of "comprador bourgeoisie" generally ties in with Marxism.

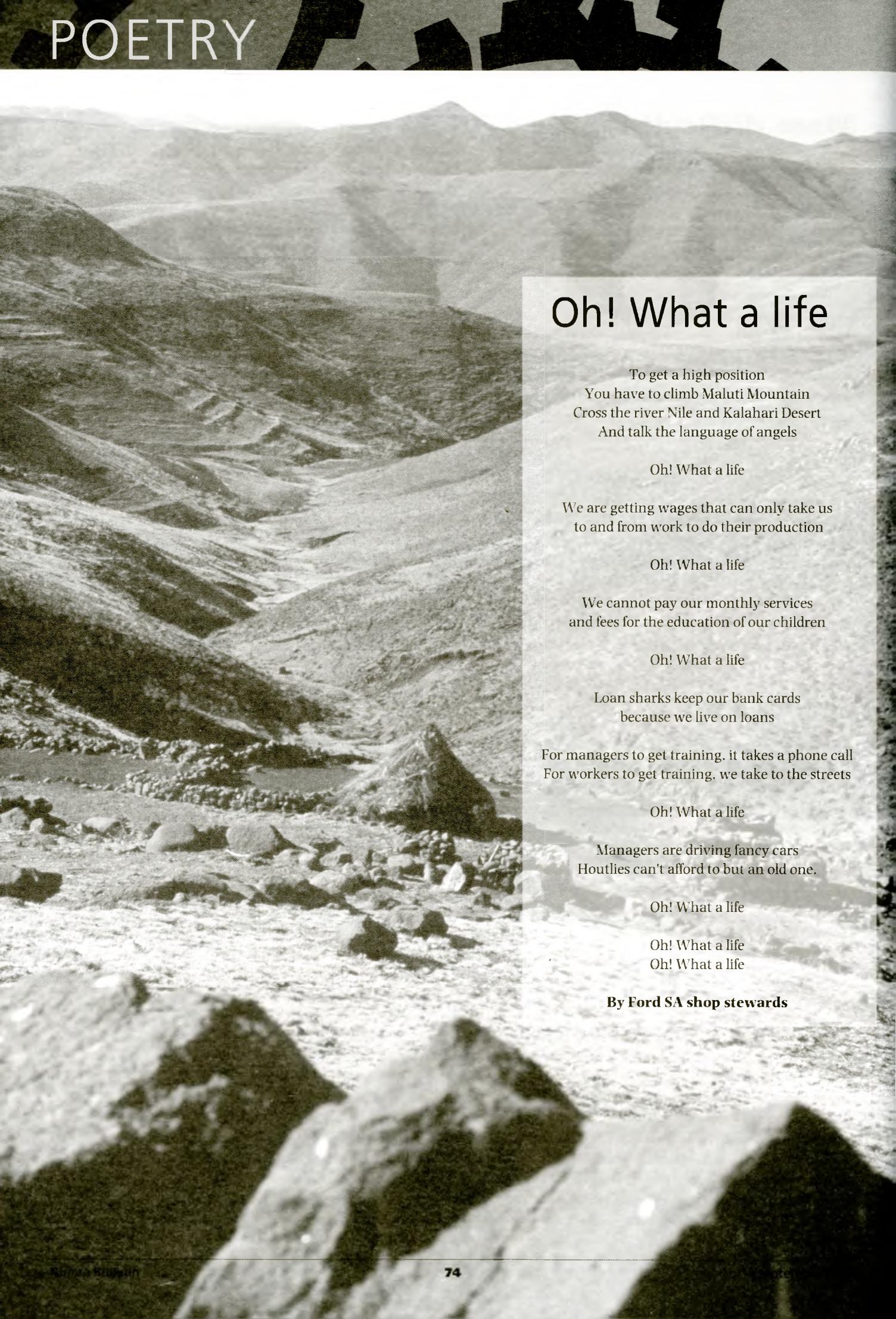
## **Dictatorship of the proletariat**

The "dictatorship of the proletariat" is a term employed by Karl Marx in his 1875 *Critique of the Gotha Program* that refers to a transition period between capitalist and communist society "in which the state can be nothing but the revolutionary dictatorship of the proletariat". The term refers to a concentration of power in which rule by the proletariat (working class) would supplant the current political situation controlled by the bourgeoisie (propertied class).

## **Dialectics**

A pattern of change that begins with some state of affairs ('thesis'); which then is overturned because of its own contradictions, giving rise to its opposite ('antithesis'); and which then reaches an equilibrium where the best features of the original state of affairs are preserved ('synthesis'). Marx argues that historical change is dialectical: each stage of class society contains contradictions that lead to its overthrow, yet this series of revolutions is progressive.

## More difficult words



## Oh! What a life

To get a high position  
You have to climb Maluti Mountain  
Cross the river Nile and Kalahari Desert  
And talk the language of angels

Oh! What a life

We are getting wages that can only take us  
to and from work to do their production

Oh! What a life

We cannot pay our monthly services  
and fees for the education of our children

Oh! What a life

Loan sharks keep our bank cards  
because we live on loans

For managers to get training, it takes a phone call  
For workers to get training, we take to the streets

Oh! What a life

Managers are driving fancy cars  
Houtlies can't afford to buy an old one.

Oh! What a life

Oh! What a life  
Oh! What a life

**By Ford SA shop stewards**

# Solutions for HIV/Aids



SMEs can implement a sustainable workplace HIV/Aids programme

**A**lfa Laval is a leading global provider of specialised products and engineered solutions. Our equipment, systems and services are dedicated to helping customers to optimise the performance of their processes: time and time again. Our worldwide organisation works closely with customers in almost 100 countries to help them stay ahead. Our key competences are heat transfer, separation and fluid handling.

Alfa Laval, inherently being a SME in South Africa (38 employees), was – like all small companies – very conscious about HIV/Aids and its effect in the workplace, but hesitant to start a company programme. We did, however, arrange various events to inform our employees of the pandemic – with unknown results. Our main concern was how to implement – and whether we have the capacity and ability to implement – a sustainable and effective programme or not. With the launch of the Swedish Workplace HIV/Aids Programme (SWHAP), we joined as a participant and started our own HIV & Aids programme in January 2005. A Committee made up of two Shop Stewards, one worker representative and two management members was elected. After attending various SWHAP network workshops and sharing experiences with the other 11 participants, we came to the conclusion that a company, and a HIV/Aids Committee, can only really develop and plan an effective HIV/Aids workplace programme once the employees know their status and the company knows the prevalence rate.

We therefore decided to adopt a “kick start strategy” and to get underway, we appointed a consultant, Reality Training Concepts, to assist us with the implementation of the programme. Together with the Committee, a 3-month programme and a budget for the remainder of 2005 was set up. In June 2005, we revised our HIV/Aids policy and started with Basic HIV & Aids Training in August. Management was the first to be trained and tested. At

the end of September, all employees had undergone training and education, with another 100% VCT success rate. Due to the excellent prevalence rate results and the support from the employees, we then decided to immediately extend the training and VCT to all staff families. A family day, which included entertainment for the younger children, was arranged for October. We had approximately 80 attendees and all children over the age of 7, and adults were educated and tested. This was one of the most successful days we have had in achieving our goal of including extended families in company events. Training and Testing for our branches was done in October with, again, a 100% VCT success rate. At the end of October 2005, all Alfa Laval employees thus knew their status and the company was confident with the knowledge of the prevalence rate and what the future could hold.

Our Programme for 2006 will now focus on ensuring that those who tested negative, stay negative; support to those who tested positive; and building internal capacity to ensure the sustainability of our future programme. A second round of education and testing and also a big drive to train and educate our committee on Peer Education and Training and Counselling Skills is included. Stigma, Discrimination and Positive Thinking will be an important aspect in the employee training courses.

Another Family Day with the topic being “Equipping parents and adults on how to deal with HIV/Aids with our children” is planned. We will fully support World Aids Day by having a staff, family and children day, with entertainment provided by a Theatre Group.

Our Company, Top Management and all our staff are 100% committed to making our HIV/Aids Programme work and we believe that our success is due to the involvement of everyone in the Company. We at Alfa Laval believe that we are an attestation that a SME can have an effective and successful HIV/Aids programme. We would like to wish all the other Swedish Companies as much success as we at Alfa Laval have had in our quest to contain the HIV/Aids pandemic.

## Contact persons:

**Samson Mphahlele:** Chairman HIV/Aids Committee; **Arzon Mavuso:** Labour representative: HIV/Aids Committee  
**Jenny Fox:** HR Manager; Telephone: +27 11 230 3600



**Swedish Workplace HIV/Aids Programme**

International Council  
of Swedish Industry  
Swedish  
Metalworkers' Union

# Our Trucks, our People



Volvo Southern Africa actively involved in fight against HIV/Aids

**A** Volvo truck is one of the safest trucks on our roads, with many more safety features than most vehicles. Volvo is proud of the fact that our trucks do not only protect the safety of the drivers, but also all other drivers using our roads. With this being our focus, it is essential that the safety and health of our employees is just as important. Volvo trucks operate in 135 countries, of which one of them is South Africa. South Africa has the highest number of people living with HIV/Aids in the world and we therefore realised that this debilitating illness could be a serious risk to our business.

Volvo Southern Africa (Pty) Ltd therefore made a decision not to ignore the problem as so many choose to do, but rather to get actively involved in the fight against HIV/Aids, within the company and in South Africa. Since Volvo Southern Africa is located countrywide, it was, however, a concern on how to establish and sustain an effective and inclusive HIV/Aids programme which could reach all employees and really make a difference.

With support from the SWHAP and through consultation with an external training provider, we then developed and rolled out our HIV/Aids programme countrywide in 2004. Management and employees were involved from the outset and gave their full support. The programme became the responsibility of the Wellness Committee. Basic awareness and education training was carried out at all branches where employees were grouped according to language and culture preference during training sessions. This ensured that all employees were leaving the training sessions with a full understanding and knowledge about the disease. During the basic awareness training sessions, Volvo motivated staff to know their HIV status and through this got an indication that Voluntary Counselling and Testing (VCT) would be successful.

Due to the positive response to the training and interest

shown in VCT, Volvo was therefore able to proceed with on-site VCTs within three months of having rolled out their HIV/Aids programme. The uptake was phenomenal, with 93% of employees going through full VCT and finding out their HIV status.

Volvo continued with the programme due to the commitment shown from employees and management and have had ongoing training covering issues of Healthy Living, TB, STIs and ARVs. The company now has on-site HIV/Aids counsellors, who are also members of the Wellness Committee, being equipped with counselling skills to assist employees affected and/or infected with HIV/Aids. This ensures that employees who test positive have a sound support structure on site should they decide to disclose or discuss their situations.

As part of the 2006 programme, Volvo is currently carrying out nationwide training covering topics such as Stigma and Discrimination whilst again promoting ongoing VCT. All induction programmes at Volvo now also include HIV/Aids training and VCT to ensure that all new employees are on par with the same level of knowledge about HIV/Aids as other employees.

When we at Volvo embarked on the HIV/Aids programme, we understood that it would be a long and sometimes difficult road. Because of behaviour change in people, it requires that they are constantly reminded of the risks involved and to ensure that they do not become too complacent. Volvo has a firm commitment to improve the safety of all our employees and those driving our trucks. We are therefore also launching a programme where all new trucks will be equipped with a "Buddy Box" containing a range of HIV/Aids information material and equipment. All new drivers will now undergo HIV/Aids training when doing their advanced driver's training course. The aim is then for them to become our "peer educators" at truck stops and on the road.

**Volvo is committed to contribute to the safety of our people.**

**The question is: Are you committed to become actively involved?**

**Contacts: Judi van der Westhuizen: HR officer; Thoko Masilela: Wellness Committee Member – +27 11 842 5048**

