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REPORT OF

NUMSA RESEARCH GROUPS

TO THE

NATIONAL CAMPAIGN
COMMITTEE

17 - 18 SEPTEMBER 1989



NUMSA RESEARCH GROUPS

The idea of developing Research Groups in NUMSA was agreed to within the Education Programme for 1989. The areas of research emerged from the organising sectors of the union. This link between research, education and organisation was seen to be very important. The experiment has been very successful and could point the way to a successful research method for many other projects. The research groups have effectively combined academic researchers, service organisations and worker leaders. This has proved a powerful combination.

The basic idea was that a small group of between 10-15 people from within NUMSA would work with outside researchers on certain key areas. The task of the group was to identify problems and a framework of proposals for how NUMSA could deal with the issues. These recommendations then went to the organisational structures for discussion and endorsement. Once endorsed it became the task of:

- * organisational structures to carry out the implementation of the proposals through collective bargaining and campaigns.
- * education to educate and train people within the unions on these issues. Education would work with the research groups in doing this.
- * the research groups to continue research if necessary.

It is also our aim to link these research groups to study tours to other countries so that we can make comparisons.

In 1989 the following groups met. As will be seen in the reports they each operated slightly differently.

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* Housing, Land and Shelter	Page 8
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Job Training Research Group

Overview

The broad aim of the training research group is to investigate strategies to facilitate training of NUMSA members to higher levels of skill. This is partly to ensure that workers organised in conservative unions do not monopolise the highest skills - and therefore wield the power to hold a future economy to ransom. And it is partly to ensure that a pool of politically progressive skilled workers are available to help plan a future socialist economy.

The situation at present is that the state is shedding itself of its responsibility to train skilled workers and is devolving the control of this training to industrial training boards. NUMSA sits on these training boards in engineering, motor and auto (tyre and rubber not yet established). NUMSA represents relatively few artisans in engineering, but has a stronger position in the other two sector training boards. In Engineering, NUMSA is dominated by a number of strong craft unions, whereas in the other boards NUMSA is in a much stronger position.

Research Group

The NUMSA research group consists of the following people at present:

Engineering	Andrew Stefaans	(STC - Wits Region)
	Bheki Ntuli	(Alusaf - Northern Natal)
	Ike Abraham	(John Thompson- W.Cape)
	Silas Adams	(Siemens - N. Transvaal)
	Lesley Nhlapo	(Highveld Steel- Highveld)
	Adrienne Bird	(NUMSA official)
	Jerry Thibedi	(NUMSA official)
	Clifford Pearce	(Bosal - Eastern Cape)
Motor	Des East	(NUMSA official)
Auto	Toyah Lillah	(VW - Eastern Cape)
	Les Kettledas	(NUMSA official)
Tyre and Rubber	Andrew Blaauw	(Goodyear - Eastern Cape)

Activities of Research Group

A. Industrial Training Board Meetings

Progress towards establishing Industry Training Boards is uneven. A report for each sector of NUMSA is involved in is given briefly below.

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A. *Engineering*

In Engineering the Metal Industries Artisan Training Board (referred to as IATB) has been registered with the Department of Manpower and is fully functional. It consists of 8 per side, so NUMSA has 1 out of 8 seats on the union side, which is proving a serious problem, as the other 7 seats are conservative unions.

The IATB is presently setting up apprenticeship training in the industry. Modularised training schedules for most of the 32 trades in the industry have been completed and a number of guidelines on how the new system is going to be instituted drawn up.

The NUMSA delegate is Adrienne Bird, and the alternate is Jerry Thibedi.

The IATB is in the process of setting up Regional Apprenticeship Committees - in 9 regions and NUMSA needs to finalise its delegates urgently. The matter has been referred to the Engineering Department for action.

Copies of the demands that the NUMSA delegate has raised at the IATB meetings are appended to this report. In general there has not been a lot of progress. Three small gains are:

1. All vocational guidance material prepared by the IATB will show black workers and women in an attempt to encourage training within these groups.
2. Maternity leave has been agreed for women apprentices. The period that has been offered so far is 3 months, we are still holding out for 6 months.
3. Inclusion of NUMSA into Regional Apprenticeship Committees - Manager of IATB "forgot" to inform us to send delegates until the matter was raised.

We have promised to present a proposal on operator upgrading to SEIFSA within an Industrial Council (not IATB) context relatively soon - no date set. In this regard it should be noted that there is still money in an old Supplementary Fund for operator training - if we do not present some sort of proposal before the end of the year on this, much of the money will simply be distributed to those companies who have conducted operator training and which they will be paid out at over 100% of their training costs!

A proposal to use some of the money to do some preliminary research on core skills which could be taught in a pre-apprenticeship course has been drafted and is appended to this report.

B. *Motor*

The Motor Industry Training Board (MITB) has been established but is not yet registered.

The National Apprenticeship Committee was dissolved in November 1988 and replaced by the Motor Industry Training Board.

The Board consists of 16 per side, so NUMSA has 8 out of 16 of the union seats.

A number of sub-committees have been established to draft training schedules for the different trades in the industry. These sub-committees are served by convenors, and all members are proficient in the trades concerned. It appears that no NUMSA members are serving on these sub-committees.

Apprenticeship training continues in the normal way, under the control of eight regional apprenticeship committees viz: Johannesburg, Pretoria, Bloemfontein, Port Elizabeth, East

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London, Cape Town, Kimberley, Durban and Pietermaritzburg. NUMSA is represented on all except the Bloemfontein committee.

The MITB has an Executive with one representative of each MIEU, SAMIEA, NUMSA (Cde Des East). Chairperson of the Executive is Bill de Klerk, President of MIEU. Secretary is NICMI General Secretary.

C. *Auto*

National Industry Training Board for Auto not yet established, although discussions are well underway, in which NUMSA is involved.

D. *Tyre and Rubber*

National Industry Training Board for Tyre and Rubber not yet established.

B. Training Research Group meetings

The group has met a number of times, most recently on 30th and 31st August for a two day workshop. Below is a summary of the material collected by the group:

1. *Summary of papers*

At the workshop of 30/31 August, the following papers were presented:

- * South African skills profile both nationally and for metal industry (Doug Hindson)
- * Capital's strategies for training (Andre Kraak)
- * State's strategies for training (Monica Bott)
- * International comparisons on training (Judy Favish)
- * Funding education and training (Ahmed Essop)
- * A summary of these papers is included as an appendix to this report.

2. *Company visits*

Members of the Training Research Group visited the following companies, together with shop stewards from the companies, to find out what training is presently being given:

- * Highveld Steel
- * Middleburg Steel and Alloys
- * Iscor
- * Siemens

A consolidated report of these visits was presented under the following headings:

Training objectives; literacy; formal schooling support programmes; dependants of workers' education support; bursaries and other; career path planning; technical training for operators (general, entrance requirements, recognition of training and certification); pre-apprentice training; technical training for apprentices (general, recruitment, selection and testing, age restrictions, segregated training, ATRAMI, trades, educational problems for apprentices, skill breakdown); supervisory training/management training/secretarial; instructor training; technician training/progression from artisan to higher training; refresher or upgrading courses; link to grading/re-grading programmes; social responsibility education grants and courses/general education; pay; projected skill need analysis including turnover; facilities; production process.

A copy of the full report is available from the co-ordinator if anyone is interested.

3. *Zimbabwe visit*

Following a recommendation from the previous Training Research Group meeting, the NUMSA office bearers agreed that Cdes Des East and Adrienne Bird should visit Harare to investigate the training system in use in that country.

A full report is available from the co-ordinator if anyone is interested, but in summary the main focus of the trip was the skilled worker/operator upgrading programme that has been instituted in that country.

Zimbabwe previously had a system similar to that in South Africa, namely artisans trained through a traditional apprenticeship and other graded workers broadly seen as unskilled and semi-skilled. Around the time of independence the industrial councils, and then the Zanu Government, instituted a programme of semi-skilled worker upgrading. All semi-skilled workers could be tested, usually with the agreement of their employers. Such workers could pass the test at one of four levels: Skilled worker class 4,3,2 or 1. Class 1 was the highest level equal to artisan. A training process has been introduced whereby a person in one skilled category can move up the ranks to skilled worker class 1 status. There is no formal education entry requirement into the system - applicants only have to pass a basic literacy and numeracy test.

The evaluation of the report by the Training Research Group was that the system clearly has potential for upgrading members, particularly if backed up by a strong militant union which is capable of policing the system. However a major weakness was seen in the fact that capital benefited very directly from this system, and workers were not equally empowered - as clearly more skilled, planning type work simply moved higher up the hierarchy of management and was still firmly in capital's control. To empower workers, workers would need a general education component to run alongside the upgrading programme, so that at the end of one phase of training, they could advance to higher and higher levels.

4. *Problems identified by members*

- * Arising out of the regional seminars held for all regions except the Eastern Cape, and discussions with members at ISCOR, the following problem areas were identified by members regarding training:
- * lack of exposure to technical experiences (youth)
- * lack of training opportunities
- * artisan aides doing skilled work but not paid or certificated/recognized
- * discrimination in recruitment practices for apprentices
- * discrimination in selection procedures including testing for apprenticeships
- * discrimination experienced by black apprentices
- * particularly regarding practical training on-the-job
- * problems of pay whilst on training
- * ATRAMI - scheme not known or seen as inferior
- * certain trades kept for certain groups
- * lack of opportunities once trained either for job security or promotion
- * multi-skilling/flexi-skilling/de-skilling (maintenance operators and operator setters)
- * apprentices told they can't belong to the union
- * lack of opportunities at higher levels eg technician

5. *Need to involve membership in training*

Although away on a study tour, Cde Jerry Thibedi sent a written discussion document on the importance of taking into full account the suspicion of our members at this time of training and building education on the issue at plant level.

Recommendations

The recommendations of the Research Committee are broken into three phases:

Phase 1

The Research Committee on Vocational Training should be slightly expanded to ensure that there is at least one representative from each region and one elected representative from each sector. Wherever possible these people should be directly involved in training themselves or be qualified artisans. Wherever possible the same people should be delegates to regional apprenticeship committees or be responsible for informing delegates to the regional apprenticeship committees about union thinking and campaigns in the area of training.

This committee's tasks would be to:

- * Become familiar in detail with the research that has already been done and direct future research in the Research Group towards formulating short term and long term proposals regarding training for NUMSA including items listed under recommendations 3 above.
- * Oversee research into grading with a view to formulating proposals in each sector to reduce the number of grades to three: unskilled, semi-skilled and skilled. (The possibility of commissioning an outsider to do this work was raised, if NUMSA does not have the facility to do this itself.)
- * Ensure that all work in ITBs and RACs is co-ordinated within a single NUMSA policy framework
- * Conduct seminars on training issues at local, regional and national level planned in conjunction with the NUMSA education committees - for both shop stewards and organisers.
- * Democratically co-ordinate proposed demands/ guidelines for negotiations at factory and industry training board level on such issues as:
 - * selection procedures incl. trainability tests
 - * recruitment practices
 - * vocational guidance to workers
 - * link between training and grading and pay
 - * campaigns against all segregation in training
 - * operator upgrading (see appendix for proposal)
 - * post-artisan training
 - * affirmative action to promote training for women
 - * co-ordination between ITBs in different sectors
 - * a NUMSA programme of education on socialist training within its broader educational programme
- * Report directly to the National Negotiating Committees in each sector on proposed national demands and campaigns on all proposals referred to
- * Report to the National Campaign Committee on proposed political campaigns against state policies eg on segregation of training institutions
- * Propose, through the structures of the union, political interventions in the debate on training presently being launched within the "MDM".
- * Practically this committee should ensure:
 - * Engineering sector to elect representatives to Regional Apprenticeship Committees - one delegate to each of the following: Cape (W.Cape), Eastern Cape, OFS, Natal, Northern Natal, Johannesburg, Pretoria, East Rand and Vaal Triangle.

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- * Engineering sector to present proposal to SEIFSA to utilize money available in Supplementary Fund before the end of 1989. (Draft appended.)

Phase 2

Given the number and complexity of the tasks this committee would face it is proposed that NUMSA seeks to fund a special three month project in 1990 which would involve :

1. As many as possible of the Research Group members being released from work for 3 months - their wages to be paid half by NUMSA-raised funds and (hopefully) half by employers (failing which NUMSA to raise full wages).
2. The 3 month period would be divided into different periods:
 - * an initial intensive training period
 - * a period in which participants would visit regions and locals to conduct seminars and research
 - * research could include further investigations overseas
 - * a second intensive period where further work would be done on proposals and guidelines
 - * possibly a second round of visits to regions and locals to present proposals and guidelines for discussion
 - * presentation of proposals and guidelines to National Negotiating Committees, shop steward councils, the NCC and the CC
 - * finally presentation of proposals to employers in all relevant forums - within the context of a union campaign on training having been built up through the programme of regional and local seminars
 - * follow-up work by participants would take place in the locals and regions to assist organisers and shop stewards with training negotiations (this would continue into Phase 3).

At the end of this period the people would continue to operate as educators on training as well as members of the training research group.

Phase 3

Once the above phase is complete - a framework for ongoing work on training in the union would have to be established. This may well need a special department, within education, to co-ordinate the ongoing work set up in phase 2 - to co-ordinate research, demands and campaigns on grading and training.

The details of staffing, relationship to decision making in the union as a whole, funding and so on would have to be formulated by the Research Group and presented to the union's constitutional structures for consideration during Phase 2.

APPENDICES

1. Summary of papers presented at the Research Group Workshop
2. Proposal to SEIFSA on Research Project on operator upgrading.
3. Summary of training at present - showing blockages to progress.
4. Proposed Operator Upgrading Pre-Apprenticeship Course.

HOUSING, LAND AND SHELTER

1. OVERVIEW

- 1.1 The shortage of housing in South Africa is massive. There are more homeless people than unemployed. To house our population by the year 2 000, at least 400 000 houses will have to be built each year. This, according to the Reserve Bank, will involve an annual investment of R4 billion.
- 1.2 There is however not the slightest prospect of any of these targets being met. The state has consciously withdrawn from the provision of housing and handed this responsibility over to the private sector. In 1987 this sector built 35 000 houses at an average cost of well in excess of R35 000 per unit. At this cost these houses were available to less than 10% the urban black population. Herein lies the heart of the problem. Private sector housing is simply too expensive for the vast majority of the population.
- 1.3 The problem of affordability is compounded by other factors. People are unable to get access to finance they can afford because financial institutions won't make small housing loans available nor will they lend money for the purchase of sites or for homebuilding in the rural / homeland areas. Added to this is the problem that in any event people cannot get access to land / sites to develop themselves. Land is artificially in short supply and that which is released goes to developers who inflate prices and build homes which are unaffordable to the majority.
- 1.4 The crisis in housing doesn't however stop at the level of trying to get access to a house or land. Those who own or currently rent homes have been hit by massive increases in service charges. The conventional wisdom that 'rent' is the central issue in township boycotts is by and large false. Rent is generally quite low - it is service charges which are exorbitant and often outrageous in their method of calculation.
- 1.5 The above should not however suggest that people do not have problems with rent itself. Infact in many areas (older ones in particular) there is a strong feeling that having paid rent over a long period this has covered the cost of the house and therefore that current renters should be given the homes in which they live. To some extent the state has gone along with this in the form of the 'Great Sale' whereby people have, in certain areas, been given the option to buy their rented house. The 'Sale' has not been a stunning success thus far because people object to 'buying' what they believe should rightfully be theirs but over time without intervention and with the pressure to gain tenure, most of these houses will probably be sold.
- 1.6 One effect of this process above will be to severely reduce an already limited rental market. While this option (i.e. rental) is not presently very popular because of the history of lack of tenure for blacks it is unwise to allow the rental market to diminish. In the first instance it's diminishing will expand the private home ownership market (which could raise a host of problems for the future state) and more practically, initiatives like the Great Sale

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will exacerbate property speculation. Accordingly the union will have, as per its resolution on 'Land, Housing and Shelter' (Annexure (1)) to seek ways and means to pressurise for the expansion of a cheap and secure rental sector.

- 1.7 Service charge increases referred to above have a direct relation to the privatisation process in this area. Local authorities have realised that they can divest themselves of these highly sensible issues by parcelling them out to the private sector. Whether this 'depoliticising' process will be effective still remains to be tested but again as per its resolution the union will have to try and contain this privatisation of services and fight for adequate subsidization.
- 1.8 The housing crisis will not be resolved by the current state nor indeed on any short term time scale. While pressure on the state must be our central focus we are not going to be able to avoid entanglement in private sector initiatives which deliver housing / shelter for our members in the short term. If the union does not become involved in these initiatives they will continue nevertheless and we will not have any control over them and risk alienating a crucial section of membership - higher paid skilled workers.
- 1.9 In the sections that follow, particular areas are highlighted for consideration and proposals.

2. HOUSING FINANCE

- 2.1 As has been indicated a major concern here is the lack of access to affordable finance for our members i.e. loans of less than R30 000. A wide number of options to resolve this problem have been examined:- terminating building societies / APO's, the Western Cape Credit League, the UF small loans company and / or the union's own loan company. For various reasons all these options were rejected (see Annexure (2)) in favour of options for back to back financing arrangements with conventional institutions whereby loans of any amount, for any housing need in any area will be made available to members of p/p funds provided they pledge all their fund entitlements as collateral and provided the purchaser pays by stop order. Interest could be charged at prime + 1%. An example of such a financing arrangement is attached hereto (Annexure (3)).
- 2.2 Given that these loans would be with the financial institution concerned the link between loan and job is marginally reduced and negotiations could be held to increase grace periods etc. but at the end of the day all loans in whatever form will to some extent tie worker and job.
- 2.3 A further question relates to how such a financing arrangement would impact on loans from the p/p scheme itself or from the company's own resources. As a general guideline it is recommended that this independent financing operation should be preferred to loans from p/p/ schemes and/or companies themselves. Using p/p monies for financing loans reduces more beneficial investment options for these schemes, while company loans obviously tighten the link between worker and job. However, if the latter are extended without ceding any p/p contribution as security/collateral then this may be a possibility to consider.
- 2.4 The central issue remains that of subsidisation by the company and this is what has to be established first before any financing arrangements are worked out. On this basis home loans from p/p schemes should not be made a demand in e.g. a pension/provident fund conversion, before a subsidy has been fought for.

3. SUBSIDIES

- 3.1 The group has looked at the issue of subsidies in relation to both the state and employers. The basic principles which have been accepted are that subsidies should be adequate / realistic, should not be divisive, should apply to all housing needs and should be biased towards the needs of the lowest paid / unemployed sectors of the working class.
- 3.2 At present the state provides a first time home ownership subsidy (FHOS) (1/3 of interest repayments). This is not only substantively inadequate but only applies to home buyers and discriminates in favour of higher paid workers. One option being discussed by the group is a R6 000 (cheap site cost) capital subsidy to all home or land purchasers - this would discriminate against the higher income earners and would definitely increase accessibility levels. The precise mechanisms of this subsidy proposal still have to be worked out as does the crucial issue of what subsidy to apply to non-home buyers e.g. renters.
- 3.3 While it is often suggested that renters should simply be entitled to buy or acquire the homes that they have rented after a period of time the practical and ideological dangers of reducing the size of the rental market have already been spelt out in para. 1.7.
- 3.4 A second area of subsidy which must be demanded from the state is in relation to service charges - as has been said the increase in these costs is directly related to privatisation and the distorted tax base of apartheid townships. The group is currently looking at different service charges and related problems with a view to formulating demands in this area.
- 3.5 In regard to employer subsidies it is proposed that a housing allowance be demanded at plant and industry level of R300.00 per month per employee (this being the approximate monthly bond repayment on the cheapest formal housing available). This subsidy should be paid for all housing needs not just the purchase of a home. Once this subsidy has been secured by the union then housing financing options should be examined.

4. LAND

- 4.1 The problems around land relate to affordability and availability - the latter being a problem because of limited land releases for political reasons by the state and also because of the manner of land release i.e. to private sector developers. As such availability then impacts on affordability because of demand and speculation.
- 4.2 Extensive discussions have been held by the group on possible interventions going beyond demands relating to land or employers and the state. The feasibility of establishing a land trust is being researched - this would involve p/p schemes investing in land through a trust which would sell either to individuals or to developers on strict terms. This vehicle could be used to encourage cooperative home ownership or cooperative rental options. The trust could be supplemented with overseas donations which could improve p/p investment returns and ensure cheaper land to individuals.
- 4.3 As a pilot to the land trust idea, three land investment schemes have been suggested under para. 3.5 of the Pension and Provident Scheme report. If approved we would need to retain / commission an expert to manage these three projects - suggested that the group be empowered to appoint such a person.

5. RENTAL ACCOMODATION AND HOSTELS

- 5.1 The ideological hegemony of 'private home ownership' (PHO) being pursued by the state and capital is currently very secure. Indeed it has a real material base amongst the people located in their experience of rental options equating insecure tenure. Security has become tied to ownership both practically and ideologically.
- 5.2 It is not possible to break this pattern of development unless real alternatives can be offered but how to do so in the context of a hostile state which has withdrawn from the provision of housing is difficult to work out.
- 5.3 Company rental options for their employees are not an option unless keeping such accommodation is not dependent on continued employment - but no schemes of this nature have yet been negotiated. A second possibility is to agree to conditionally finance developers who are willing to move into the rental market - the problem here is that developers don't want to go this route for 'political reasons'. Furthermore as indicated there is currently no shortage of development capital on the open market.
- 5.4 Ultimately then one is thrown back onto the state for secure, affordable rental accommodation and it is at this level that this battle will have to be fought.
- 5.5 Hostels have to be acknowledged as a short / medium term reality though the union remains committed to their eventual abolition. As such demands have been made for the upgrading of hostel accommodation and for the development of family units and visiting quarters. (It should be noted that according to surveys conducted for the union, significant numbers of migrant workers do not want to urbanise - this being decided very much by the viability of their rural base).

6. HOUSING ADVICE OFFICES

- 6.1 At the outset, the research group approached the issue of housing with a view to its being a potential link between trade union and civic operations. This linkage has however proved more difficult to establish than was initially considered primarily because some civics regard housing as "their issue" and also because the bulk of COSATU unions and civics have not yet really begun to address the fundamental issues underpinning the housing crisis.
- 6.2 In the light of the above it is felt that NUMSA ought to move cautiously on this issue and ought to hold back on the original idea of being involved in setting up housing advice offices in the townships.
- 6.3 Instead it is suggested that we consider a far more limited pilot project whereby the union would employ a housing officer (see job description - Annexure 4) to be based in the Wits Regional offices. The research group suggests that this person be a worker member (or retrenchee) and that he/she go on a course of at least 6 months with LERC / PLANACT as has been provided for the comrade from the AAC. Such a person would have to be employed and answerable to the Wits REC at least in the short term.

7. HOUSING DEMANDS AND THE STATE

- 7.1 The state is clearly the central actor in the housing question. For the union to ignore this and to centre its demands on employer bodies would be a serious mistake. Infact it would speed up the whole privatisation process and increasingly relieve the state of its responsibilities for the provision of housing.

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- 7.2 Demands must clearly be levelled both at the state and at capital. The former will tend to be longer term given state policy and current balance of power and the latter shorter term given the relatively high degree of organisation within the trade union movement. But problems exist in relation to both sets of demands.
- 7.3 At the level of the state, NUMSA has, in its housing resolution spelt out the most central demands which need to be made and these have been given further flesh by the research group. In the absence of a serious campaign however by civic and trade union bodies to back these demands, they cannot go anywhere.
- 7.4 NUMSA has made substantial efforts to develop to try and build the basis for such a campaign. Four workshops were called for COSATU and its affiliates to try and develop a common position on housing and to try to encourage COSATU education to take up the issue seriously. Also a national meeting was called with civic organisations to discuss certain proposals with them and to hear their organisational approaches to the issue. COSATU Education was requested by ourselves to call a follow-up meeting to discuss a joint housing campaign. They claimed that a seminar on homelessness was going to be called around September by civic organisations. This has not happened.
- 7.5 In the light of the above it should be clear that if in the short term there is to be a concerted campaign on housing involving the broader community it will require NUMSA to take most of the initiative - by getting a decision through the CEC, by following up at COSATU Ned-comm and then by placing a NUMSA person with adequate time and resources to drive this issue at all times. Realistically this person would probably have to be the housing officer referred to in para. 6.3.
- 7.6 It must be stressed that if we are not able to develop a campaign to back our demands on the state we simply will not have a serious impact on housing developments in the immediate future.
- 7.7 At the level of employers it has been suggested that the central demand should be for a housing subsidy see para. 3.5 and this should perhaps form part of next year's living wage campaign. This proposal also needs to be put through to COSATU structures.
- 7.8 There are clearly also other possible initiatives which can be taken in conjunction with developers, financial institutions, non-government bodies such as the SAHT and UF. Some of these options have been spelt out in para 4.3. The potential problem here is that in entering such initiatives the union will clearly aid the process of privatisation while on the other hand not entering will risk the union not being able to provide any concrete alternatives and thereby alienating the better paid levels of our membership.
- 7.9 In an effort to deal with this problem the research group has tentatively suggested the following criteria for going into a private initiative / joint venture:-
- (a) what degree of control will the union / workers have over the project?
 - (b) will the union be able to forge a collective consciousness and an organisational unity, out of the initiative?
 - (c) can the initiative be easily reconciled in the longer term with the goal of the state provision of housing?

If the proposed scheme is positive on these criteria then despite the privatising effect these other spin offs of control, unity and the satisfaction of immediate need should probably be given priority.

8. RECOMMENDATIONS

8.1 The foregoing can be summarised into the following set of proposals:-

8.1.1 financing

- * prefer back to back financing by independent financial institutions
- * generally p/p and company loans should be avoided unless very clear advantages exist.

8.1.2 subsidies

- * basic principles - realistic and adequate, not divisive, for all needs and favour lower paid
- * from state - R6 000 capital subsidy and subsidy for renters. Also a service charge subsidy
- * from employers - R300 per month (to become LWC demand).

8.1.3 land

- * in principle land trust idea recommended but subject to further research / investigation.

8.1.4 rental

- * central demand should be for expansion of rental market by state
- * reject company rental options unless not tied to employment at all
- * demand hostel upgrading and where appropriate conversion into family units.

8.1.5 housing advice officer

- * pilot scheme in Wits region - advice officer to be employed.

8.1.6 demands on state

- * COSATU to be pushed into building mass campaign on housing - CEC, Nedcom and through housing advice officer.

8.1.7 (A brief summary of work in progress on company schemes is attached in Annexure (5)).

PENSION AND PROVIDENT SCHEMES

1. Overview

- 1.1 As is the case with housing and health care, major privatisation initiatives are underway in the area of retirement benefits. Pension and Provident schemes administrators are rapidly expanding their capacities and are engaged in active marketing strategies at all levels.
- 1.2 These privatisation initiatives have had the effect of greatly increasing the number of pension and provident schemes operative in the union. This proliferation is not in the union's long term interests because economies of scale are lost and coordination of assets / investments becomes more difficult.
- 1.3 NUMSA's resolution on pension and provident schemes (see annexure (1)) is partly aimed at addressing this problem by requiring that any new pension and provident scheme (particularly conversions) must be approved by the relevant REC. At the same time REC's have been advised to seek to incorporate any new scheme under an existing one and thereby to reduce the number of schemes in our industries.
- 1.4 NUMSA's resolution on pension and provident schemes also commits the union to provident schemes as more satisfactory retirement benefit vehicles than pension schemes. Primary reasons for this choice are - the pension fund restriction on lump sum withdrawals and the negative impact of company pensionable amounts on state pension entitlements. In most other respects the schemes are equally flexible and interchangeable at law.
- 1.5 As with other social security benefits, retirement schemes should be provided for by the state. This should be a central demand and all local / privatised initiatives should be subject to this longer term objective. A campaign will have to be pursued against the state to try and at last slow down, if not halt, the privatisation process. The state must be forced to reform and revamp the existing state scheme particularly in regard to racially pensionable entitlements.
- 1.6 NUMSA needs to develop its thinking further on a national retirement benefit scheme which would further inform the demands referred to in pt 1.5 above. To this end service groups have been requested to prepare a set of questions for discussion around this issue which could be used as the basis for submissions to the Mouton Commission should the union / COSATU so decide.

2. Assets

- 2.1 Some progress has been made on compiling an assets table (see annexure (2)) which details 12 of the bigger funds in NUMSA. Total assets exceed R3,1 billion yet no coordinated investment strategy exists in the union. Further details and other funds will be added to this list.

3. Investments

- 3.1 Quite a lot of work has been put into consideration of how pension and provident schemes can effectively invest in housing. As can be seen from the Metal Box and NICISEMI options (see annexures (3) and (4)) the main areas are (a) housing loans to members and (b) general investments in the housing market which would be of benefit to our members / working class constituencies.
- 3.2 The central problem in investment in loans to members is the rate of interest of such loans to accomodate both the lender as well as the members of the fund. For this reason, as is outlined in the housing report, it is strongly recommended that demands for loans for housing purposes either directly from pension and provident schemes or from financial institutions (using pension and provident funds benefits as collateral) should come after the conclusion of negotiations for a housing allowance / subsidy from the employer. In this way all such loans would be subsidised and neither the borrower nor the funds would be unduely disadvantaged.
- 3.3 The issue of investment in housing generally is more complex. At this stage the following has been considered:-
- (a) making funds available to developers and financial institutions who will respectively either build low cost housing or extend loans on favourable conditions.
 - (b) purchasing land and providing basic infrastructure for sale to individuals or to developers on stringent terms which would prevent exploitation. While a market related return on capital would be required by the funds this approach would cut out land speculation and thus make land / housing cheaper and more accessible to our members.
- 3.4 While option (a) above forms part of the Metal Box and NICISEMI agreements, capital is not at the moment in short supply and neither financial institutions nor developers appear to require pension and provident capital injections. Accordingly at this point in time, this investment alternative is unlikely to bring us any negotiating muscle viz a viz these institutions and consequently no tangible benefits will flow to our members.
- 3.5 Option (b) above raises a number of practical "joint venture" possibilities. These are a joint MIGPF/SAHT contract, a p/p purchase of land on Alex's East Bank and a joint p/p and JH Isaacs development in Hillcrest (Natal). These options have been recommended in principle as pilot schemes by the group on the basis that (a) NUMSA through pension and provident schemes should not become involved directly in the provision or sale of any housing (b) the p/p schemes should not seek to derive any more than a market related return and (c) any "joint venture" should provide substantially better arrangements (including control dimentions) than what would otherwise be available to our members / the community.

4. Tax and Conversions

- 4.1 A standard conversion guideline (Annexure (5)) has been drawn up for use by shop stewards and organisers.

PENSION/PROVIDENT FUND RESEARCH GROUP

- 4.2 Major conversions are currently being undertaken in the iron and steel and motor industries. The iron and steel proposals are attached hereto (Annexure (6)). In motor it was understood that an Old Mutual flexible benefit option was being considered but no further reports have been received.
- 4.3 The tax implications relating to contributions, investments and benefits have been given some consideration and a document from the Old Mutual spelling out all these implications is attached hereto (Annexure (7)).

5. Model Provident Scheme

- 5.1 A preliminary model scheme (Annexure (8)) has been drawn up for interim use. However this model needs to be reworked and elaborated on and this is one of the next tasks of the committee.

6. Summary of Recommendations

- 6.1 Begin formulating demands on the state against background of our commitment to a decent national retirement benefit scheme. Progress through COSATU.
- 6.2 Progress pilot investment ventures - MIGPF / SAHT, Alex East Bank, JH Isaacs (Hillcrest) (see pt 3.5).
- 6.3 Begin campaign for housing allowances at national or plant level before further negotiations on housing loans from or via pension and provident fund schemes.
- 6.4 Continue work in developing detailed model provident scheme.
- 6.5 Set up trustee training programme for NUMSA stewards currently serving as trustees.

MEDICAL BENEFITS

1. Overview

- 1.1 This research group has only had one meeting and hence does not have any specific recommendations at this point. Its activities have been directed towards building up a clear picture of the Medical Schemes currently operating in the four sectors.
- 1.2 The issues that will however shortly be confronted by the group revolve around the rapidly privatising health sector and the role of medical aid schemes in this process.
- 1.3 As with other social welfare benefits the state's response to its fiscal crisis has been to endeavour to shift responsibility for health care provision to the private sector, at least in respect of employed workers.
- 1.4 Capital has responded slowly to the increased costs they will incur as joint contributors to Medical Aid Schemes but generally it is expected they will accept this new responsibility and punt the merits of free enterprise in the health sector.
- 1.5 The privatisation process has dire consequences for the majority of the population - state services will become increasingly run down and expensive and only a handful of workers will be able to afford the projected increases in medical aid costs over the next few years.
- 1.6 The immediate issue will thus be whether to continue negotiating medical aid schemes for our members given that such schemes rapidly increase the pace of privatisation and further given that they are expected to become increasingly unaffordable to the majority of our members (see Annexure 1)
- 1.7 The solution will depend on whether the union is able to offer an alternative to medical aid insurance. If not, those members who can afford this insurance will probably opt for it as state services continue to degenerate. Some will be able to remain on these schemes but the balance will be forced into smaller and smaller end benefit packages.
- 1.8 The proposals to the NICISEMI (attached as Annexure 2) represents a serious effort to develop an alternative in the form of a medical benefit / health care system. The main features of this proposals are that it aims to (i) reduce costs by eliminating "fee for service" health care and replacing it by contracted providers and services (ii) create the possibility for greater control over health care by consumers (our members) and (iii) reconcile current initiatives with the long term objective of a national health service. A similar proposal has been discussed at ISCOR.
- 1.9 It is hoped that the research group will now start meeting more regularly and draw greater participation from the auto / motor / tyre sectors. In the near future this group should probably take up the issue of aids and thereafter move into the area of health and safety.

Collective Bargaining Strategy

Implications for the Union

1. Introduction

It is crucial that the union have an effective collective bargaining strategy so as to best serve its members and to counter the manoeuvres of capital to reduce costs and maintain profits in the present economic crisis.

However, one cannot discuss a collective bargaining strategy if the structures, administration and members of the union are incapable of carrying it out. It is therefore necessary to look at a far wider range of issues related to the direction of the union, its structures and its organisational and administrative capacity.

The purpose of this part of the workshop report is to identify those areas seen as problem areas.

2. The Need For an Overall Approach

One of the strengths of NUMSA is that it is prepared to involve itself in the activities of the wider working class and not just the activities of NUMSA. However, an inevitable cost of this is a heavy burden on the resources of the union and its staff. As a result people are not always clear which activities we should be involved in and who is responsible.

So for example is there any link between NUMSA's heavy involvement in the Natal peace initiatives and the industry bargaining in SEIFSA and the Auto industry. It is likely that many people just accept that sometimes both are important and therefore as NUMSA we should be involved. This is a dangerous position because it means people are not clear on what we are trying to do and so they may well take on extra activities that we do not have the resources for. It also means that since there is no clear direction as to where we are going that our work will not have a sufficient impact.

We have to work out a more coherent approach to our work. I would suggest that the following are the five main areas of the unions activity.

- * Collective Bargaining and Organising
- * Administration - including processing legal cases
- * Education, research and publications
- * Projects related to NUMSA's involvement within Cosatu in the broader community
- * International solidarity work.

Obviously all these activities are linked and cannot really exist without each other. Also at present the international solidarity work is not very well developed.

What we have to work through is a thorough understanding of how the activities relate and how they contribute to take us towards our goals as spelt out in our policy resolutions.

3. Problems of Structure and Organisation

A number of problems were identified in relation to organisation and structure in the union.

- 3.1 National Level - there are a number of experienced national organisers at a national level who are initiating activities but it is not clear which committee is overseeing these activities. A particular problem is that the division between the motor and engineering sectors no longer seems appropriate and it is not clear how this sectoral division relates to campaigns affecting the whole union. We should restructure the national level so as to link with the union activities outlined above.
- 3.2 Regional Level - the Regional Secretary and the REC have to deal with problems, information and campaigns coming from both national and local level. This places too heavy a burden on these structures. The responsibilities of the Regional Secretary, Regional Organisers, Regional Educators and Project Organisers are not clearly enough defined. This further complicates the relationship between the Region and the National Office.

The result is that a great deal of information and requests flow into the Regions but these do not always get through to the locals.

- 3.3 Local Level - it is effectively at this local level that the union expects most of the work to be done. However many locals are very large with an insufficient administrative base. Organisers are not often clear enough what their jobs are and the shop steward structures in the factories are not strong with a heavy reliance on one or two key shop stewards.
- 3.4 Constitutional procedure and lack of discipline - if we looked at how the union operates we will find that in many cases we are not following the constitutional requirements of meeting, report-backs etc. This is a problem because it will cause us to become undisciplined within the organisation. In many cases organiser discipline is a problem in the union. However, this can be because there is not a clear enough understanding of what should be done and worker committees don't know how to guide and control organisers.

The problems identified in locals, factories and organiser work and training are discussed more fully in the discussion paper prepared by Cde Fanaroff which is Appendix ?. We will have to address these issues if we are going to have effective collective bargaining strategies.

4. Collective Bargaining Strategies

The Research Group reviewed the progress made in collective bargaining throughout the union. Real progress has been made toward industrial bargaining with all four bargaining sectors - engineering, auto, motor and tyre and rubber having now reached a position where there is industry bargaining. Auto and tyre and rubber had very successful campaigns in 1989 to reach this point. The end of June is now the key date for all major agreements in NUMSA.

In view of this it is important to review where we stand in regard to collective bargaining. These key areas were examined.

- 4.1 Centralised and plant bargaining in the discussion paper in Appendix summarises the issues looked at. The key problem is that we need plant bargaining to keep our organisation strong in the factories but we need centralised industrial bargaining to really make advances for metal workers and the wider working class. The problem we have to face is that if wage bargaining takes place at plant level then it weakens us in national strikes as we have experienced.

COLLECTIVE BARGAINING RESEARCH GROUP

- 4.2 Shop Steward Committees - as shop steward councils have developed at Company Level we have learnt a lot. The problems discussed here are dealt with more fully in Appendix. Company Shop Steward Councils also raise the problem of weakening our ability to be effective at a centralised industrial level because big Company Councils could become small unions within NUMSA. However, we also have to counter the power of large monopolies. How do we do this is the problem raised?
- 4.3 Recognition agreements - we have to review the whole question of recognition agreements. They take a long time to negotiate. Employers often force too many concessions and their relationship to industrial action is not so clear. Appendix deals more fully with these issues.

5. Composition of the Research Group

This group met as a workshop of national organisers, regional organisers and the education officer. It was also attended by Cde Makhadi who is in the negotiating team dealing with SEIFSA on restructuring the NICISEMI Industrial Council.

POLITICAL ECONOMY GROUP

1. Overview

This group did not function in the same way as other groups. It held two workshops. Both of these were linked to the Cosatu Economic Trends Project and the first was a report back on that Project held in November 1988. The second workshop was held in February 1989 and the discussions there were used to draft the Introduction to NUMSA Resolutions at the Second Congress.

Basically the Economy group has given rise to certain activities within NUMSA and we have also linked to Cosatu Education. These activities are briefly summarised below:

However, it is proposed that we should structure the groups on a more permanent basis in 1990.

2. Links to Cosatu Economic Trends Project

NUMSA has been most active in using the material produced by the Economic Trends Project. This has been used in our analysis of the present situation, in our approach in other research areas such as housing and training and in our educational courses.

Cde Erwin has represented Cosatu at the Economic Trends (ET) workshops and we also requested that Cdes Schreiner and Fanaroff be allowed to attend whichever was agreed to. NUMSA Education continues to work with Cosatu Education on the economy education material and we are assisting in preparations for the Cosatu Education Conference.

The second phase of the E.T. Project was discussed at a workshop on 9th - 10th September. This phase looks at policy issues and the whole question of a planned economy. It is proposed that more detailed research be done jointly by E.T. and research groups in NUM and NUMSA looking at the restructuring of these key industries within a planning framework. It is proposed that this should be more fully worked out in Nedcom.

3. Educational Material

Working with Cosatu and Enver Motala in Sached, Durban we have been producing educational material. Copies of this are in Appendix

4. Composition

In the two workshops national office bearers, secretaries and organisers were invited along with regional educators and educators appointed by the Regions.

ANNEXURES TO JOB TRAINING REPORT

1. Summary of papers presented at the Research Group Workshop, 30/31 August 1989.
2. Outline of proposal to SEIFSA on Training to be funded by Supplementary Fund.
3. Summary of training at present - showing blockages to progress.
4. Proposed operator upgrading pre-apprenticeship course.

REPORT OF PAPERS PRESENTED TO THE TRAINING WORKSHOP ON 30th AUGUST

1. DOUG HINDSON AND OWEN CRANKSHAW: THE CHANGING STRUCTURE OF THE WORKFORCE WITH PERSPECTIVES ON THE METAL INDUSTRY

i) The South African economy has gone through two stages over the last 2 years. The first stage was the boom period from the 60's to the 70's. The second stage was from the early 70's to the mid 80's when many unskilled jobs were lost particularly in the agriculture and mining sectors, but there was a growth in jobs in the manufacturing, commerce, finance and services sectors. As a result the position of black unskilled workers got a lot worse in this period whereas the position of white, coloured and asian workers improved. In manufacturing from 1965 to 1985, unskilled jobs declined from 300,000 to 200,000 whereas semi-skilled workers increased from 400,000 to over 800,000. The number of semi-professional, supervisory and clerical jobs grew which led to improvements for coloured, asian and white workers. (See Diagram

ii) The position of black workers in employment also improved. In 1987 most black workers were semi-skilled and black workers are also moving into other categories. (See Diagram 3).

iii) The number of women in employment is also increasing. (See Diagram 4). However the metal industry is dominated by men. In 1985 of 303,000 workers, 55% were black men and nearly 30% were white men.

iv) In the period from 1965 - 1985, the occupational structure in the metal industry has changed dramatically. The number of semi-skilled workers and artisans has nearly doubled. The number of supervisors has nearly doubled and the number of semi-professional workers has increased by 7 times. (See Diagram 6). The vast majority of black workers are either unskilled or semi-skilled but the number of unskilled workers has halved whereas the number of semi-skilled workers has more than doubled. (See Diagram 7).

v) White male workers are spread right across the industry except for unskilled, but the biggest areas of growth are in the semi-professional, professional and middle management categories. The number of white supervisors has grown whereas the number of white semi-skilled workers has declined. The number of white artisans has grown, but very slowly. (See Diagram 8).

Conclusions on the Metal Sector

Like the rest of manufacturing it has seen major changes in its occupational structure over the last 20 to 30 years.

a.) Unskilled work has declined and semi-skilled, semi-professional and lower managerial jobs have increased in number.

b.) The sector is largely made up of white and black men. Whites are spread across the occupational structure from semi-skilled work upwards. Black men are concentrated at the lowest levels of the structure, mainly in semi-skilled and unskilled work.

c.) The restructuring of jobs over the last twenty to thirty years has led to a process of upgrading of the workforce. Blacks have moved mainly from unskilled to semi-skilled work. Whites, have moved from semi-skilled to skilled artisanal, supervisory, semi-professional and managerial work.

d.) The serious labour shortages appear to have been in the artisan, semi-professional, supervisory and middle level management categories.

VACANCIES IN THE METAL SECTOR, 1965 AND 1985

OCCUPATIO	1973	1975	1977	1979	1981	1983	1985
T MGT	0	1	1	5	0	0	2
M MGT	30	15	29	79	97	50	51
SUP	169	106	0	70	112	18	124
PROF	216	157	129	195	512	115	77
S PROF	394	326	177	491	1016	355	219
CLER	584	298	121	454	707	414	158
POL	20	32	14	19	38	25	13
MEN	5	0	0	15	6	6	11
ART	2509	1363	955	1497	3234	206	369
SS	1742	1097	182	1142	1978	381	948
US	15	90	0	151	457	306	189

2. ANDRE KRAAK: CONTESTING SKILLS: INDUSTRIAL TRAINING IN THE METAL INDUSTRY OF SOUTH AFRICA.

i) Why the bosses need to improve training

- the need to spread ideological skills especially a commitment to the values of the free enterprise system
- the need to spread technical skills
- the international economic crisis has resulted in declining productivity and profitability
- the changes in the structure of the metal industry i.e.
 - monopolies (in 1979 5% of firms owned 88% of the assets)
 - the uneven development of the metal industry which has led to 3 kinds of labour processes viz jobbing production, mass production and a combination of the two.

Jobbing needs skilled artisans. In mass production

artisan jobs have been deskilled resulting in less skilled operative jobs eg moulding and welding. A training officer from Scaw Metals elaborated: "90% of present artisanal work needs to be broken up into semi-skilled components. The more semi-skilled work you can take off the artisan, the more you can allow him to advance into other skills areas. .. for example, allow him to become a better manager, a better organiser, a better planner".

- deskilling (See above)
- reskilling especially of semi-skilled workers. (Note: In the late 70's 67% were black. This has increased the bargaining of these workers, but more skills are required of semi-skilled workers now. In the words of a Dorbyl representative: "They must have the following technical qualities: mechanical insight, mathematical ability, 3-dimensional perception, hand-eye co-ordination, mental alertness. (Operators are also expected to be able to complete the paperwork which goes with controlling the automated machinery). All of these are crucial for the safe and productive operating of expensive and sophisticated machinery. (In addition they must have a reasonable degree of general literacy).
- skill shortages. Is it just a noise to attack the white unions? No. Because artisans need new skills - ideological and technical. The problems with Bantu Education have led to problems in terms of upgrading the skills of workers to highly skilled operative work. This is important because of the deskilling process taking place in the industry. As a leading educationalist, Ken Hartshorne, has said:

"The real root of the problem lies in the general inadequacy of black basic schooling. Having operative labour which hasn't enough numeracy, communicative language and so on...means that there is nothing to build upon. What there is definitely a shortage of, is black men and women who have a sufficient platform of background education, which can enable them to take off and benefit from something more than simply that limited skill. It is a shortage of skills upgrading potential".

The education system is therefore not providing black workers with the equipment to move upwards. Also white workers don't have the necessary skills to play leadership roles. Employers are therefore calling for improved education and training because of the mismatch between the schooling system and the economy.

The Education and Training Requirements of Metal Employers

- * Improve the supply of trained manpower, from operative level

through to artisan, technician and engineering levels. In so doing, the various skill shortages would be eliminated.

- * Train better quality artisans, particularly for the complex tasks involved in jobbing production. Artisans are also required to be better equipped with ideological skills for the managerial and industrial relations tasks expected of them.
- * Create a firm educational foundation upon which the on-the-job training and retraining of operative workers can take place. This would lead to the creation of flexi-skills, skills which can be easily adapted to changing technologies.
- * Restructure the training system, which would introduce competency based modular training. Such a system would allow employers to increase the training of black operative labour whilst at the same time deskilling certain artisanal tasks into modular components.
- * Restructure the entire education and training system in order that it more successfully produces appropriate "good worker attributes". This would entail, in both schools and factories, the development of qualities such as obedience, loyalty, punctuality and a more favourable perception of capitalism. Such ideological attributes are essential for the success of any attempts aimed at incorporating sectors of the working class within the capitalist system.

ii) The Private Sector's Training Record

- In 1984 most training was still racially determined. White workers were receiving far greater training in most occupational categories. In 1986, 80% of new apprentices were white.
- The larger companies are doing most of the training i.e. 68.9% of large firms were doing some kind of training vs 19.3% of small firms
- There was a tendency towards on the job training.
- In all less than 0.5% of total expenditure was on training.
- Employers are keen to adopt a modular system of training for 3 major reasons. Firstly, "they see it as a way of breaking the stranglehold which white workers have had over artisan training in the past. Modular training allows for apprenticeship to be broken up into a number of linked training modules. The advantage of such a system is that not all workers need to be trained to the end of the apprenticeship modular cycle. Some can be trained only in a few modules, producing semi-skilled workers and artisan-aides. This will become a powerful tool for employers who seek to deskill work. A second advantage of modular training for employers is that it can be used to reduce the number of designated trades in each industry... The third

benefit of such a modular system is that the training of specialised artisans and technicians can be encouraged."

iii) Critical assessment of the new initiatives in industrial training

- employers want to counter the anti-capitalist tide of working class resistance
- employers pay lip-service to training
- there is a serious problem of poaching of skilled workers in the industry
- There is a fairly ineffectual program of change in the black educational and training arenas
- Training facilities continue to be racially segregated
- There is a danger of playing the certification game which leads to increasing entry requirements and the simultaneous devaluation of educational certificates. "For example, employers in the metal industry now prefer to select black apprentices on the basis of a Standard Ten Certificate with Maths and Science. Previously, white workers were accepted for apprenticeship with the statutory minimum entrance requirement of Standard Seven or Eight. Similarly, in the mines, new educational qualifications are being devised for the positions of miner (blasting certificate holder), locomotive engine driver and onsetter. Today, black workers on the mines are required to possess Standard Eight certificates before entering these occupations. Previously, white workers monopolised these jobs with no educational qualifications being stipulated.

In response to these problems, NUMSA will have to struggle on three fronts: firstly, it must demand increased education and training opportunities for all its members; secondly, it must struggle against employers who arbitrarily raise the entry requirements for jobs which newly trained black workers are now eligible for; and lastly, it must resist the tendency amongst employers to introduce new technologies which act to deskill work and reduce the total number of skilled jobs available".

3. MONICA BOT: TECHNICAL TRAINING AT COLLEGES AND TECHNIKONS, PROBLEMS ASSOCIATED WITH THEIR DESEGREGATION, AND THE STATE'S THINKING ABOUT THESE AREAS

i) Statistical information (figures for 1989):

South Africa's population : African 69%
Coloured 10%
Indian 3%
White 18%

Population groups	Technical colleges	Technikons
African	41 (+13 in TBVC)	2 (+ 3)
Coloured	14	1
Indian	3	1
White	70	8

Number of Technikon students: 68 318 of which
70% white, 14% african, 8% coloured, 8% indian

Number of technical college students: 65 374 of which
70% white, 15% african, 6% college, 9% indian

Location of technical colleges, 1987

	African	Coloured	Indian	White
Cape	4	5	-	22
Natal	2	1	2	9
Orange Free State	2	-	-	5
Transvaal	12	1	-	36
Gazankuwa	1	-	-	-
Kangwane	1	-	-	-
KwaNdebele	1	-	-	-
KwaZulu	5	-	-	-
Lebowa	5	-	-	-
Gwaqwa	1	-	-	-
Transkei	3	-	-	-
Bophuthatwsana	3	-	-	-
Venda	1	-	-	-
Ciskei	2	-	-	-

ii) Problems that arise because of segregated training facilities

- many black workers are forced to do courses by correspondence because there are no facilities for blacks in their area
- many courses cannot be run because there is not the required minimum number of students in a particular race group. These students then have to do courses by correspondence.
- employers can't train workers at the same time if they have to send them all over the country
- there is enormous variation in quality of training
- there is enormous duplication of resources
- there are huge time delays when trying to enrol blacks at white colleges
- there are problems obtaining accommodation for black students who are allowed to enrol at white colleges
- segregated training facilities are inconsistent with the supposed non-racial nature of the labour market

iii) State thinking

- segregated facilities are necessary because black students need bridging courses and sometimes need mother tongue instruction
- technical colleges serve a community function and therefore they need to be under "own affairs" departments
- no real pressure on the state to change the policy because of declining numbers

4. EDDIE FRENCH: ACCREDITATION OF EDUCATION IN INDUSTRY

i) According to Engelbrecht, an employee in the Human Sciences Research Council (HSRC), there is room for an integrated approach in which qualifications gained in one industry would be recognised in another industry and in which formal certification would be available for education and training in industry

ii) there is support for the above view from industry but not from the formal sector

iii) The National Certification Council can evaluate alternative curricula and educational innovations eg private schools

iv) In order to achieve accreditation recognised by the formal sector it would probably be necessary to appoint someone to do research and development and establish procedures and standardised criteria related to the HSRC Centre for the Evaluation of Educational Qualifications. In addition the relevant industry or company would have to apply for a cash grant from the state to prove acceptable training programme.

5. JUDY FAVISH: COMPARATIVE APPROACHES TO TRAINING FROM THE INTERNATIONAL LABOUR MOVEMENT

Broadly speaking 3 main approaches have been adopted:-

(i) to challenge management powers of control over access to, and distribution of training

(ii) to develop an alternative system of general education for workers with the explicit aim of strengthening the workers' movement which is the equivalent of standards in the formal schooling system

iii) combining general education with vocational training eg polytechnical education in socialist countries

Note: In parts of the world a combination of the above approaches has been used.

(i) Challenging management powers of control over access to, and distribution of, training

- Unions negotiate training agreements re access to training and conditions during training
- unions make demands for increased paid educational leave for union and other courses which workers want to participate in
- unions make demands for improved access to further and higher education so that workers can develop transferable skills
- unions explore and campaign for increasing the funding available for education and training so that more workers can enrol in courses of their choice

ii) Developing an alternative system of general education for workers

- the education systems in capitalist societies have contributed to an unequal distributio of knowledge and skills amongst the different classes. Education for workers needs to address this. The education system therefore helps to maintain the separation between mental and manual labour.
- unions must do more than negotiate about access to existing courses and conditions during training. Unions must begin to formulate policy on the kind of education and training that would best serve the medium and long term interests of workers.
- An example of an alternative system of general education for workers is the Italian "150 Hours" courses which are negotiated by the trade unions and financed by the state and the employers. The courses are controlled by the unions and the content is based on the life experiences of the participants. The aim of the courses is to build workers' understanding of society and increase their ability to participate more actively in struggles to change society. The courses are regarded as the equivalent of the formal schooling system. Over 1 million workers have participated in the courses since they started in 1972. Whilst these courses are very exciting, they don't integrate general education with vocational training.

(iii) Combining general education with vocational training eg polytechnical education in socialist countries

- According to the Director of the Unesco Lifelong Education Unit, the starting point in developing ideas about an alternative approach to worker education and vocational training must be what kinds of relations of production we would like to build in the future. "Education and training must prepare workers for direct responsibilities in their organisations, the running of companies and control of society". According to this view the basis of alternative educational plans for workers is the transformation of work and the relations of production.

- the above approach is influenced by polytechnical education which aims to build knowledge of technical, technological and organisational aspects of work. To break down the separation between mental and manual labour every vocational course has general education like maths, science, sociology and economics built into it. And every school is involved in productive work so that students can learn practical skills while studying.

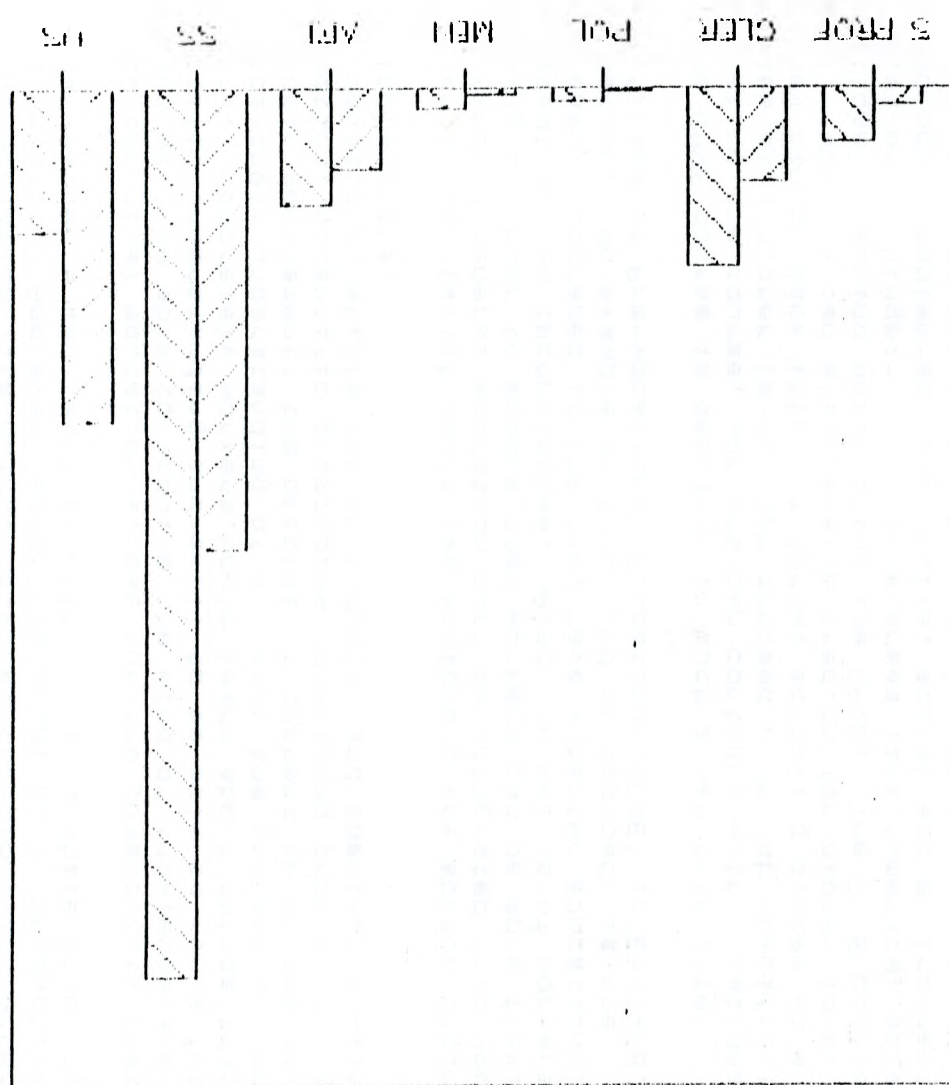
- polytechnical education allows for the possibility that workers will be able to acquire the kind of knowledge and scientific understanding and skill to be able to run a future society. Concretely workers would learn about things that will enhance their understanding of society; the process of production and their management; the origins of current relations of production; scientific principles underlying production, general core vocational skills for an industry and specific skills for particular jobs.

- even in capitalist countries employers are acknowledging that some kind of general education must be integrated into vocational training in order to ensure that workers can be more flexible and can adapt to new technologies. Also the skills of workers can be more easily upgraded if they have a better educational foundation. An example of this kind of approach is the Certificate of Pre-vocational Education (CPVE) in England.

- The CPVE course is designed in such a way that after completing the course, workers can continue with vocational courses at a higher level, can proceed with job specific training or they can go back into the formal schooling system at a higher level. Workers can also receive credits for higher level vocational training while doing the CPVE. The CPVE courses consist of 3 things:- (i) core areas like numeracy, science and technology, problem-solving skills, social and environment studies and communication skills (ii) vocational studies which combine theoretical and practical work and (iii) additional studies which are any courses that the workers might be interested in. All these 3 things are taught in an integrated way.

PROFILE: MANUFACTURING

1965 AND 1985

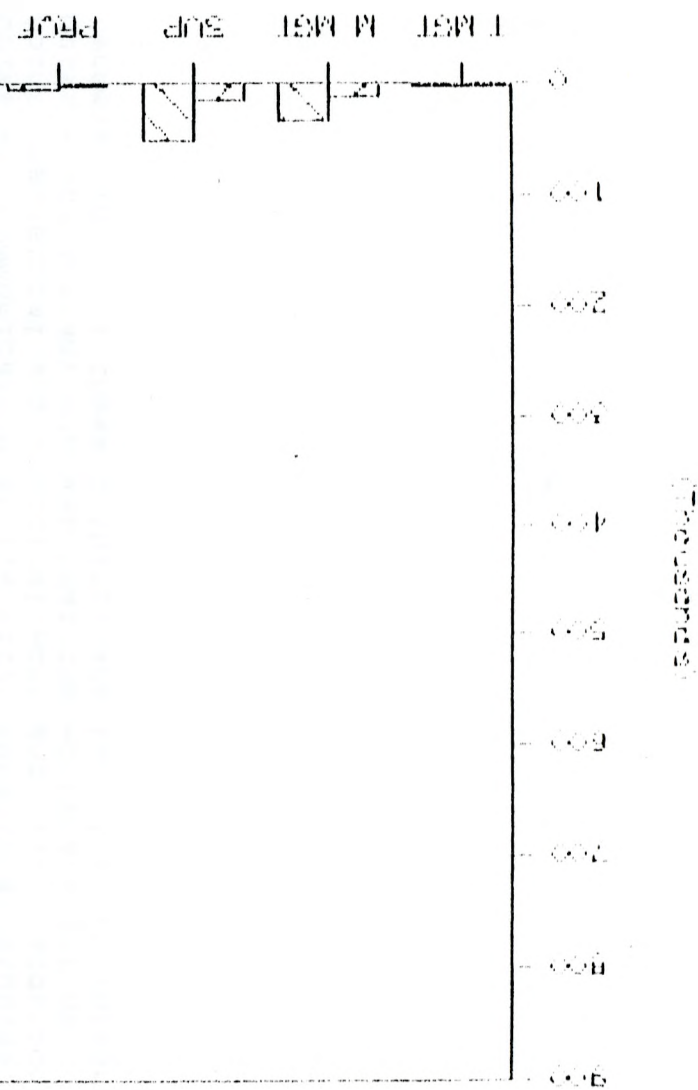


1965 1985

1965

Figure 2

OCCUPATIONAL



ZZ

Page 5

OCCUPATIONAL PROFILE: AFRICANS

1965 & 1987

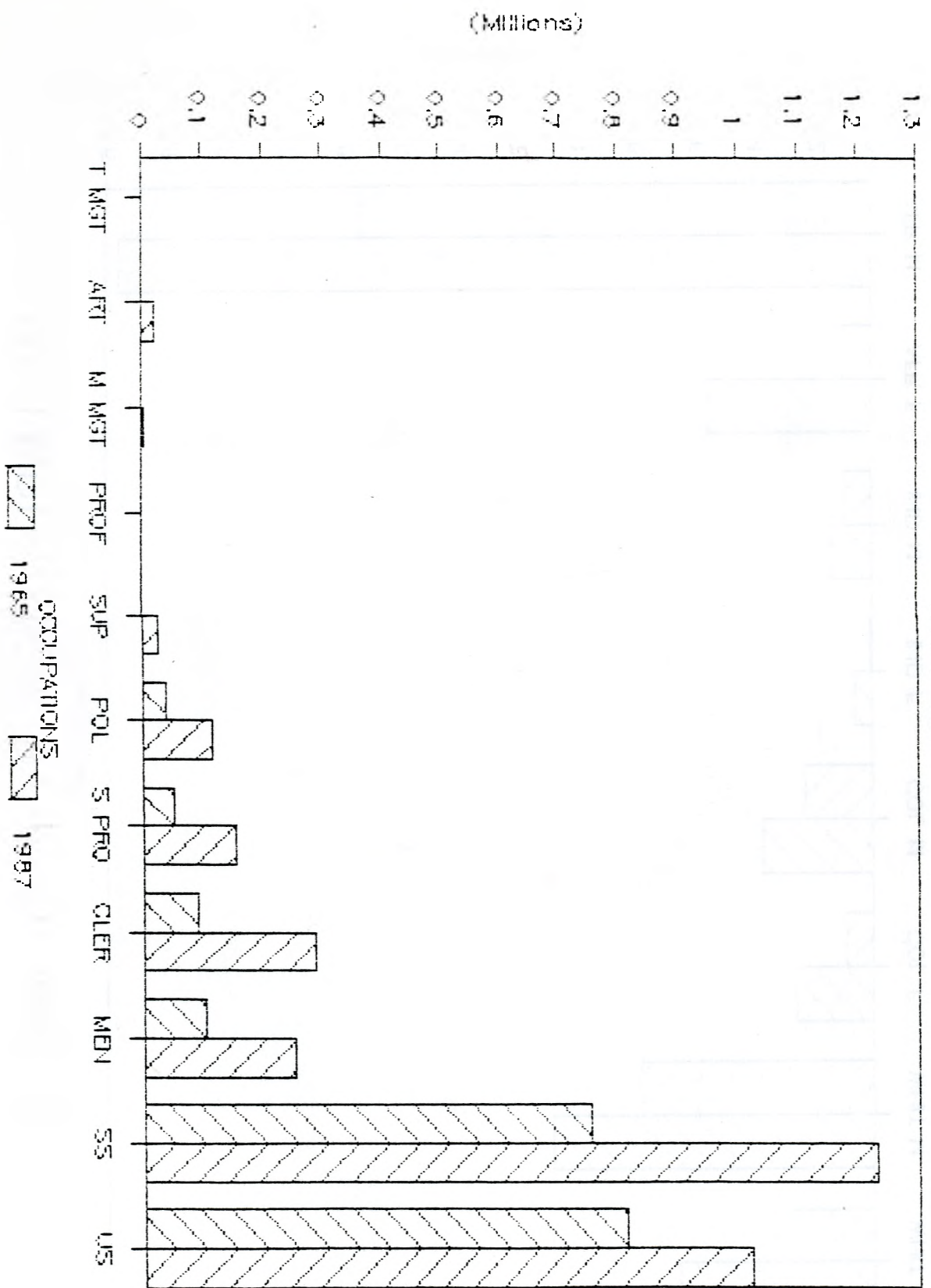


Diagram (4)

TOTAL EMPLOYMENT BY RACE AND SEX

1965 AND 1987

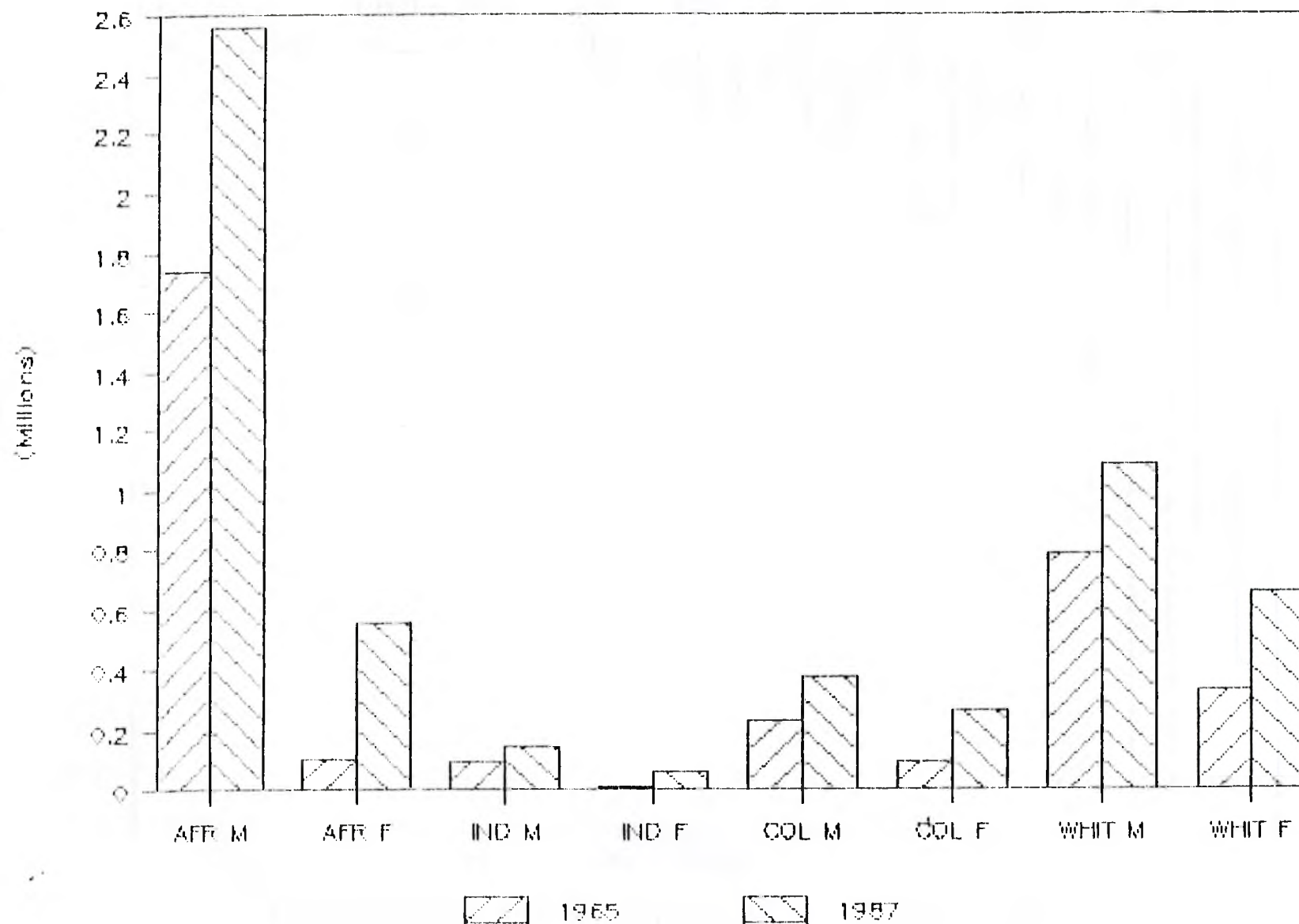


Diagram 6

METAL: OCCUPATIONAL STRUCTURE

1965 & 1985

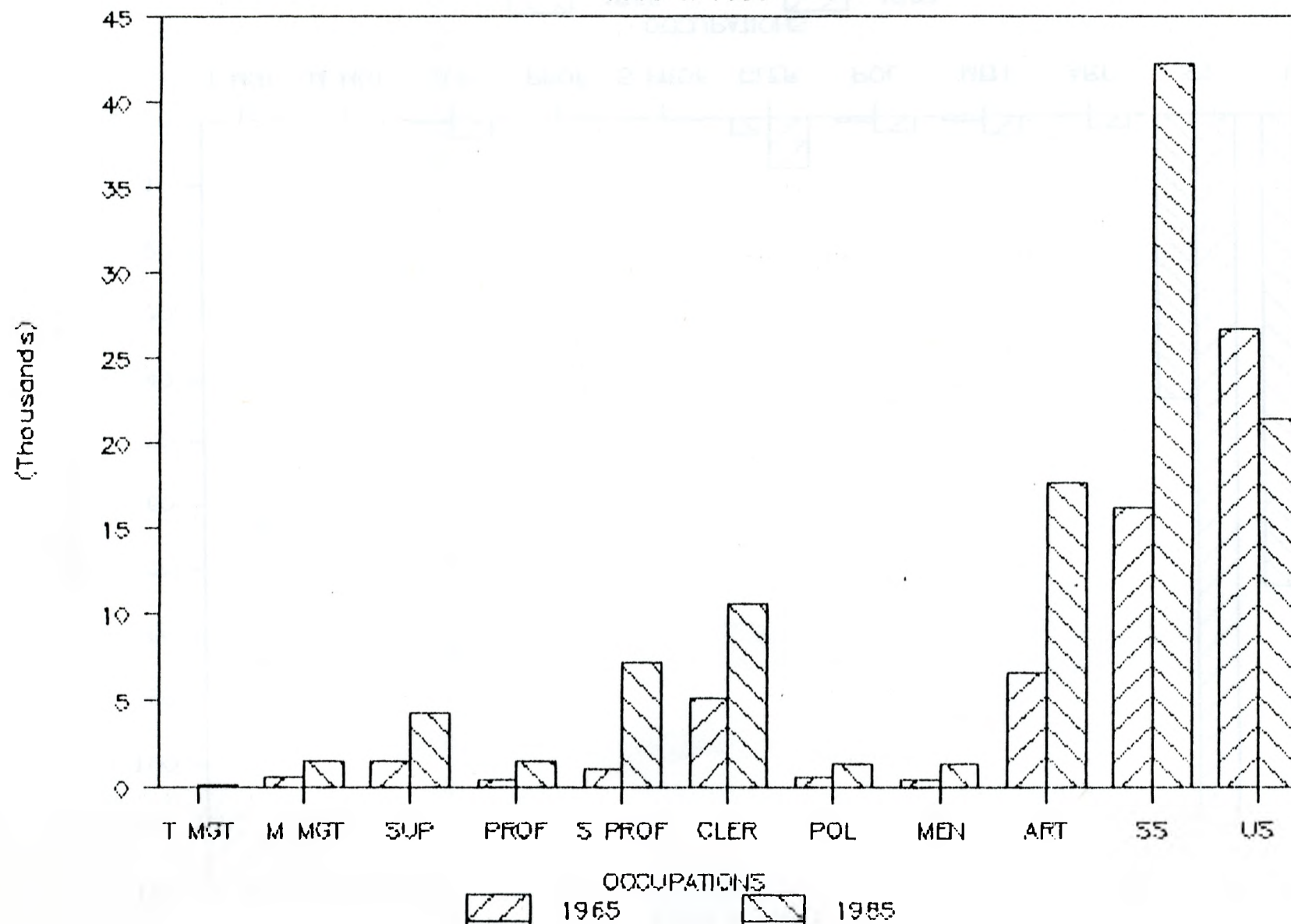
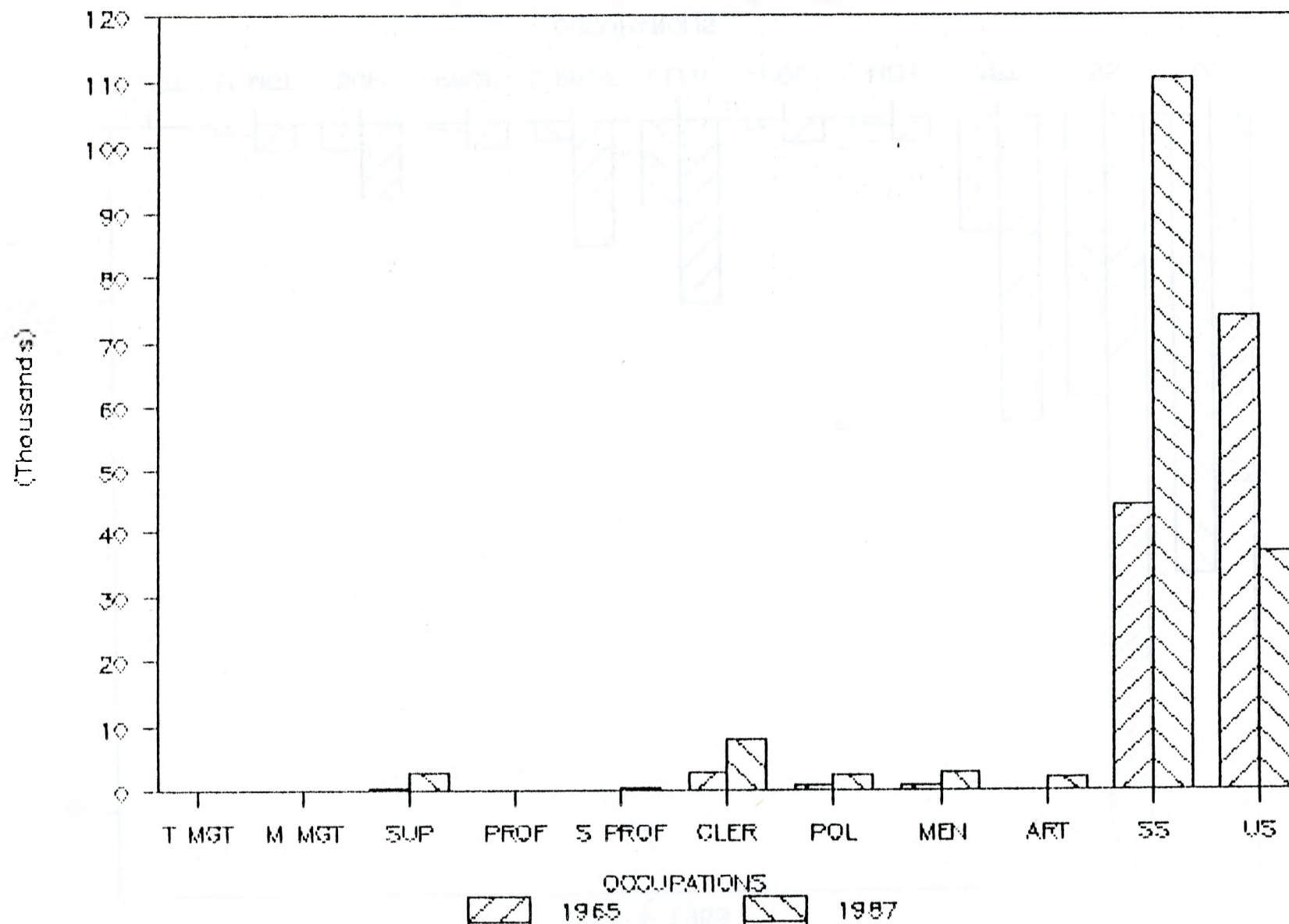


Diagram 7

OCCUPATIONAL PROFILE: AFRICAN MEN

1965 & 1987



Outline of Proposal to SEIFSA on Training to be funded by Supplementary Fund

Before NUMSA joined the Training Board of the Industrial Council, the Supplementary Fund for Operator Training was suspended because a handful of companies were benefitting from the Fund which was collected from all employers in the industry on a 30c per worker per month basis. A relative large amount of money is still in the Fund and if NUMSA does not present a proposal by the end of the year for how this money might usefully be used, most of the remainder will simply be shared out to ISCOR, Dorbyl and others who are doing job-specific operator training programmes.

NUMSA has been working for some time on a proposal on operator upgrading. The details of the proposal are not yet complete, however a brief summary follows:

Problems with present operator training schemes (as they would be presented to SEIFSA) -

1. Completely job specific and hence allow minimal transferability within a factory and across factories in the industry as a whole and from the non-formal to the formal education sector. Furthermore, job specific training does not allow for the development of the kind of skills that are needed to enable operators to be flexible and easily adapt to new technologies. This very problem led to the demise of the Supplementary Scheme which was benefitting a handful of individual employers at the expense of the industry as a whole.

As Edward French (CCE, Wits) has noted: "Workers desire - or under pressure - to improve their skills. There are trends both among workers and management to seek forms of training which do not lock workers into the operation of a single machine, or into a particular industry. Mobility from task to task, from industry to industry, and upwardly, all appear to demand a more generalisable educational underpinning to particular training., The need for "flexi-skills" or "multi- skills" is increasingly felt"

2. Training seldom provides a foundation for further training. As Ken Hartshorne, a leading educationalist, has noted:

"the real root of the problem lies in the general inadequacy of black basic schooling. Having operative labour which hasn't enough numeracy, communicative language and so on ... means that there is nothing to build upon. What there is definitely a shortage of, is black men and women who have a sufficient platform of background education, which can enable them to take off and benefit from something more than simply that limited skill. It is a shortage of skills upgrading potential."

3. Whilst many workers attend night schools and other formal education institutions to improve their formal education qualifications, the content of what they learn has no direct relevance to their working lives. Much of the content is written for children, and even where it is written for adults with life experience, it is not written with industry specifically in mind. Where this has happened a significantly higher success rate has been achieved. Many examples can be found overseas of pre-apprenticeship courses which integrate general education into vocational training for example the Certificate of Pre-vocational Education in the UK. Because such courses provide a broad foundation in core technical, scientific, mathematical, communicative and problem-solving skills, they provide a sound basis for progression.

Aim of proposal

The broad aim of the training research group is to investigate strategies to facilitate training of NUMSA members to higher levels of skills. This is partly to ensure that workers organised in conservative unions do not monopolise the highest skills - and therefore wield the power to hold a future economy to ransom. And it is partly to ensure that a pool of politically progressive skilled workers are available to help plan a future socialist economy.

Towards this end the NUMSA training research group is proposing an industry-wide pre-apprenticeship course aimed at operators which will enable them to move up to higher levels of training.

Proposal to SEIFSA

In the light of the above, NUMSA wishes to propose that

- * Money from the Supplementary Fund be set aside for a research project targeting the following areas:
 - * research into what would constitute core skills in the technical, mathematical, scientific, communicative and problem-solving in the engineering industry
 - * course development funds
 - * finance for a pilot project
- * Such money to be released when a detailed proposal on the control, composition of researchers, methodology, aims, budget etc of the research and pilot projects have been submitted by NUMSA and, after negotiation, agreed by the parties.

A meeting has been called at the end of November for the parties to consider the percentage payout to companies who have conducted operator training during 1989. (In the past companies have been paid out at over 100% of their training costs.) It would be essential for NUMSA to present a proposed budget for the research at such a meeting, in order to ensure that sufficient funds remain in the fund for this substantial task.

Proposal to NUMSA

That a detailed proposal be prepared for presentation to SEIFSA.

LEVELS

COMPANIES

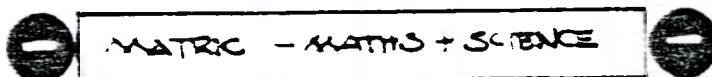
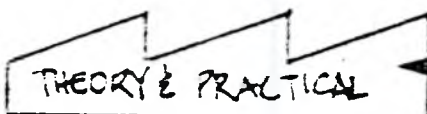
PRESENT VOCATIONAL TRAINING

FORMAL EDUCATION

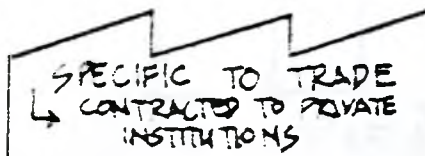
ENGINEER



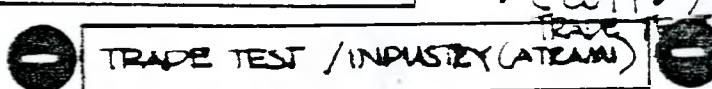
TECHNICIAN



ARTISAN UPGRADING

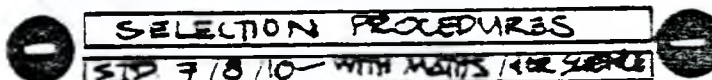
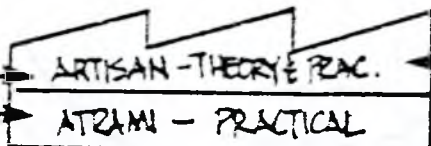


- PRIVATE INDUSTRY TRAINING INSTITUTIONS
- COMPANIES (EG. ANGLO)

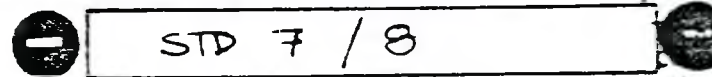
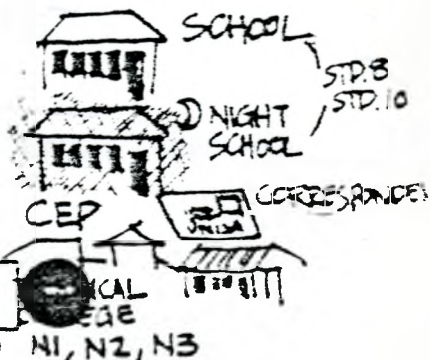
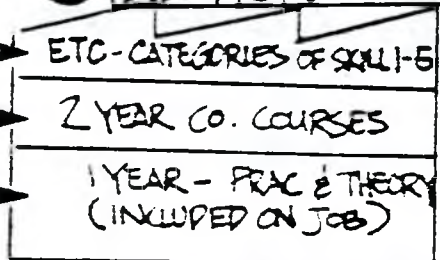


ARTISAN TRAINING

- APPRENTICE
- ATRAM

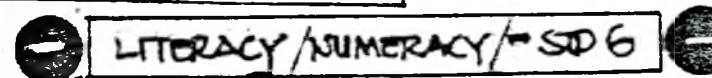
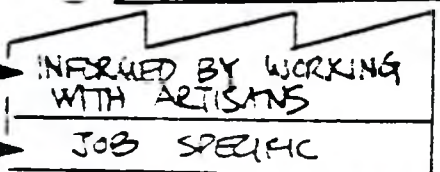


- PRE ARTISAN
- SKILLED OPERATOR
- OPERATOR SETTER
- MAINTENANCE OPERATOR
- BEDDING ORIENTATION



ARTISAN ASSISTANTS

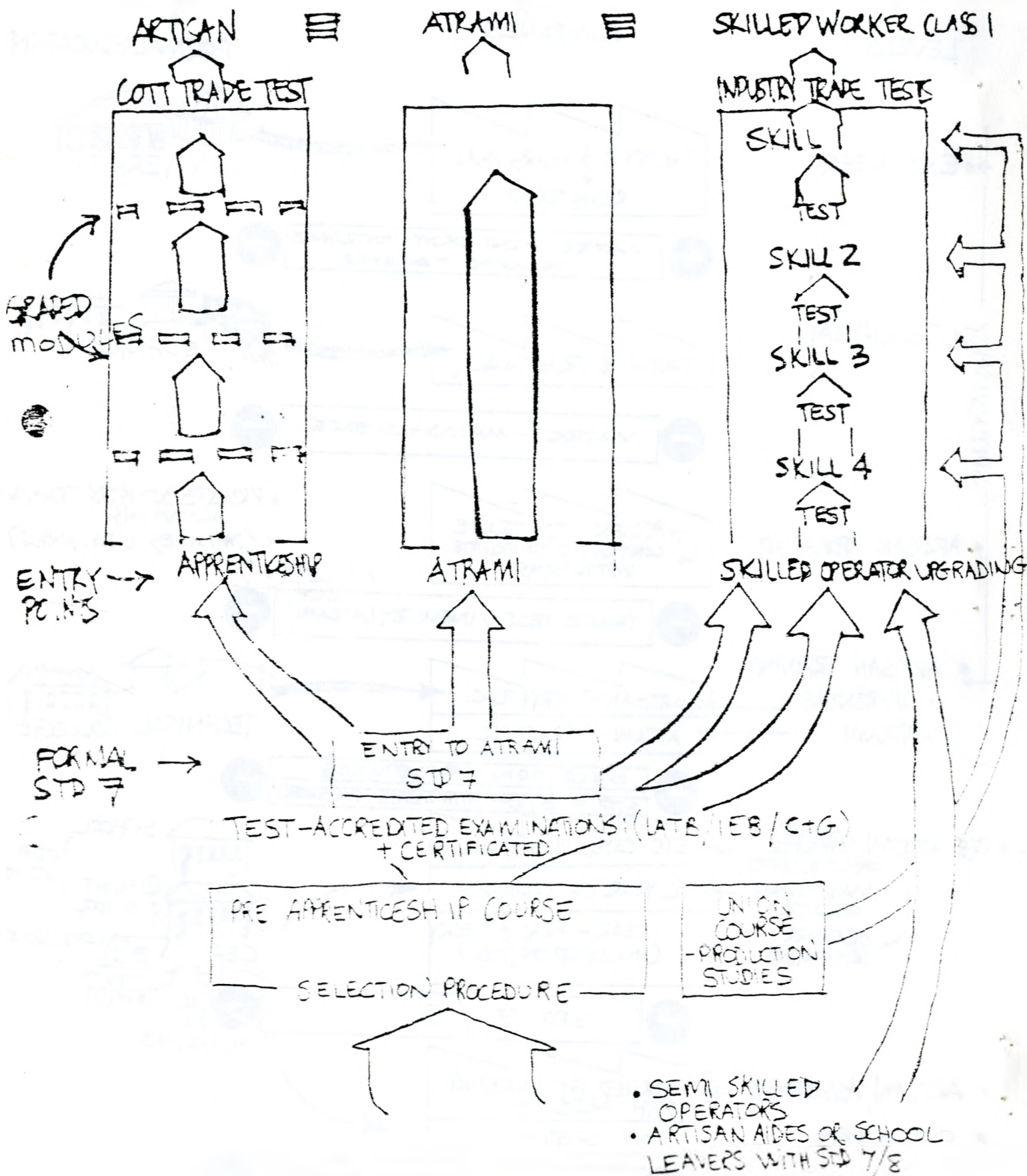
OPERATORS



UNSKILLED



NUMSA PROPOSAL : 3RD ROUTE TO ARTISAN STATUS



ANNEXURES TO HOUSING REPORT

- 1.Draft resolution on Land, Housing and Shelter.
- 2.NUMSA - Alternative housing finance facilities.
- 3.Home expenses.
- 4.Housing Advice Officer
- 5.Report on NUMSA's housing projects for Annual Report.



DRAFT RESOLUTION ON LAND, HOUSING AND SHELTER

1. NOTING

- 1.1 that the State's apartheid policies have had the effect of creating artificial land and housing shortages and have restricted freedom of settlement;
- 1.2 that the current privatisation of the provision of housing will make decent housing increasingly unaffordable and is being used to increase divisions amongst organised workers and the working class generally;
- 1.3 a comprehensive response to the issues of land, housing and shelter which is located within broader urbanisation strategies, is urgently required.

2. RESOLVES

- 2.1 while in no way ignoring the needs of higher paid members who have access to formal housing, to direct the union's initiatives and campaigns towards addressing the needs of the lower paid and unemployed sectors of the working class;
- 2.2 to continue discussing initiatives with other trade unions and community groups with a view to establishing common positions and to building joint campaigns, wherever possible;
- 2.3 wherever possible to develop viable and secure alternatives to private home ownership which is being promoted by capital and the state to undermine the working class unity;
- 2.4 to build effective organisation and to campaign around the following demands to be made on and where necessary negotiated with the state:
 - 2.4.1 to abolish all legislation (eg. Land Act, Group Areas Act, Illegal Squatting Act) which restricts the rights of people to freely choose where to live,
 - 2.4.2 to protect the right of people to remain on and to develop land where they currently reside until other options, agreed to by all parties are provided by the state,
 - 2.4.3 to increase subsidies to all citizens for all housing needs including rental options - such subsidies to be non-racial and to be biased towards the needs of the low wage and unemployed sectors,

2.4.4 to release sufficient and suitably located land at affordable prices to provide for the housing and shelter needs of all citizens,

2.4.5 to subsidise financial institutions and developers which provide small loans and build low cost housing,

2.4.6 to increase the availability of rental stock with secure tenure and at affordable prices through a large scale national housing development programme negotiated with representative organisations,

2.4.7 to subsidise infra-structural development and services and to halt privatisation in these areas by re-assuming its responsibilities for the provision of such infra-structure and services,

and on employers:

2.4.8 to provide subsidies (not tied to jobs) to all employees for all housing needs including rental options,

2.4.9 to use provident and pension schemes to assist employees with their housing needs,

2.4.10 support demands on the state made by unions and community groups.

3. AND FURTHER RESOLVES

3.1 in accordance with the foregoing to mandate NUMSA's structures to research and where feasible progress the following areas:

3.1.1 the establishment of housing advice offices,

3.1.2 setting up of a small loans company,

3.1.3 bulk purchasing co-operatives,

3.1.4 building co-operatives,

3.1.5 the establishment of land trusts.

NUMSA - ALTERNATIVE HOUSING FINANCE FACILITIES

WHAT IS NEEDED

A facility that will:

- 1 provide small loans
- 2 provide affordable loans at fixed (not fluctuating) interest rates
- 3 require low security
- 4 facilitate private savings
- 5 provide loans in rural and homeland areas
- 6 provide loans for any type of shelter, including informal shelter, site and service development, upgrading, building materials

CAPE CREDIT LEAGUE

Does the Cape Credit League fulfill the criteria that the union is looking for in an alternative financial institution?

1. It provides small loans but not enough money accumulates in individual unions to make the size of loans necessary for housing purposes.
- 2 Yes.
3. Yes, security is in the form of the common bond and the savings shares.
- 4 Yes
5. Yes.
6. Yes but the financial limitation in 1. above applies.

There is a possibility that a central financing body of the Cape Credit Union League will be established to make the kind of loans needed for housing purposes.

Should the union or its members get involved in a credit union?

The union itself should not get involved in the credit union

concept but could inform its members about the existence of the credit unions. Although all Numsa members belong to Numsa this membership in itself does not constitute a common bond. Also, individual credit unions cannot accumulate sufficient money for the types of loans necessary for housing and while the interest rates for loans are low the interest rates for savings are also low. Therefore, if a worker wants to save money for housing he/she would be better off putting his/her money in the building society.

Should the provident and pension funds invest in the central facility?

No agreement could be reached.

Argument for:

It could be considered as an investment like any other investment that pension and provident funds make in, for example, a building society or the stock exchange. But, an investment in the Cape Credit Union for housing purposes could be considered a socially useful investment. However, the investment must be low risk and the interest rate charged must be such that the fund could get the same return somewhere else.

Argument against:

As union members we do not want to charge people high interest for housing. In principle the union should not involve itself or the pension and provident fund in charging low-paid people a high interest for housing loans. If the pension/provident fund can lend money at not more than the legal requirement then perhaps it should consider such an investment. But then we have to consider the issue of workers getting a lower than possible return on their old-age investment.

TERMINATING BUILDING SOCIETY

Does the Terminating Building Society fulfill the criteria that the union is looking for in an alternative financial institution?

1. Yes small and intermediate loans.
2. Interest is fixed: either pay no interest or pay a fixed capital sum in addition to the amount borrowed.
3. No security needed. But if you are a member of the public and you need to borrow money a small deposit has to be given.

4. Yes.
5. Possibly but we don't know.
6. Yes

It has been very difficult to find out anything about this organisation. Someone in the Western Cape must be mandated to find out more about it and find out if the African Peoples' Organisation will open branches in other areas of South Africa and if not why not.

However, the fact that it operates in the Western Cape only could be a problem in that it could create divisions in the workforce as some workers will have access to a loan while workers in other areas will not have access to a loan.

Another problem with the terminating building society is that it could be many years before a member of section of a building society could become eligible for his/her money to buy or build a house. Given the high inflation rate the same type of house today could cost a lot more money in ten years time.

THE URBAN FOUNDATIONS SMALL LOANS BANK

Does the Urban Foundation's small loans bank Society fulfill the criteria that the union is looking for in an alternative financial institution?

1. Yes
2. While the interest rate will probably be fixed for the duration of the loan, the loan will not be affordable as the small loans bank will be charging 31% interest. For example, if a person borrows R5 000 at 31% interest for 5 years that person will have to repay at least R165 a month. If that person used 25% of salary to repay that loan, that person would have to earn R660 a month.
3. Yes. The savings club has to put up the deposit which will be 10% of the amount to be borrowed. Also security lies in the pressure which members of the savings club will exert on each other.
4. No
5. Possibly. However, Botshabelo (expand on this!!!)
6. Yes.

Do we want to be involved with the Urban Foundation at all?

Reasons against:

The Urban Foundation is funded by big capital which works hand in hand with the government. They collabrate with the puppets of the system. Some of their members are advisors to the government. Also the president/chairman is Mr Justice MT Steyn who has passed harsh sentences against many of our comrades.

A mandate must be obtained from the MDM before we can even begin to have anything to do with the Urban Foundation's small loans bank.

Assuming the MDM says that we can work with the Urban Foundation do we want to have anything to do with the Small Loans Bank?

Good Points.

It makes small loans available.

It makes loans available for informal housing options and little or no security is necessary.

Bad points

High interest rates

It doesn't provide a savings facility

We all agreed that high interest loans for poorly paid people are not better than no loan at all. Both options are equally as bad. Because of the high interest charged by the UF's small loans bank we cannot have anything to do with it.

Should the union invest pension or provident fund money in the small loans bank - same debate as the credit union.

UNION-CONTROLLED SAVINGS AND LOANS FACILITY

It would be possible for the union to establish its a union-controlled savings and loans facility. However, the amount of money needed to make the small loans is huge and extra money would have to be raised either through loans from pension and provident funds or through donations. Such a facility would also require a very tight administrative structure and additional staff.

Members pay R10 membership fee.

Members must save regularly every month.
Must borrow at least R10m (and preferably more) from pension and provident funds.

Loans: maximum loan R5 000. No minimum but it must be for housing purposes. Proof that the money will be spent on housing must be provided. Member must have saved 10% of the amount he/she wants to borrow. Money can be borrowed for any type of housing option in rural and homeland areas as well as urban areas. This will prevent everyone borrowing more money than there is available. Interest rates will have to be calculated but it would depend on how much interest people are paid for their savings and how much interest will be owed to the pension and provident funds and how much interest needs to be charged to cover administration costs. The interest charged will certainly have to be greater than market related interest rates.

Each member of the society would have to be issued with a savings book. Money accumulated must be deposited in a conventional building society or bank. Loans will be made to individuals and payment will be by stop order. Security will be the 10% which the member will have saved. The member cannot withdraw the money until the loan has been repaid.

Does a union-controlled small loans facility fulfill the criteria that the union is looking for in an alternative financial institution?

- 1 Yes
2. The interest rate would be fixed but whether it would not be affordable.
- 3 Yes
4. Yes
5. Yes
6. Yes

Should the union get involved in such a project? NO.

Even though such a facility would encourage savings and make small loans available for informal housing in all areas, the problems outweigh any positive aspects.

Problems:

1. We have to decide what the function of the union is. The union's function is not to run financial institutions or to make a profit.
2. If the union did get involved in such a project, it could remove the responsibility for financing housing from the state and companies and the union would be directly involved in privatisation of housing.
3. If a person is not able to repay the loan the union could be faced with the possibility of foreclosing on a loan and repossessing a members possessions.
4. Charging poorly paid people high interest rates is unacceptable.
5. Such a scheme could further entrench divisions between employed and unemployed.

BUILDING SOCIETIES

The best strategy for the union is to take on the state and conventional financial institutions directly. The unions should negotiate with financial institutions to offer small loans, for any type of shelter in any area of South Africa with low levels of security. The union could use the money in pension and provident funds as leverage. the unions also have access to thousands of potential consumers with stop order facilities and this could also be used as leverage with building societies.



HOME EXPENSES PLAN

The Alexander Forbes Home Expenses Plan is a unique opportunity for the employer to be able to assist in the funding of employee housing, particularly at the lower end of the market and, conversely, to be able to provide funding for home additions and improvements at the upper end.

At blue collar level the Home Expenses Plan facilitates a realistic answer to the South African housing problem, it is not contingent on construction methods or location, and the benefits to the employee of having a stable, comfortably housed workforce are well established.

At this level the funding programme is important to the employer, the employee and to the South African socio-economic environment.

For the company employee who wishes, for example, to add on an extra room, put in a pool or tennis court, or have a driveway paved, the Home Expenses Plan is an important and satisfying remuneration perk.



EXPENSES PLAN

Expenses Plan is a unique
to assist in the funding of
lower end of the market and,
for home additions and

Expenses Plan facilitates a realistic
problem, it is not contingent on
the benefits to the employee of
workforce are well established.

is important to the employer,
socio-economic environment.

es, for example, to add on an
t, or have a driveway paved,
and satisfying remuneration.

HOME EXPENSES PLAN

LOAN: Is provided by a registered commercial bank.

PAYMENTS: Are deducted from earnings by the employer.

MAXIMUM LOAN: Is 80% of the members lump sum benefit on
termination of service from the company with a maximum
of R20000. (Other limits can be negotiated if needed).

INTEREST: Is charged at the prime overdraft rate plus 1%. The
employer may subsidise the rate if he wishes.

ACT: The Pension Funds Act permits a pension fund or
provident fund to guarantee a loan from a third party,
provided the loan is for housing purposes.

SECURITY: Is provided by the Fund Trustees entering a general
agreement to provide guarantees to the bank for each
individual loan.

INVESTMENTS: Are not affected in any way. Thus the
Trustees' investment strategy is left fully intact.

USE TYPE: Can be any type. No bond is taken on the
property. The only limitation is that the member or his
dependant or family will occupy the house. The "house"
can be anything from a shack to a mansion. There is no
restriction on "site and service" methods.

LAND: Can be included if the intention is to build a house on it.

**REPAIRS, ADDITIONS, IMPROVEMENTS AND
MAINTENANCE:** Are all included in the ambit of housing.



HOME EXPENSES PLAN

LOCATION: The house (or land) can be located anywhere — no bond is taken on the property. This includes remote areas, "self governing", TBVC and foreign states.

WITHDRAWAL BENEFIT DEFINITION: The lump sum withdrawal benefit from the Fund is the security for the loan. The definition of withdrawal benefit in the rules is therefore a significant point.

INITIAL PROCEDURE:

1. Trustees take agreement in principle.
2. Trustees, Alexander Forbes and Bank sign the main agreement.

INDIVIDUAL LOAN PROCEDURE:

1. Employee/Employer discuss and agree the amount of the loan and monthly repayment amount.
2. Employee applies for the loan on a simple form.
3. The form is signed by authorised Trustees representative.
4. Alexander Forbes confirm withdrawal benefit amount to bank.
5. Bank draws cheque.
6. Employer deducts repayment from earnings and remits to bank.

ACCOUNTS, REPORTS: The bank provides full individual accounts on a 6 monthly basis and provides full master listings of accounts status on a monthly basis. Irregularities in repayments are flagged and warnings issued.

housing officer

HOUSING ADVICE OFFICERJob Description

1. to establish an advice office service dealing with all problems relating to housing (open to members and non-members on selected days each week)
2. to liaise with other trade unions and civics and to give assistance on developing housing campaigns where requested.
3. together with relevant shop stewards and structures to deal with all company housing projects and to push the housing allowance campaign.
4. to initiate moves towards a national housing campaign by trade union and civic structures.
5. to develop and set in operation a housing training programme for shop stewards and organisers.

REPORT ON NUMSA'S HOUSING PROJECTS FOR ANNUAL REPORTREPORT ON THE METAL BOX PROVIDENT FUND HOUSING SCHEME

The Metal Box Provident Fund has a housing sub-committee consisting of employer and trade union representatives. In 1988 a consultant was commissioned by the housing sub-committee to investigate the housing needs and affordability levels of Metal Box employees, the acquisition and availability of land and housing around Metal Box factories, the possibility of building and self-help co-operatives, and the use of the provident fund for housing purposes. The year-long study formed the basis for the following proposals on the way in which pension and provident fund money could be used for housing:

1. withdrawal benefits could be used as collateral for loans for all forms of shelter in any area,
2. members should be able to borrow their withdrawal benefits at market-related interest rates for shelter purposes,
3. the provident fund should invest in institutions that make small loans available,
4. the provident fund should negotiate with, and invest their money in, financial institutions that are prepared to amend their lending practices,
5. the use of provident fund contributions to accelerate housing loan repayments should be investigated, and
6. the provident fund should negotiate with, and invest their money in, development institutions that are prepared to build affordable shelter and to develop rental stock.

A technical committee, comprising three union and three management representatives, was appointed in August 1989 to advance the proposals.

REPORT ON THE METAL INDUSTRIES GROUP PENSION FUND
HOUSING SUB-COMMITTEE

The Metal Industries Group Pension Fund (MIGPF) has a housing sub-committee comprising union and management representatives. The functions of this sub-committee is to investigate the feasibility of using pension fund money for housing purposes. The sub-committee received representations from many institutions and organisations involved in the provision of land, services, shelter and finance. Following the representations, the sub-committee developed proposals for extending the pension fund's investments in the housing field

The proposals were as follows:

1. withdrawal benefits could be used as collateral, for loans for all forms of shelter in any area,
2. members should be able to borrow their withdrawal benefits at market-related interest rates for shelter purposes,
3. the provident fund should invest in institutions that make small loans available,
4. the provident fund should negotiate with, and invest their money in, financial institutions that are prepared to amend their lending practices,
5. the use of provident fund contributions to accelerate housing loan repayments should be investigated, and
6. the provident fund should negotiate with, and invest their money in, development institutions that are prepared to build affordable shelter and to develop rental stock.

REPORT ON HOUSING ACTIVITIES AT ISCOR

1. National

Iscor has a housing policy in terms of which housing loans are made available to workers through Iscor Landgoed and the repayments are subsidised by Iscor. The size of the loan and the subsidy available are dependant on an employees salary. The union is attempting to negotiate the terms of the housing scheme. However, the company has refused to supply the union or the workers with a copy of the rules of the scheme and has said that the housing scheme is completely non-negotiable. The company did, however, agree to supply information on the housing scheme if specific questions were supplied in writing. The union submitted a list of questions to Iscor at the beginning of August 1989 and is still awaiting a reply. Once this information has been received the union will attempt to negotiate the housing scheme.

2. Vanderbijlpark

2.1 Iscor is involved in the development of Zone 17 in Sebokeng, which comprises 1 500 stands; 1 200 for Iscor employees and 300 for private persons. As at September 1989 the first 500 plots were ready for sale. The estimated cost per serviced stand, with a high rate of servicing, is about R7 000. The construction of the houses was put out to tender and Iscor accepted quotations of houses costing between R16 000 and R23 000. The contractors have begun erecting show houses. Following negotiations, management agreed that any Iscor employee who wished to buy one of these houses would be referred to the shop steward's housing sub-committee. The housing sub-committee would inform people of the implications of home ownership and would supply management with the names of those workers who wished to buy a house. The service of a statistician was commissioned to draw up a points system for a selection procedure to be used in the event that the number of workers who wish to buy one of these houses exceeds the number of stands available. This selection procedure still has to be negotiated with the company.

2.2 A year-long conflict over the conversion of some of the hostels comprising the Kwa Masiza hostel complex into family accommodation, was resolved when management agreed to the worker's demand that all the hostel groups should have provision for family accommodation. The housing committee is now trying to negotiate that the family hostel units are controlled by the housing committee and not by the house fathers.

by the housing committee and not by the house fathers.

FERALLOYS HOUSING SCHEME

At the beginning of 1989 Feralloys introduced a housing scheme whereby each worker received an additional 15% to their weekly or monthly wage as a housing allowance. The union then commissioned the Labour and Economic Research Centre to do an analysis of the affordability levels in terms of housing of Feralloy's employees. The study found that while the housing allowance did have some effect on the affordability levels of employees and it did not discriminate in favour of home ownership, the fact that it was based on a percentage of salary meant that lower paid workers were discriminated against. The study also found that because the housing allowance was paid together with basic salary, workers did not use the additional money on housing but used it to meet other equally essential needs.

When the study was completed the union presented demands to the company to amend the housing allowance scheme. However, the company presented a new home ownership scheme. Negotiations are continuing.

c/numsaann

ANNEXURES TO PENSION AND PROVIDENT SCHEMES REPORT

- 1.Draft resolution on Provident Schemes.
- 2.Metal workers Pension and Provident Fund - Assets Register.
- 3.Union proposlas to the Metal Box Provident Fund.
- 4.Proposals to the Housing Sub-Committee Metal Industries Group Pension Fund.
- 5.Procedure for Conversion from Pension to Provident Fund.
- 6.NUMSA Draft Proposal for Conversion of the MIGPF.
- 7.A comparison of various Tax Aspects of Approved Funds.
- 8.Model scheme.

DRAFT RESOLUTION ON PROVIDENT SCHEMES

1. NOTING

- 1.1 the current lump-sum withdrawal restrictions in legislation pertaining to pension funds, the negative impact of company based pension income on the state's pension provisions and the difficulties associated in drawing pension income, particularly in the rural areas and bantustans

2. RESOLVES

- 2.1 to convert existing ~~pension~~ schemes to provident schemes subject to the approval of the relevant REC or CC (where applicable) who shall ensure that wherever possible small schemes are merged into larger ones so as to nationalise the number of schemes in which NUMSA has membership;
- 2.2 to strive for maximum control over provident fund schemes and thereby to facilitate members having access to their withdrawal benefits for housing purposes and to invest the assets of such schemes in socially useful projects (particularly land, housing and shelter) which will not unduly prejudice the members of such schemes.

3. AND FURTHER RESOLVES

- 3.1 to demand of the state that current pension benefits be increased and that racial discrimination in pensionable income be totally scrapped.

NAME OF FUND	PERIOD ASSESSED	TOTAL 0 PENSIONERS	ASSETS 00 000'S	CONTRIB. PA 00 000'S	CONTRIB. PB 00 000'S	PAIDIN EXPENSES £	CONTRIBUTION X EMPLOYER	CONTRIBUTION Y EMPLOYEE
AFRICAN CABLE GROUP PENSION FUND							12.5	7.5
ALUSAF PENSION SCHEME	1/7/80 1/2/83		50	15	1	1.2	9.0	7.5
ALTRON GROUP PENSION FUND	29/2/87 29/2/88 -	219	1609	184	16	.69	7.5	7.0
AVIATION PENSION FUND	28/2/87 - 29/2/88		320	34	3	2.0		
AUTO WORKERS PENSION FUND	1/1/80 - 30/1/88		220	143	23	4.9		
BAN EMPLOYEES PROVIDENT FUND	28/2/87 - 29/2/88		37	24	2	2.8	6.75	6.5
OPERATIVES PROV. F	1/8/87 - 31/7/88		47	19	1.5	3.4	6.0	5.0
CHLORIDE PROVIDENT							6.0	6.0
ESKOM PENSION FUND	1/1/87 - 31/12/87 -		1600	1960	163	2.0	11.25	7.3
FIRESTONE PENSION F (IN PROCESS OF TRF)			300	20				
ISCOR RETIREMENTS FUND	1/1/80 - 31/12/80	3111	1907	182	15	1.0	6.5	6.0
JOHN DEERE PROVIDENT FUND							7.54	7.5
LEYLAND SOUTH AFRICA MONTHLY PAID PENSION	1/1/84 - 1/1/87	724	220	7	0.5	.8	7.82	7.0
METAL INDUSTRIES GROUP PENSION FUND (TRUFF)	1/1/88 - 31/12/88	1000	21454	2217	185	3.2	6.5	6.0
METAL IND PROV FUND	1/3/88 - 31/12/88		300	51	6	2.5		
NETBOND COMPAN PROVIDENT							9.0	7.0
MURRAY & ROBERTS PENSION FUND								
THE M & A GROUP PENSION FUND	1/1/87 - 31/12/87		940	92	8	7.0	7.0	
VM SA PENSION FUND	1/1/87 - 31/12/87		177					
MESCO GROUPS PENSION FUND	1/1/87 - 31/12/87		1200	156	13	1.6	8 9.0 8 6.91	
TOTALS			32620	5108	435			

Notes:

1 Industrial Funds
Company Funds

Estimated Co
figure

Average
Employer/00
annual

Average
joint
monthly

To include
everything
as a % of
income
contribut.

MESCO CONTRIBUTIONS: Employer/Employee Contributions range according to grades.
Employee contributions = 4% to 7.75% Employer contributions =

2.2 to 15.62

PARTICIPATING EMPLOYERS include: Airco, Ekapa, Rand Life, Ronen,
Toyota Kamui, Toyota Market, Veka, Wesco

ISCOR: PARTICIPATING EMPLOYERS: Cape Town Iron & Steel Works
Central Coal Ltd; Consolidated Mine Industries Ltd;
Hechtel (S.A.); Iscor Ltd; Iscor Berlin Ltd; Iscor Medical Benefit Fund;
Vantini Ltd; Vanderbijlpark Medical Benefit Fund; The Wymad Railway, Coal and Iron Co.

UNION PROPOSALS TO THE METAL BOX PROVIDENT FUND

1. DIRECT LOAN FACILITIES

- 1.1 Members should be entitled to use their withdrawal benefit as collateral for loans for all forms of shelter wherever they and/or their families live.
- 1.2 Members should be entitled to borrow for the purposes of providing shelter their full withdrawal benefit at market related rates.

2. INDIRECT LOAN FACILITIES

- 2.1 At this stage the Provident Fund should make available not more than 5% of assets (calculated after deducting amounts loaned under 1 above) to small loans companies at a market related rate of interest.
- 2.2 The Provident Fund should embark on a programme to negotiate with financial institutions who are willing to, inter alia:
 - (i) provide loan facilities for amounts of less than R20 000
 - (ii) provide finance against the purchase of land and/or sites or any informal structure, including rudimentary homes which are being built incrementally
 - (iii) provide loans for shelter in rural areas
 - (iv) provide loans on a basis which does not discriminate in terms of race or gender

and to make available not more than 20% of assets for this purpose.

These funds should be lent at market related rates and are intended for those who wish to borrow larger amounts for any form of shelter.

3. ACCELERATED HOUSING LOAN REPAYMENT FACILITY

- 3.1 The Provident Fund should investigate the establishment of an accelerated housing loan repayment facility which would provide for the payment of pension fund contributions directly into the member's shelter loan account.

4. DEVELOPMENT ACTIVITIES AND INVESTMENTS

- 4.1 The Provident Fund should negotiate with development institutions for packages which would make shelter more affordable and make capital available at market related rates for site and service schemes and the development of rental stock.

- 7.4 Changes in legislation and other regulations which would facilitate the secure investment by financial institutions in the provision of all forms of shelter in all areas where members and/or their families reside.
- 7.5 Changes in the practices of the financial and development institutions which would facilitate the provision of affordable finance for all forms of shelter in all areas where members and/or their families reside.
- 7.6 Extent of monies available to members for provision of shelter will depend on extent of withdrawal benefits available. This will depend on the Rules of the Fund as negotiated by the parties.
- 7.7 Substantial cost reduction could be achieved if the relevant parties were to organise consumers to apply for loans on a group basis.

8. FURTHER IMPLEMENTATION

Having regard to the experience it has obtained the existing Working Group be empowered to progress the recommendations in this report.

/ag(CHP-60)
10/05/1989

5. ONGOING HOUSING RESEARCH

The Provident Fund should retain a housing sub-committee to advise it on a regular and on-going basis in relation to :

- (a) legislation and the practices of financial and development institutions on the provision of affordable shelter
- (b) advising on changes which would be required to facilitate the provision of affordable shelter

The housing sub-committee should ensure that members are fully informed and advised on all aspects of the housing process. A full-time co-ordinator, agreed to by both parties and employed by the Fund, should be appointed to co-ordinate the sub-committee and its activities and assist members with major problems.

6. RECOMMENDATIONS REQUIRING NEGOTIATIONS BETWEEN NUMSA AND METAL BOX

- 6.1 Subsidies are essential for the provision of affordable shelter to lower income workers. Metal Box should give consideration to a direct one time housing subsidy equivalent to the cost of a serviced site to all employees, (current cost approximately R5 000) or to an interest subsidy, *and a small loans scheme.*
- 6.2 Metal Box and the Nampak Group should become involved in negotiations aimed at increasing the amount of land available for residential purposes at affordable rates.
- 6.3 Metal Box and the Nampak Group should lobby for, and support any campaigns by NUMSA for, the following :
 - 6.3.1 abolition of legislation restricting freedom of movement and the ownership of land;
 - 6.3.2 changes in legislation and other regulations which would facilitate the secure investment by financial institutions in the provision of all forms of shelter in all areas where members and/or their families reside;
 - 6.3.3. changes in the practices of the financial and development institutions which would facilitate the provision of affordable finance for all forms of shelter in all areas where members and/or their families reside.

7

PROPOSALS TO THE HOUSING SUB-COMMITTEE
METAL INDUSTRIES GROUP PENSION FUND

1. DIRECT LOAN FACILITIES

- 1.1 Members should be entitled to use their withdrawal benefit as collateral for loans for all forms of shelter in both urban and rural areas.
- 1.2 Members should be entitled to borrow, for the purposes of providing shelter, their full withdrawal benefit at market related rates.

2. INDIRECT LOAN FACILITIES

- 2.1 At this stage the Metal Industries Group Pension Fund should make available not more than 5 per cent of assets (calculated after deducting amounts loaned under 1 above) to small loans companies at market related rates.
- 2.2 The Metal Industries Group Pension Fund should embark on a programme to negotiate with financial institutions who are willing to, inter alia:
 - (a) provide loan finance for amounts of less than R20 000;
 - (b) provide finance against the purchase of land and/or sites or any informal structure, including rudimentary homes which are being built incrementally;
 - (c) provide loans for shelter in rural areas;
 - (d) provide loans on a basis which does not discriminate in terms of race or gender;

and to make available not more than 20 per cent of its assets for this purpose.

These funds should be lent at market related rates and are intended for those who wish to borrow larger amounts for any form of shelter.

3. ACCELERATED HOUSING LOAN REPAYMENT FACILITY

The Metal Industries Group Pension Fund should investigate the establishment of an accelerated housing loan repayment facility which would provide for the payment of pension fund contributions directly into the member's shelter loan account.

4. DEVELOPMENT ACTIVITIES AND INVESTMENTS

The Metal Industries Group Pension Fund should negotiate with development institutions and make capital available at market related rates for site and service schemes and the development of rental stock.

5. ONGOING HOUSING RESEARCH AND EDUCATION

The Metal Industries Group Pension Fund should establish a service unit and appoint a standing committee to commission experts to advise it on a regular and ongoing basis in relation to:

- (a) legislation and the practices of financial and development institutions on the provision of affordable shelter;
- (b) advising on changes which would be required to facilitate the provision of affordable shelter;
- (c) the development of educational programmes and material to ensure that members are fully informed and advised on all aspects of the housing process.

6. EXTENDING OBJECTS OF THE FUND

The objects of the Fund should be extended to cater for the provision of land and shelter for housing.

7. MATTERS FOR ATTENTION BY THE EMPLOYERS (SEIFSA)
AND THE TRADE UNIONS

7.1 Subsidies in one form or another are essential for the provision of affordable shelter to lower income members. These can include the following:

- State subsidies (including "First Time Home Owners Scheme")
- SA Housing Trust loans
- Employer subsidies

Optimum use should be made of these.

7.2 Increasing the amount of land available for residential purposes at affordable rates.

7.3 Abolition of legislation restricting freedom of movement and ownership of land.



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PROCEDURE FOR CONVERSION FROM PENSION TO PROVIDENT FUND

The following is a list of practical steps which should be applied when converting a pension fund to a provident fund.

1. The rules of the existing fund must be redrafted, where applicable, in order to accommodate the transfer.
2. The Registrar of Pension Funds must be notified (within one month) of all such amendments to the rules.
3. New rules must be drawn up for the Provident Fund.
4. A Board of Trustees must be elected and set up for the Provident Fund.
5. The Provident Fund must then be registered with the Registrar of Pension Funds.
6. The actuary of the Pension Fund must calculate the appropriate values that are available to be transferred. This includes assessing each members' accumulated benefit, as well as determining the amount, if any, of the Fund's surplus.
7. If there is a surplus in the Fund, a body comprising union and company representatives must decide how the surplus is to be allocated.
8. If the surplus is to be redistributed amongst the members the Actuary of the Pension Fund must calculate the necessary allocations. The actuary's methods of calculation should be checked by an independent source to verify that allocations have been performed in an equitable manner.
9. Each member should then complete withdrawal from the Pension Fund as though he/she is leaving service.
10. Each member simultaneously joins the Provident Fund by completing the appropriate documentation.

PROCEDURE FOR CONVERSION FROM PENSION TO PROVIDENT FUND

11. The Pension Fund then applies to the registrar for tax clearance. This amount could be valued in bulk, or through each individual's tax liability. Usually a general percentage, specified by the registrar, is used in order to facilitate administration.
12. When the tax directive has been received by the Pension Fund the net amount is then remitted to the Provident Fund. This procedure follows as if the transferring member had taken cash and re-invested voluntarily into the Provident Fund as a special contribution.
13. It must be ensured that the transfer takes place simultaneously to avoid any loss of attendant benefits, such as life assurance or funeral cover.

NUMSA DRAFT PROPOSAL FOR CONVERSION OF THE MIGPF

1989 August 31

1. Principles:

The possibility of a flexible fund to be investigated. The OM Bridgebuilder is not suitable but may illuminate the legal possibilities, and it is suggested that a consultant from OM be requested to make a presentation at the first meeting. At this stage, no commitment should be made to OM or any other group in respect of appointment as consultants.

NUMSA's first choice would be a fund which allows the option of either putting contributions into a provident benefit or into a pension benefit, to be controlled by the same board of trustees and to be administered as far as this is possible as one fund.

If this is not possible, we would wish to see two funds, again to be controlled by one board of trustees and administered by the same administrators, one fund to be a pension fund (if possible simply the continuation of the MIGPF) and the other a provident fund.

It is important that the two funds be controlled and administered together, because they serve the same group of workers and the benefits and contributions should as far as possible remain strictly comparable.

2. Transfers:

Eligible employees currently in employment in the industry should be allowed to opt over a period of 12 months to transfer their current actuarial reserve and future contributions to the provident fund/provident benefit (whichever is finally created). All liability to such employees from the MIGPF will then cease on completion of the transfer.

3. Eligibility:

All scheduled employees will be eligible for membership of the fund/funds.

Current members of the MIGPF (but not the MIGPROV) shall be given the option of transferring their benefit over a period of 12 months, which option shall not recur unless the trustees decide from time to time that this is not contrary to the interests of the members of the funds.

Scheduled employees coming into the industry after the date of signature of this agreement shall within one week of employment decide whether they wish to be members of the provident or pension funds/benefits. Such employees shall be allowed a period of 3 months from the date of employment to change their elections; if such a change is made, the employees' and employers' contributions only shall be transferred.

Membership of either of these funds/benefits or of the MISPROV shall be compulsory for all employees in the industry (i.e. not only scheduled employees) under the grade of manager. Election by an employee shall take place as set out in Clause 3 hereof, mutatis mutandis.

4. Retirement Age:

The normal retirement age shall be 65 years. However, a member of the provident fund/benefit shall be eligible to retire at his/her sole discretion at any age between 55 and 65 years. An employee shall be allowed to continue as a member of the fund beyond the retirement age.

(The following sections deal only with the provident fund/benefit, bearing in mind that the pension fund/benefit would remain strictly comparable - i.e. not less beneficial).

5. Contribution Rates:

Member: 6% or 7,5% of wage (election to be made irrevocably at time of joining the fund, unless a further opportunity for all members is allowed at the sole discretion of the board).

Employer: 7,5% of wage, plus costs of

- * group life insurance cover (estimated at 1,5% of wage);
- * disability cover;
- * funeral benefit;
- * administration (estimated at about 0,5% of wages).

6. Benefits:

6.1 Retirement:

A lump sum made up of the total contributions from the employer and employee (i.e. excluding cost of insured benefits as in clause 5), plus interest at a rate to be determined by the trustees from time to time, plus a share of the unallocated monies on withdrawals to be determined from time to time at the sole discretion of the trustees.

6.2 Death benefit:

A lump sum equivalent to five times the employee's current annualised wage or his/her last annual wage, whichever is the greater; plus the payment of all outstanding home loans/bonds; plus a paid - up endowment policy for the education of the member's dependant children.

Plus

Withdrawal benefit.

6.3 Permanent Disability benefit:

As for death.

6.4 Funeral Benefit:

Member	R2 000
Spouse	R2 000
Child over 14 years	R2 000
Child 6-13 years	R500
Child under 6 years	R250
(including stillborn)	

6.5 Withdrawal for any reason except retirement or retrenchment/redundancy:

A lump sum composed of all the employee's contributions and, after one year's continuous service, the employer's contributions, plus full rate of interest as in clause 6.1.

All unallocated monies shall be used only to increase the benefits of members leaving the fund through retirement or retrenchment/redundancy.

6.6 Withdrawal by reason of retrenchment/redundancy:

As for retirement, irrespective of years of service.

7. Temporary absence:

A member who is temporarily absent from his employment for any reason including but not limited to lock-out or strike or short time or layoff or sickness or compassionate or annual or special leave shall continue to be a member of the scheme during such period of absence.

8. Control of the fund(s):

Control of the funds shall be vested in a Board of Trustees, to be made up as follows:

Member trustees:

A union which has more than 5 000 members in good standing who are members of the fund/funds (i.e. not including the MIGPROV) shall be entitled to appoint 1 trustee. A union which has more than 5 000 members shall be entitled to appoint a further 1 trustee for every completed 10 000 members in good standing who are members of the fund/funds.

The membership of the union in any calendar year shall be based on the figure for membership in good standing submitted by the union and confirmed by the fund's administrators for September of the previous year. This figure shall be submitted before 10 December of the previous year.

Employer trustees:

The employer associations party to SEIFSA shall appoint a number of trustees equal to the number appointed as member trustees in terms of the clause.

At any meeting of the trustees, the quorum shall be 50% of the appointed trustees, which shall include at least 40% of the employer and of the member trustees appointed.

The trustees shall elect a chairperson annually. The office shall rotate between the member and employer trustees. The chairperson shall have a vote but not a casting vote.

The principal officer shall be elected by the trustees from time to time.

The actuaries, auditors and administrators shall be appointed by the trustees from time to time. The trustees shall appoint chartered auditors and actuaries.

migpfdrl

A COMPARISON OF VARIOUS TAX ASPECTS

OF APPROVED FUNDS

A COMPARISON OF THE VARIOUS TAXATION ASPECTS OF
PENSION, PROVIDENT, BENEFIT AND RETIREMENT ANNUITY FUNDS
IN THE PRIVATE SECTOR

This comparison has been prepared under the following headings:-

Restrictions and Limitations

Tax Treatment of Contributions to Approved Funds

Tax Treatment of Benefits from Approved Funds

Taxation of Funds' Investment Income

Percentages of Prescribed Investments - old regime

Prudent Investment Guidelines - new regime

Mango Commission and White Paper Response

RESTRICTIONS AND LIMITATIONS

(in terms of Income Tax Act/rulings from
Commissioner for Inland Revenue)

	Pension Fund	Provident Fund	Retirement Annuity Fund	Benefit Fund
Main purpose	To provide annuities for employees on retirement	To provide benefits for employees on retirement	To provide life annuities for members	To provide sickness, accident, unemployment benefits for members
Eligibility/Membership	Company Directors/members of close corporations, must be full-time working; only those partners who were members prior to becoming partners	As for Pension Fund	Voluntary - open to all	N/A
	Compulsory membership for those in stated category (other than at inception and for an employee becoming a partner)	As for Pension Fund	N/A	N/A
	No specific restrictions on age limits/retirement ages - should be reasonable	As for Pension Fund but can only retire after 55 (males) or 50 (females) unless due to ill-health (otherwise is treated as a withdrawal benefit)	May only retire between ages 55 and 70 unless due to ill-health	N/A
Contributions	Specified scales	As for Pension Fund	At member's selected level	N/A
	May make extra contributions for past service	N/A	N/A	N/A

	Pension Fund	Provident Fund	Retirement Annuity Fund	Benefit Fund
Commutation	Maximum is 1/3rd (unless pension is under R250p.a.) By dependant/nominee - within 6 months of member's death	N/A - full cash allowed	As for Pension Fund	N/A
Lump sum death benefits	Limited to R1 000 after member's retirement, balance must be in form of annuity	N/A	Limited to refund of contributions together with 7% p.a. compound interest. Any further benefit on death to be in form of annuity	N/A
Employer not to derive monetary advantage	No payment to be made to employer on discontinuance of fund	As for Pension Fund	N/A	N/A
Transfer of benefits. Tax free	May only transfer to another pension or retirement annuity fund on ceasing to be a member	May transfer to pension, provident or retirement annuity fund	N/A - benefit to remain in fund	N/A
Registration of new funds	Fund to be registered prior to seeking tax approval	As for Pension Fund	As for Pension Fund	N/A

TAX TREATMENT OF CONTRIBUTIONS TO APPROVED FUNDS -

MAXIMUM DEDUCTIBLE AMOUNTS

<u>A.</u>		BY EMPLOYEE	BY EMPLOYER
PENSION FUND	<u>Current Contributions</u>	Greater of 7,5% of retirement funding income or R1 750 p.a. (section 11(k)(i))	<u>Recurrent Contributions</u> Up to 10% of employee's approved remuneration. Any balance, if not deemed excessive, allowed (section 11(1)(ii)). In practice, up to 20% is allowed.
	<u>Past service contributions</u>	R1 800 p.a. (any excess may be carried forward) (section 11(k)(ii))	<u>Lump sum contributions</u> not in respect of a particular employee, are deductible in full but deduction may be spread over a number of years. (section 11(1)(i))
	<u>Note:</u>	In the case of married couples these limits apply to each spouse, not the "taxpayer"	The 20% limit applies to total employer contributions to a pension, provident and benefit fund in respect of the particular member.
PROVIDENT FUND		Not deductible	As above
BENEFIT FUND		Not deductible	As above

- Notes: 1. Retirement funding income means income derived from retirement funding employment i.e. employment in respect of when the employee is a member of a pension fund or provident fund.
2. Employers cannot deduct contributions to provident or benefit funds in respect of members who are partners who were employees at the time they joined the fund, but may do so in respect of such members of pension funds (section 11(1)(v)).

BY MEMBER TO A RETIREMENT ANNUITY FUND

B.

Current contributions

Greatest of 15% of taxable income from all sources (excluding retirement funding income) after deducting allowable expenses other than retirement annuity fund contributions
 or R3 500 less deductible pension fund contributions
 or R1 750.
(section 11(n)(aa))

Reinstatement contributions

R1 800 p.a.
(section 11(n)(bb))

Notes:

1. Current and reinstatement contributions that exceed the above amounts, may be carried forward (section 11(n)(bb)(iii) & (v))
2. In the case of married couples, these limits apply per taxpayer. Where husband and wife are separate taxpayers under SITE, the husband is entitled to full deduction of R3 500 less pension fund contributions or R1 750 while wife is entitled to 1/2 of these amounts.

TAX TREATMENT OF BENEFITS FROM APPROVED FUNDS

A. LUMP SUM BENEFITS (SECOND SCHEDULE)

	RETIREMENT BENEFITS	WITHDRAWAL BENEFITS
PENSION FUND	<p>Tax free amount is</p> <ul style="list-style-type: none">- $n/10$ (max. 50) X highest annual average salary (Max R60 000) over any 5 consecutive years- overall <u>maximum</u> tax free amount of <u>greater of</u> R120 000 or R4 500 x years of continuous membership. <p>Tax free amount and maximum are increased by own contributions not previously deducted</p> <p>n = number of completed years of employment taken into account in determining the benefit OR the number of completed years of membership.</p>	<p>Tax free amount - <u>greater of</u> R1 800 and any transferred benefit to pension/retirement annuity fund or own contributions not previously deducted</p>
PROVIDENT FUND	<p>As for Pension Fund but with <u>minimum</u> of R24 000 + member's own contributions (male to be over age 55, female 50 or must be ill-health retirement for this concession to apply)</p>	<p>As for Pension Fund but includes any transferred benefit to a provident fund</p>
RETIREMENT ANNUITY	<p>Tax free amount is</p> <ul style="list-style-type: none">- 1/3rd of commuted value of annuity- <u>maximum</u> tax free amount of <u>greater of</u> R120 000 or R4 500 x years of contributory membership. <p>Tax free amount and maximum are increased by any contributions not previously deducted</p>	<p>No benefits may be withdrawn prior to age 55 other than on death or disability. Benefits withdrawn after age 55 are treated as retirement benefits</p>

Notes:

1. Any lump sum benefits from pension, provident and retirement annuity fund previously received or to be received in same year in respect of the taxpayer will be aggregated in determining the tax free amount.
2. Lump sums in excess of the above tax free amounts will be taxed at the average rate of tax in the year of receipt.

DEATH BENEFITS

PENSION FUND	Tax free amount as for retirement, but with <u>minimum</u> of greater of R60 000 or 2x salary (max. R60 000) in preceding 12 months.
PROVIDENT FUND	Tax free amount as for pension fund above <u>plus</u> own contributions.
RETIREMENT ANNUITY FUND	Tax free amount is <u>greatest</u> of R60 000 or 1/3rd of contributions plus 7% p.a. compound interest or the amount the member could have received had he retired the day before death and commuted 1/3rd of annuity.

Maximum tax free benefit is as for retirement in respect of all above funds.

BENEFIT FUND	Taxed but first R30 000 is tax free. Average rate of tax applies to balance.
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B. ANNUITY BENEFITS (SECTION 1)

ALL FUNDS

Taxed as income (section 1, definition of gross income, para (a))

TAXATION OF FUNDS' INVESTMENT INCOME

	UNDERWRITTEN FUNDS (ASSETS INVESTED IN INSURANCE POLICIES)	PRIVATE FUNDS
PENSION FUNDS AND RETIREMENT ANNUITY FUNDS	Tax free (section 28(1)(a)(i)) - in terms of Income Tax Act, 1989 such income not taken into account in determination of "I" in new formula.	Tax free (section 10(1)(d))
PROVIDENT FUNDS AND BENEFIT	Income taxed as insurer's income (section 28(1)(a)) Previously at an effective rate of 35%, now taxed in terms of a new formula in terms of Income Tax Act, 1989, 45% of I-E (where E is 55% of expenses)	Tax free (section 10(1)(d))

PERCENTAGES OF PRESCRIBED INVESTMENTS - OLD REGIME

(prior to Regulations in terms of Financial Institutions
Amendment Act, 1989 - not yet promulgated)

	PENSION FUNDS	PROVIDENT AND BENEFIT FUNDS
UNDER- WRITTEN	53% of net liabilities (applies to Retirement Annuity funds too) (section 17 of Insurance Act)	33% of net liabilities (section 17 of Insurance Act)
PRIVATE FUNDS	53% of total assets excluding insurance policies (section 19 of Pension Funds Act)	Provident fund - 53% of total assets excluding insurance policies (section 19 of Pension Funds Act) Benefit fund - 40% of total assets excluding insurance policies for funds registered as Friendly Societies (section 20 of Friendly Societies Act)

PRUDENT INVESTMENT GUIDELINES - NEW REGIME

The following table summarises the intended specific investment requirements to be followed by investors, unless prior exemption is granted by the Registrar. Major category limitations are set out and certain specific minor limitations are not mentioned

	PENSION FUNDS, PROVIDENT FUNDS AND RETIREMENT ANNUITY FUNDS	LONGTERM INSURERS AND BENEFIT FUNDS REGISTERED AS FRIENDLY SOCIETIES
	% OF TOTAL ASSETS	% OF ASSETS REQUIRED TO COVER LIABILITIES
1. Prescribed assets (public sector securities, cash, etc.)	100	100
Investment limit per institution (excluding Government)	20	20
Investment limit for Krugerrands	15	-
2. Fixed property, unlisted property shares etc.	30	30
Investment limit per one property or property development	5	5
3. Company shares (listed and unlisted)	65	65
Investment limit per listed company	10	10
Investment limit for unlisted shares	5	5
4. Fixed property owned by pension fund plus approved investment by fund in employer's business	10	-
5. Mortgage bonds, debentures etc.	25	25
Investment in/loan to any one company not to exceed	5	5
6. Combined limit on investment in 2, 3, 4 and 5	90	90
7. Combined limit on investment in 2, 3 and 4	85	85

MARGO COMMISSION AND WHITE PAPER RESPONSE - IMPLICATIONS FOR
PENSION, PROVIDENT, RETIREMENT ANNUITY AND BENEFIT FUNDS

The following implications emerged from the recommendations made in respect of these funds. The government response as embodied in the White Paper is recorded under each section.

Approval/Registration of Funds

The Commissioner for Inland Revenue should consult with the Registrar of Pension Funds with a view to lessening the Commissioner's approval functions. Regulations for registration/approval should be drawn up and jointly published by these two officials. Benefit funds, other than those registered under the Friendly Societies Act, should be registered with the Registrar of Financial Institutions.

The government response is that these recommendations are acceptable in principle.

Provident/Benefit Funds

It was recommended that the rebate in respect of contributions to these funds be abolished. This was enacted in the previous tax year. Where a benefit emanates from a benefit fund and is taxable, the same relief on contributions should be available to the member/employee as for a provident fund. It was proposed that this be in the form of a deduction of contributions from the taxable benefit - as in the case of provident fund benefits.

The deductibility of benefit fund contributions from lump sum benefits was regarded as an acceptable proposal while the matter of registration of benefit funds requires further investigation.

Deductibility of Contributions

Consideration was given to the employers' contributions such that the full amount of such contributions to all retirement instruments be accountable in the hands of the employees with an overall deduction for the employee of 20% of approved remuneration. Regarding employees' contributions to pension and retirement annuity funds, it was suggested that contributions to pension funds be deductible up to between 8-10% while those to retirement annuity funds could be 20% less combined employee and employer contributions to any other retirement instrument.

These proposals were not included as actual recommendations as the Commission was of the opinion that it depended on the conclusions of the Meiring committee and that further debate would be necessary.

Taxation of Lump Sum Benefits

It was recommended that lump sum benefits including withdrawal benefits be taxed (after deduction of employees' contributions not previously deducted) and consequently that the Second Schedule to the Income Tax Act be abolished; tax to be at the average rate for the three preceding years.

Margo's proposals of the cash flow basis were acceptable (where contributions are deductible and benefits are taxed). It was agreed that the tax concession on withdrawal benefits should ultimately be withdrawn and this indeed would be done if transferability of pension benefits (preservation) became applicable. The concession therefore is to be retained for practical and social considerations.

The White Paper agrees that lump sum benefits be fully taxed but as existing fund members could be adversely affected and this is undesirable, it is not clear how this change could be implemented.

Taxation of Insurers

The present pragmatic method of taxing long term insurers should be retained but with certain improvements. Income and expenses should be defined such that the investment income less expenses formula be used for taxing. It was proposed that the proportion of investment income attributable to tax exempt business should be determined according to actuarial liabilities.

The White Paper response to taxation was accepted and has been enacted following the Income Tax Act, 1989. The proposal re non-taxed investment income was deemed impossible to apply and it was noted that a system of apportionment ought to be devised.

MODEL SCHEME.

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1. Membership

Membership of the fund must be compulsory for all weekly-paid employees and optional for all other employees as an alternative to the pension fund. Membership should also be open to employees of any other companies which are prepared to abide by the rules of the fund.

2. Retirement age

Normal retirement age shall be 65. However, a member may choose to retire anytime after attaining the age of 55.

3. Contribution rates

Member :	7,5% of salary
Company :	7,5% of salary, plus costs of
	i) life assurance cover
	ii) disability income
	iii) funeral benefit
	iv) servicing/administration
	v) subsidising housing loans.

4. Benefits

Retirement: The retirement benefit must be in the form of a lump sum which is made up of the member and company contributions plus all interest earned by the fund, plus a share of all unallocated moneys on withdrawals.

5. Death

The death benefit to be a lump sum 5 (five) times annual salary

Plus

Withdrawal benefit

6. Disability

The disability benefit to be 5 (five) times annual salary paid as lump sum

Plus

Withdrawal benefit.

7. Funeral benefits

Member	R2 000
Spouse	R2 000
Child over 14 years	R2 000
Child 6 - 13 years	R 500
Child under 6 years	R 250

8. Withdrawal/dismissal

Return of own contributions plus full fund interest, plus all employer's contributions after one year's membership.

All unallocated company moneys to be used to increase benefits of retirees and retrenched members.

9. Retrenchment

Members to receive the full benefit of own plus employer contribution, all interest earned by the fund including shares of all unallocated moneys on withdrawal.

The benefit to apply regardless of a member's service.

10. Temporary absence

If a member is on temporary absence, including absence of such a nature that the member is actively prevented from attending to his usual duties, he shall continue to be a member of the scheme during such period of absence and will be covered for death and disability for a period of at least two years.

Customary absences due to annual leave or sickness will automatically be covered in terms of the fund.

11. Loans

The fund shall provide members with loans for purchasing, erection or renovation of homes. The maximum amount of such a loan shall be the member's withdrawal benefit. These loans will be subsidised by the company.

12. Running of scheme

The scheme must be under the control of workers/their unions.

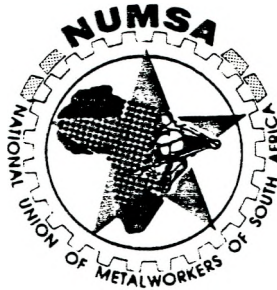
ANNEXURES TO MEDICAL BENEFITS REPORT

1.Letter: Sub-committee- extension of Medical Benefits to Lower Paid Employees.

2.Dilemmas posed by Medical Aid Schemes for the Labour Movement.

National Union of Metalworkers of South Africa

(Registered under the Labour Relations Act 1956, as amended)



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18.08.1989

The Secretary
Engineering and Allied Industries Medical Aid Society

ATTENTION: Mr Harvey Pearce

Dear Sir

re: SUB-COMMITTEE - EXTENSION OF MEDICAL BENEFITS TO LOWER
PAID EMPLOYEES

Further to the last meeting of the sub-committee we write to enclose a more detailed memorandum of our proposals for a medical benefit scheme in the industry.

We are increasingly of the view that we should be moving towards a situation where, irrespective of grade, we offer employees in the industry one of two options - either to belong to a medical aid scheme or to belong to a medical benefit scheme. It seems sensible that MIMAF would constitute the first option and a substantially negotiated EAIMAS the latter.

In line with this thinking we thus suggest the following phased approach:

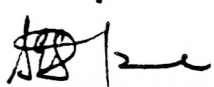
- (i) NUMSA members who so wished would have the option to join MIMAF on a basis which would not unduely prejudice that Fund
- (ii) existing EAIMAS employees would have the option of moving to MIMAF which would resolve the problem of dependant cover
- (iii) negotiations would continue to change EAIMAS into a medical benefit option to be operative by the latest 01.07.1990
- (iv) at that point remaining EAIMAS members would have to choose between MIMAF and the new medical benefit scheme (MBS) and MIMAF members would be given the option of transferring to the MBS if they so wished

- (v) membership of the MBS would be voluntary for those members currently in the industry but after a certain date it would become compulsory for all members of party unions to belong to MIMAF or the MBS
- (vi) from time to time properly regulated provision would be made to allow fund members to move between the two funds.

We believe the approach outlined above recognises the great imbalances in medical facilities which currently exist and also takes account of the diverse attitudes towards medical insurance existing amongst employees in the industry.

We request that you urgently circulate this letter to all members of the working group (copies to the Secretaries of the NIC, EAIMAS and MIMAF) to allow them to prepare in advance of our meeting on 14.09.1989.

Yours faithfully

pp 

W.G. Schreiner
NATIONAL ORGANISER

National Union of Metalworkers of South Africa

(Registered under the Labour Relations Act 1956, as amended)

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3 December 1993

TO : REGIONAL OFFICE

ATTENTION : REGIONAL SECRETARY
R.M.O

FROM : ATLANTIS LOCAL

RE : 1993 ASSESMENT REPORT

Please find hereunder the following in respect of the functioning of our local during 1993.

1. MEETINGS HELD :

	JAN	FEB	MARCH	APRIL	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC
LSSC		20	20	10	22	10	20	12	16	21	4	2
LGM												
LOSC				1			1					
LCC			1			7						
LDC		11			13		6		7	7		
LEDCOM		16		7				3	14	5		
* STAFF												

* normally after R.E.C 's or organising staff meetings but very inconsistent

✓ AS
3/10/93

NUMSA PROPOSALS TO INDUSTRIAL COUNCIL ON GUIDELINES FOR
MEDICAL SCHEME

August 1989.

1. THE NATURE OF THE MEDICAL SCHEME

NUMSA is of the opinion that several of the principles that will be embodied in the developed scheme should be incorporated as early as possible in the life of the scheme. Such principles include those of cost containment and the use of contracted and salaried providers, with full benefits being paid only for the use of the services of these providers.

On these grounds, the following proposals are put forward:

- 1.1 Where feasible, the scheme should start off with contracted providers rather than as a regular medical aid scheme. Such contracts should be entered into as early as possible, preferably before the scheme begins operation. The selection of doctors should be based on the preferences of the members. Where the contracting of providers is not feasible prior to start up, contracting should commence simultaneously with start up, and the transition to the use of contracted providers should occur at the earliest opportunity.
- 1.2 The scheme will operate like a regular medical aid scheme in areas where there are no contracted providers, or for services that are not available from contracted providers. In these cases, the scheme will pay for the services (specified in the package of benefits) obtained by members from providers of their choice.
- 1.3 In the first instance, contracted providers will be general practitioners, dentists, and some specialists. In this regard, the following principles are proposed:
 - a. Wherever possible, dispensing GPs should be contracted with.
 - b. The use of oral hygienists should be considered from the outset of the scheme. This will allow a more rational use of qualified dentists, who should also be contracted where feasible.
 - c. In urban areas with high concentrations of members, some specialists should be brought onto panels from the outset.
- 1.4 Once there are enough members in an area, the scheme will begin to provide services itself through the employment of staff who may initially work from their own surgeries. At the same time, health centres will be constructed. As these are commissioned, doctors and other health workers employed by the scheme will move to these facilities.

The Health Centres (HC) will offer a comprehensive range of primary care services under one roof. The GPs and dental auxiliaries will have rooms there. Some specialists including dentists will be permanently based in the HC while others will do sessions there. Ante-natal care, deliveries, and a 24-hour casualty service; preventive outreach programmes into the community and the workplace; a few beds for one night stays

to avoid expensive hospitalisation; other special clinics run by an optician, social worker, psychologist, and rehabilitation therapists can be based in the HC. An vehicle to transport patients to hospital would be available.

- 1.5 Subsequently, the scheme will look to the establishment of contracts with particular hospitals in order to achieve lower hospital charges and access by the schemes own doctors to these hospitals. The scheme may lease beds or even whole wards of hospitals where economies of scale permit.
- 1.6 Once services are available from contracted providers, or from scheme facilities, members will be encouraged to obtain services from them through the use of an appropriate incentive / disincentive structure (see point 2.3 below).

2. BENEFITS AND LEVIES

Levies should be utilised only for medicines and for private hospitalisation. The levies should not be used as an important source of revenue for the scheme, but rather as a deterrent to excessive utilisation, and in the case of hospitalisation, as a means of encouraging members to use state rather than private hospital facilities.

In this regard, the following proposals are made:

- 2.1 Wherever possible, levies should be in the form of a flat amount per service rather than a percentage of the total fee. This will avoid the situation of levies becoming prohibitively expensive in the case of expensive treatments.
- 2.2 All services excluding hospitalisation and medicines.
 - i. In rural and marginal areas with no contracted providers, members would be able to attend providers of their choice and would have their expenses (up to the 'Scale of Benefits') met.
 - ii. In areas with contracted providers, members attending these providers will have all expenses (up to 'Scale of Benefits') met, and wherever possible, the scheme will arrange direct payment to providers as an element of the contract. Members will be free to attend other providers, but will then face the disincentive of having to pay upfront, and also will be forced to pay the difference between what the non-contracted providers charged, and what the scheme will define as a standard fee for each of these services.
 - iii. In areas in which services are provided through scheme facilities, such as Health Centres, members will be encouraged to attend these facilities, at which no charge will be made for services.

Members may still choose to attend contracted providers not working out of the scheme facilities. However, once scheme facilities begin to operate in an area, the scheme will not necessarily pay the full costs of the services

of outside providers. Instead, the tariff for outside providers will be fixed and will not rise to match increasing charges made by outside providers. Thus, as fees of contracted providers increase, there will be an increasing incentive to members to use the facilities rather than outside providers.

The amount to be paid to contracted providers could be calculated either on the 'Scale of Benefits' tariff at the time the facilities open, or be based on the costs of services at the facilities.

For services not yet provided by the scheme, the principles outlined in 2.2 (i and ii) will apply.

2.3 Medicines and Hospital services

- i. A levy, calculated as a flat rate per prescription (or per item) should be applied to all medicines obtained outside the scheme's own facilities.

Once the scheme facilities operate, consideration should be given to dropping this levy.

- ii. There should be a strong disincentive to the use of private hospital facilities in all areas. This should take the form of a significant levy.
- iii. The provincial and state hospital expenses of members should be met in full.

3. CONTRIBUTIONS

There is a known relationship between claim patterns and income group - namely that higher income groups claim more than lower groups, but that the increase in claims is not fully proportional to the increase in income. However, this should not form the sole basis for the computation of contribution rates.

There should be some element of cross subsidisation from higher earners towards lower earners in terms of contributions. This could be achieved by having contributions as a fixed percentage or slightly declining percentage of the wage up to a certain limit.

Employers and employees should contribute equally to the recurrent costs of the scheme. Levies paid by members directly to providers should be matched by equal contributions by employers to the scheme. This will allow reserves to be built and contributions to be lowered.

Initial capital outlay will have to be negotiated separately.

4. MEMBERSHIP

Membership should be voluntary on the following basis: Current employees at the time of the introduction of the scheme will be given the choice whether to join or not. They will have 6 months to decide. After that time, they will not be allowed to join. However, from time to time, the Board of Management of the Scheme

may decide to give all non-members another once-off opportunity to join. At such times the scheme may require that a prospective member submit to a medical examination before accepting him/her.

The position of union members at non-party shops who wish to join the scheme will have to be discussed.

5. RATIOS OF PERSONNEL AND FACILITIES

NUMSA wishes to reserve the right to review and research the appropriate numbers of medical personnel required for a given population served.

6. CONTROL STRUCTURE AND ADMINISTRATION OF THE SCHEME

- 6.1. The overall control of the scheme should be the responsibility of a Board of Management. The Board should play an active role in all decisions of significance affecting the scheme. A comprehensive list of the functions of the Board should be drawn up in advance.
- 6.2. The composition of the Board will be 50% employer and 50% union representatives. Union representation will be on a proportional basis.
- 6.3. Expert advisors may be invited by the unions and management to sit on the board in an advisory capacity only.
- 6.4. The administrative structure is envisaged as follows:
 - i. The long term aim should be the development of a single, integrated structure that is capable of carrying out the functions of collecting subscriptions, processing claims, and all aspects of the provision of services, including the construction and management of facilities, employment of professionals etc.
 - ii. It is recognised that this may not be feasible in the interim. A secretariat would function to co-ordinate different activities which may be contracted out initially. The secretariat would be directly accountable to the Board of Management. The secretariat would be responsible for collecting all contributions from members and employers.
 - iii. If possible, the secretariat would also process all claims. This would, particularly in the early stages, be a fairly standard medical aid administration job. However, the size of scheme may require that this task be temporarily contracted out to an external medical aid administration company.
 - iv. The secretariat would contract with other groups to build and manage health facilities, contract with doctors and hospitals, and employ health personnel. Ultimately these functions should be taken over by the secretariat itself. But the specific experience required for these activities may justify contracting out to other organisations e.g. groups presently involved with the management of private sector hospitals.
 - v. The nature of the contracts entered into should allow for dismissal of either the administrator or the

subcontractor by the Board of Management if it is not satisfied with the performance of either of these parties.

- vi. The scheme should provide for the fulltime employment of a number of union appointed officers whose functions will be to monitor various aspects of the administration and ongoing function of the scheme, and to liaise with members and the union structures on all questions regarding the scheme, including education of members.

7. SPECIFIC COST CONTAINMENT MEASURES

There are numerous policies Numsa would like to see introduced. Only a few examples are listed here.

A number of measures have already been described above, e.g. the encouragement to use the scheme's facilities and disincentives against using private hospitals. Others include medicines policies requiring the use of therapeutic equivalents instead of brand name drugs, the need to be referred to a specialist by one of the scheme's doctors, and monitoring systems that check on doctors' treatment practices.

Many of these policies need to be worked out from the start since their introduction at a later stage may produce resistance from both members and providers.

ADDITIONAL NOTES IN CLARIFICATION OF THE TABLE OF BENEFITS FOR
SUBMISSION TO INDUSTRIAL COUNCIL SUBCOMMITTEE ON EXTENSION OF
MEDICAL BENEFITS TO LOWER PAID EMPLOYEES

A. ADDITIONAL BENEFICIARIES

1. Second wives

- i. Second wives should be included in the scheme as an additional dependent, should a member require this.
- ii. The increment to the contribution should be calculated in the same way as that for an additional adult dependent.
- iii. In terms of the principle of equal contributions from employers and employees, employers will cover 50% of the additional expense incurred.
- iv. NUMSA requests clarification on the impact that this inclusion of second wives will have on the calculation of contributions in relation to number of dependents. Specifically, will this inclusion alter the practice of holding the contribution constant above four dependents.

2. Parents

- i. Parents should be allowed to join the scheme as additional dependents.
- ii. NUMSA requests that a calculation be made of the additional expense to a member in bringing a parent onto the scheme. This calculation should be based on the principle that the estimated additional cost to the scheme should be borne by those members who opt to bring on these additional dependants, and should not be spread among all members.
- iii. NUMSA requests that this calculation be done to reflect the additional charges to a member for bringing on a parent who is below 65 years, and one who is above 65 years.
- iv. The employer will cover 50% of the additional expense incurred.

3. Pensioners

- i. Pensioners should be allowed to remain on the scheme at a reduced contribution rate.
- ii. NUMSA requests a calculation of the contribution rate for pensioners.

B. ADDITIONAL BENEFITS

1. Traditional healers

- i. The scheme should make a firm in principle commitment to covering the costs of traditional healers up to a specific limit (to be negotiated).

- ii. The implementation of this benefit should be held off until such time as a list of traditional healers, and some schedule of fees can be ascertained by the scheme administrators.
 - iii. Further research into the utilisation of traditional healers, charges made by them, and their organisations is required. NUMSA requests from SEIFSA that an in principle commitment to make some funds be made available for this research be given.
2. Continuation of benefits during periods not at work or unemployed.
- i. A member and his dependents should be entitled to receive all benefits of membership for a defined period, when not at work or when unemployed.
 - ii. The minimum period for continuation of benefits should be 13 weeks.
 - iii. NUMSA requests a calculation of the cost to the scheme of including this continuation of benefits for 13 weeks, and for 6 months.
3. Benefits for members or dependents suffering from symptomatic or asymptomatic HIV (AIDS) infection.
- i. No potential member of the scheme should be excluded from membership on the grounds of HIV infection.
 - ii. In respect of all services, members with HIV infection shall be entitled to all benefits up to the annual limits.

TABLE OF BENEFITS AND CONTRIBUTIONS

BENEFITS

	<u>Annual Limit</u>	<u>Levy</u>
General Practitioner	-----	--
Specialist	-----	- -
Dentistry (ordinary)	-----	--
Dentistry (Specialist)	R400	--
Hospitalisation (Province) State	-----	--
Hospitalisation (private)	-----	20%
Medicines	R1000	***
Other services incl. optical, paramedical, ambulance etc.	limits to be specified	
Overall annual limit	R7000	

*** Flat levy per script - R2, R3 or R5 per script should be considered.

DILEMMAS POSED BY MEDICAL AID SCHEMES
FOR THE LABOUR MOVEMENT

Max Price
Phakamile Tshazibane

There is a trend amongst black workers to join medical aid schemes. If this trend continues there will be a dramatic increase in the number of people able to purchase private sector health care, which will be met with a rapid growth in private medical care and a decline in state provided health services. The paper examines the short and long term consequences of such a restructuring and concludes that it would be detrimental both to the workers who are members of medical aids and to non-members who remain dependent on state health care. The growth of private sector health services could pose serious obstacles for the future achievement of some sort of National Health Service (NHS). This then is the dilemma facing the labour movement: On the one hand workers want access to private care which can be achieved through joining medical aid schemes; on the other hand, the growth of medical aids will increase health care costs, increase inequity of access to health services and impede progress towards an NHS. Some alternatives are presented which, while not forcing workers back into the impoverished state health care system, avoids the problems of conventional medical aids and private health care.

DILEMMAS POSED BY MEDICAL AID SCHEMES FOR THE LABOUR MOVEMENT

INTRODUCTION

Medical aid schemes are a form of health insurance. Members of a medical aid scheme pay monthly contributions to the scheme. If they fall ill they may go to any doctor, dentist, hospital or other health care provider of their choice. The scheme will cover most of the costs of their treatment up to a predetermined limit. Usually, half of the member's contribution to the scheme is paid by the employer. At first sight, medical aid scheme membership would appear to be a valuable benefit worth negotiating for. However, the increase in medical aid cover is likely to result in the restructuring of South Africa's health services in ways that will increase inequality and inefficiency, and will entrench private sector health care.

This paper draws attention to the trend amongst black workers to join medical aid schemes and analyses some of the reasons for this development. If this trend continues there will be a dramatic increase in the number of people able to make use of private sector health care, which will result in a rapid growth in private medical care and a decline in state provided health services. The paper examines the short and long term consequences of such a restructuring and concludes that it would be detrimental both to the workers who are members of medical aids and to non-members who remain dependent on state health care. The growth of private sector health services could pose serious obstacles for the future achievement of some sort of National Health Service (NHS). This then is the dilemma facing the labour movement: On the one hand workers want access to private care which can be achieved through joining medical aid schemes; on the other hand, the growth of medical aids will increase health care costs, increase inequity of access to health services and impede progress towards an NHS.

How should the unions respond? In the last section some options are presented which, while not forcing workers back into the impoverished state health care system, avoid the problems of conventional medical aids and private health care.

THE TREND IN MEDICAL SCHEME MEMBERSHIP (Figs. 1,2 & 3)

For the past 10 years, the proportion of the white population covered by medical schemes has remained roughly constant, fluctuating between 70 and 75% of the population. From 1977 to 1986 the actual number of whites covered by medical schemes increased by only 3% and is unlikely to increase further. However, the picture for blacks is quite different. In 1977, less than 0.9% of Africans were covered by medical schemes. Between 1977 and 1986 the number of African beneficiaries has increased six-fold (508%). The proportion of Africans covered in 1986 was 3.6%. The number of blacks covered by medical schemes has more than doubled (an increase of 102%).¹ The trend is likely to rise even more rapidly in the next few years. Even at present rates of increase, there could be over 20 million people covered by medical schemes by the year 2000, i.e. four times the number of people covered in 1986.

Medical Scheme beneficiaries by race 1977 to 1986

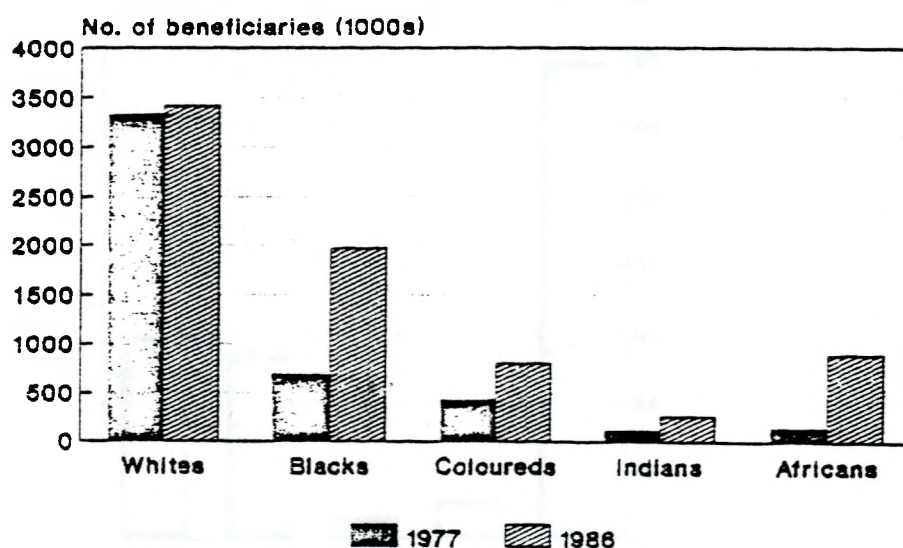


Figure 1. Medical scheme beneficiaries by race 1977 to 1986

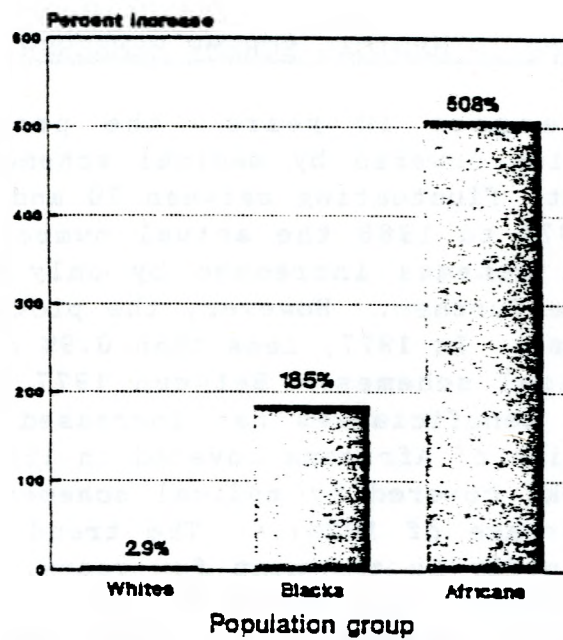


Figure 2. Percent increase in beneficiaries by race from 1977 to 1986

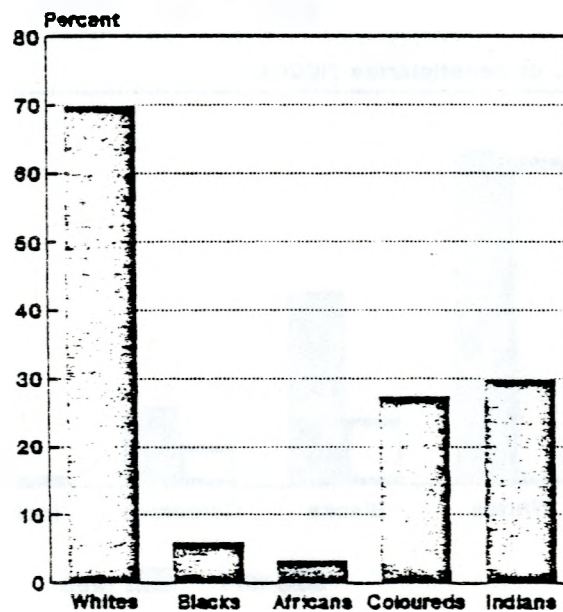


Figure 3. Percent of population covered by medical schemes in 1986 by race

WHY IS BLACK PARTICIPATION IN MEDICAL SCHEMES INCREASING?

The increase in black participation in medical schemes may be attributed to the overcrowded and undignified conditions at public sector health facilities, the increase in fees charged at these facilities, the growth of the independent trade unions, the rise in real black wages, and the policies of certain large employers.

The public sector health services are segregated by race. Hospitals and clinics for black patients are inadequately funded and staffed, especially when compared with facilities for whites. Facilities for black patients are grossly overcrowded, while many white hospitals have empty wards. By contrast, most private sector services are moderately integrated, the only criterion for access being ability to pay. It is, of course, true that a far higher proportion of whites than blacks can afford private sector health care. Yet for those blacks who can gain access to private sector care, it offers a much higher quality of care than they could obtain through the public sector, and is generally free of individual discrimination on the basis of race.

A second factor has been the increase in fees that indigent patients have to pay at public facilities. The fees are determined roughly on the basis of how much the patient's family earns. Within each income category, the fees have been increased significantly. At the same time, black wages have increased to keep up with inflation (i.e. they have increased *nominally* though they do not buy more than they did in the past.) However, the income categories used to determine how much patients should pay have not changed much. As a result, low paid patients have moved into higher income categories and therefore have to pay fees comparable to those paid in the private sector (e.g. R20 for an out-patient consultation). In the absence of medical aid cover, these fees may cause serious financial hardship to patients and their families. Yet they will still have to use the overcrowded and inadequate public facilities.

Both the above factors, the inadequate provision of public sector services for blacks and the fee increases, are consistent with the policy of privatisation which the government is extending to the health sector. The consequences of this policy is to encourage almost anyone who has a regular income to use the private sector and

therefore to demand medical aid membership.

Thirdly, there has been a tendency to extend a variety of fringe benefits to black employees. The benefits often include medical aid membership. This extension of benefits is most common amongst the multinational companies who are signatories to the Sullivan or other employer codes which require the elimination of racially discriminating employment practices. Since almost all white employees are members of medical aids, employers want black employees to join as well.²

Finally, to be a member of a medical aid scheme invariably requires full-time employment with a regular income. In some instances wages of blacks employed in the formal sector have increased in real terms, bringing health insurance benefits within an affordable range. Furthermore, in the last decade, black trade unions have increased dramatically in strength and membership. A number have opted to negotiate for medical scheme benefits for their members.

The combination of the above four factors may explain the rapid increase in black membership of medical aid schemes.

WHAT ARE THE CONSEQUENCES OF THIS TREND?

The consequences of this trend for the structure of health services in a future South Africa are far-reaching. At the moment about half of health care in South Africa is provided through the private sector and half through the public sector. In effect, private medical care can only be afforded by people who are covered by health insurance. Until very recently, the demand³ for private care had remained static because the proportion of whites covered by health insurance had reached its maximum and the number of blacks covered had remained low. The predicted growth in medical scheme coverage of blacks will increase the demand for private health care 2 or 3 times. This increased demand will be met by a two- to three-fold growth in the number of private hospital beds, and a sizeable shift of general practitioners and specialists into private practice.

The increase in medical aid membership is frequently cited by private hospital owners as a reason for their expansion:

"Medi-Clinic expects to benefit from the growing number of patients who are members of medical aid schemes."⁴

"We came onto the scene in 1983 purely for business reasons - we didn't do it for charity. We see the medical services industry as an area of growth."⁵

Thus it should be emphasised that the process of privatisation is not simply a result of government policy. For privatisation to succeed there has to be an increase in demand for private health care. If the number of people who can afford private health care does not increase, there will be no financial basis upon which privatisation can take place. *The growth of medical aid coverage amongst blacks is a necessary condition for privatisation to proceed.*

The increase in the number people using private sector⁶ care has both long and short term consequences. In the long term privatisation will create obstacles to the development of a democratic national health service. The large number of private providers will constitute a major obstacle to redistributing health care on a more equitable basis as would occur in a National Health Service (NHS).⁷ Perhaps even more serious, a significant proportion of the population will have become accustomed to private medical care and, in comparing it to their recollection of public sector care, will be unwilling to support an NHS. These people are likely to be relatively articulate, urbanised, employed and politically powerful. (This has been part of the problem preventing the transition to a National Health Service in post-independence Zimbabwe.)

In the short term, one can identify four kinds of problems resulting from the increase in medical aid beneficiaries.

1. The immediate consequence will be the escalation of medical care costs.

Medical aids pay doctors and hospitals on a "fee-for-service" basis. This means that each item of service, each drug, each investigation procedure and day in hospital is billed separately and paid for. Doctors face financial incentives to "over-doctor". There is no incentive to substitute cheaper drugs, tests, or

procedures, even if they are equally effective, since this lowers the provider's (i.e. doctor's, pharmacist's) income. It is worth pointing out that unlike other commodity markets, where consumers decide how much of something to buy, and what quality, in the health care market it is the "supplier" (doctor), not the user (patient), who decides how much health care should be bought (e.g. investigations, medicines, repeat visits, referral).

At the same time, the "third-party" method of payment via medical aids creates a situation where the patient does not feel the costs, so that patients are happy to use more care at greater cost. The resulting cost escalation is necessarily translated into an escalation of premiums. In the eleven years from 1975 to 1986 medical aid premiums have increased by 600% (an average of 19.4% per year) compared with a general cost of living increase of 300% over the same period (i.e. an average inflation rate of 13.4%). This will put the cost of medical aid cover out of the reach of the majority of the population, and it may even become too expensive for those who can afford it at present.

2. A further short term consequence will be an aggravation of the already severe maldistribution of health personnel between urban and rural areas, and between wealthy and poor communities. This is, to a significant degree, due to the need of private fee-for-service providers to respond to market forces to earn their income i.e. to locate themselves where there are large numbers of people covered by medical aid schemes. Clearly, this will result in the further concentration of private providers in urban industrialised centres, and in larger, better-off residential communities.
3. The maldistribution of health personnel between private and public sectors will also be worsened. The growth of demand for private health care is likely to result in a shift of all types of health workers out of the public sector which will be further undermined. Already, the provincial hospitals are unable to fill their nursing and medical posts, partly due to competition from the private sector which can afford to keep salaries higher than those offered in the public sector.

4. Private fee-for-service medical care paid by medical aids turns health care into an individual transaction between patient and doctor. There is no scope for the community to exert any influence over the health system. This is not to suggest that the public health system offers patients and communities any influence at present. However, the growth of private independent providers takes the health services further away from the possibility of democratic control. We suggest below that there may be alternatives which create a greater possibility for democratic control over the health services.

Thus while there are good reasons for negotiating medical aid benefits, these four adverse effects constitute a real dilemma for the trade unions. Clearly workers cannot be expected just to wait for a national health service in a future democratic South Africa. Right now many people are paying a lot of money for poor quality care in overcrowded provincial hospitals. However, there are a number of alternatives that warrant consideration by the labour movement.

SOME ALTERNATIVE STRUCTURES FOR FINANCING HEALTH CARE FOR WORKERS

We think that it is possible for unions and management to set up schemes which will provide good health care for workers and their families at costs considerably lower than medical aid schemes, and which would allow for more union control than medical aid schemes do. These schemes could also be easily incorporated into a national health service in a future democratic South Africa.

The critique of medical aids as they presently exist provides the guiding principles for the schemes proposed below.

- * The scheme would be financed in a similar fashion to a medical aid scheme with monthly contributions from employers and employees. Contribution scales could be designed to be related to income so that the lower income members were not paying a greater proportion of their income than high income members, (which is what happens at present in medical aid

schemes.)

- * The scheme would own and run its own primary care services (ambulatory care, minor procedures, preventive care, pharmacy, perhaps routine X-rays and laboratory investigations).
- * The scheme might have its own buildings and employ its own staff if there were enough members concentrated in one area, or it could contract with other schemes or individual providers if there were only a few members in an area.
- * For hospital care, the scheme could contract with provincial or private hospitals for special rates, and because patients are looked after by the scheme's own doctors while in hospital, costs could be kept low.
- * Providers should not be reimbursed on a fee-for-service basis i.e. paid for each item of care they provide. They should rather be salaried or receive a capitation fee or some combination of the above,³ (i.e. a fixed payment per patient per year, regardless of what care the person needs).
- * The scheme must substitute completely for a medical aid scheme, i.e. it must not be necessary for a worker to take out medical aid cover as well. Therefore, the scheme must cover dependants, whether living with the member or elsewhere.
- * The scheme must also cover members when they are temporarily or permanently further than a given distance from the clinics run by the scheme. This means that it must allow members and their dependants when outside the defined area to go to GPs of their choice and cover their expenses as if it were an ordinary medical aid scheme. However, the scheme may cover only a proportion of these costs so that people have an incentive to use the scheme's facilities if at all possible.
- * The scheme should attempt to offer cover to members for a period of 3 months or so after they have left their last employment. This offers some security to

workers and their families between jobs, during industrial action, and if retrenched. Obviously, the more members were prepared to pay in premiums, the longer this period of non-contributory cover could extend.

- * Trade unions could participate in the management of such a health service through effective representation on the controlling bodies. This would ensure that the quality of care was maintained to members' satisfaction and that the balance of services offered were in line with what users wanted, rather than with the priorities of the providers. Trade union representatives should also be responsible for providing regular feedback on the quality of the services provided.

Trade unions which are interested in this kind of initiative would need to avoid committing themselves to long term agreements on medical scheme membership if they enter medical aid agreements at all. Furthermore, any scheme which is developed is likely to start in a single region and spread from there. Therefore, as an immediate negotiating strategy, unions may wish to negotiate agreements allowing individual plants, and possibly even individual wage bands within plants to opt out of the agreement so that they can participate in the new alternative scheme.

The above are some ideas for alternative types of schemes. However, there are also many difficulties and possible dangers. How does one avoid the clinic becoming divisive within the community? What do smaller unions do if there are not enough union members in one place to make a clinic/doctor economically viable? Models need to be developed and tried out to identify the range of problems and possible solutions. In spite of the difficulties and dangers, we cannot afford to postpone the exploration of alternative ways of providing better health care to workers.

Acknowledgements

We wish to thank Workplace Information Group (WIG) for discussions we have had with them in developing these ideas. Also Cedric de Beer and Joan Mavrandonis from the Centre for

the Study of Health Policy for their comments on earlier drafts. The views expressed remain, of course, our own responsibility.

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2. Interview with Rob Speedie, director of the Representative Association of Medical Schemes (RAMS), 6 June 1988.
3. "Demand" is used in its economic sense, i.e. the desire and ability to purchase.
4. Healthy Returns. *Financial Mail*. 1986 June 27:93.
5. Dr Edwin Hertzog, director of Medi-Clinic. *Financial Mail*, 1985 June 7:31.
6. We are actually talking about private sector, fee-for-service medical care. This qualification will be clarified in the text, below.
7. In this article we have accepted that some form of National Health Service offers a better alternative for the organisation of South Africa's health care.
8. A capitation method of remuneration means that the doctor or provider receives a fixed payment per patient per year. The provider does not get any more whether the patient remains perfectly healthy or gets sick frequently. Therefore the provider faces a financial incentive to keep patients healthy and when they get sick, to provide the most cost-effective care. This has been shown to reduce the costs of health care.

ANNEXURES TO COLLECTIVE BARGAINING REPORT

1. Collective Bargaining Workshop
2. Approaches to Collective Bargaining in the Metal and Allied Industries - NUMSA
3. Evaluation of NUMSA's National Shop Stewards Council Programme.
4. The need for restructuring in NUMSA Locals.
5. Organisers' Handbook.

COLLECTIVE BARGAINING WORKSHOP

Summary Of Discussion On Recognition Agreements

Brief Background

During the early days of the union, recognition agreements were a feasible strategy because our membership was limited to some companies i.e. we did not have a national presence.

The union generally entered into plant agreements to consolidate at the plant-level. Because the union was not in a position to make changes in wages and working conditions at a national level. Because the union was small it was easier to coordinate these agreements.

The issue of whether or not to continue / pursue the strategy of plant level / company level recognition agreements has been called into question primarily because of the following problems:

a) *Undermining National Campaigns*

The union has developed a wide national base. In order to develop a national sense of our strength it is necessary to consolidate at a national level. The National Wage Campaign serves to develop such a consciousness. However our experiences show that the National Campaigns (especially the living wage campaign) are undermined to a large extent where we don't have recognition agreements our members don't participate in such campaigns because their recognition agreement allows them to negotiate wages at plant level.

b) *Practical Problems*

- * Many of our organisers are new and not experienced. They get bogged down in long negotiations on Recognition Agreements. Because our organisers are too busy with such negotiations their time is not effectively used to build structures, plan actions, and building the national campaigns.
- * There is a big misconception amongst many of our members who think that the union can only operate once a Recognition Agreement has been signed. As a result our members are inactive.
- * On the whole management has become more experienced (also using consultants) in recognition agreement negotiations. They run circles around most of our organisers and in many cases take away our basic rights in these agreements.
- * There is no uniform approach to recognition agreements and no proper coordination. As a result the union makes very different agreements that depend on the organisers discretion.

Recommendations:

Medium to Long term:

1. That we should consider in principle moving away from individual company recognition agreements.
2. That we rather look at negotiating basic rights (S/S rights and duties) at a national level.
3. To consider having fulltime negotiators to deal with recognition agreements.
4. That before recognition agreements are entered into the Central Committee must approve such and only on the basis of special reasons eg. where companies are not covered by national agreements or are situated in the homelands.
5. That we should develop a national education programme to clear up the misconceptions amongst our members about recognition agreements.

APPROACHES TO COLLECTIVE BARGAINING IN THE METAL AND ALLIED INDUSTRIES - NUMSA

1. CURRENT SITUATION

- 1.1 A brief overview of the four sectors within which NUMSA operates is as follows:-
 - 1.1.1 auto - less than 20 000 employees - dominated by approximately 8 major employers - NUMSA membership = 60% - main bargaining on a (coordinated) company basis
 - 1.1.2 motor - about 150 000 employees - NUMSA membership approximately 30% - majority employers employ less than 10 employees - main bargaining through NICMI - plant bargaining in many larger establishments.
 - 1.1.3 iron and steel - 350 000 employees - dominated by a few major firms but 60% employers have less than 20 employees - NUMSA membership just over 30% - main bargaining through NICISEMI fairly significant plant bargaining in some areas.
 - 1.1.4 tyre - fewer than 10 000 employees - completely dominated by 4 major firms - NUMSA membership over 70% - main bargaining through industrial council (Eastern Cape) and at plant level.

2. CAMPAIGN FOR CENTRALISED BARGAINING

- 2.1 In 1989 one of NUMSA's living wage demands was for centralised wage bargaining within each sector. This demand related primarily to the auto and tyre industries as established national centralised bargaining already existed in the motor and iron / steel industries, through the industrial councils.
- 2.2 In the tyre industry agreement has been reached with the majority of employers to bargain annually through a national industrial council for the whole tyre industry.
- 2.3 In the auto industry, NUMSA succeeded in forcing most of the employees to negotiate in a single national forum though they participated as individual employers. The next step for the union is to force the employers to negotiate on a joint platform.
- 2.4 In the auto and tyre sectors therefore the campaign for centralised bargaining must be seen as a major success.

PROBLEMS WITH CENTRALISED BARGAINING

3.1 Note should be taken of the experiences with centralised bargaining in the motor and iron and steel industries in order to resolve problems and avoid repeating mistakes in other sectors. These problems can be summarised as follows:-

3.1.1 Plant vs centralised bargaining - the iron and steel experience has been that while establishing plant bargaining was necessary to gain a presence in the industry, now the same plant bargaining is undermining centralised bargaining. This happens because workers at those companies which have plant bargaining do not commit themselves fully to the process of centralised bargaining (many are not prepared to strike nationally) because they know that they can still go back and bargain at plant level. Possible solutions to this are either to limit plant bargaining or wages to September - December or January - March or to exclude wages altogether from plant bargaining.

3.1.2 Lack of democracy - the motor industry centralised bargaining experience was a good example of how such bargaining can become bureaucratic and divorced from the shop floor.

The procedures adopted in the iron and steel wage negotiations attempt to address these problems (eg. large negotiating teams, caucus of s/s chairpersons etc.) but this sector still has to find a satisfactory formula for industrial council sub-committee negotiations.

3.1.3 Rampant economism - the nature of political demands raised at centralised level are not imaginative, moreover members focus most of their attention on the wage packet. While this is understandable, wages cannot be allowed to be so dominant as to push all political rights issues off the table. NUMSA should be taking the lead in terms of political demands / initiatives. This is a matter which requires substantial discussion and education.

3.1.4 Realistic demands - the point has been made that especially in iron and steel, the demands are far too unrealistic and when much smaller settlements are reached this can disillusion members.

4. ABILITY TO PAY BARGAINING

4. Referring to sub-para 3.1.1, if plant bargaining were to be stopped the question must be answered as to what would happen to those companies which are able to pay more than the centralised minimums.

4.2 Our suggestion is that in the iron/steel and motor industries, ability to pay bargaining should take place together with or immediately after the centralised negotiations at the level of sectors within that industry (eg. electronics in the iron and steel industry). This would mean that more profitable sectors would be forced to pay more and the process could be controlled by the unions so as not to promote divisions.

In the auto and tyre industries because of their make-up, plant based ability to pay options are clearly appropriate vehicles.

5. PLANT BASED ISSUES

5.1 It must be accepted as a central proposition that plant based negotiations must continue. If not our shop floor structures will just collapse and die. This would be the end of our union as a fighting force.

5.2 If wage negotiations in the iron and steel and motor sectors were confined to industry (minimum) and sector (ability to pay) levels then the question arises as to what should be the focus of plant level bargaining.

5.3 The following suggestions have been made:-

- i) issues such as 'productivity', job security, plant restructuring should be given high priority
- ii) once national negotiations have been concluded some issues which has not been won should be taken up at plant level as part of a mini-campaign.

WGS 27/8/89

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Evaluation of NUMSA'S National Shopstewards Council Programme

In 1986 we started a programme of linking plants of certain big companies to form national shopstewards councils. In 1987 a national organiser was employed to develop this effort into a full programme.

Shopstewards councils in this early stage helped in communication between shop stewards and to rationalise organising efforts. eg in Metal Box we negotiated a common recognition agreement. Later this led to negotiating benefits nationally eg Metal Box Provident Fund. In 1988 we used the organisational link up of Dorbyl plants to pressurise the group to improve its severance pay offer.

Other examples of the work of National Councils was Hendred where we attained national wage bargaining rights and thereby was able to improve wages and working condition of our members in Hendred Isithebe who were not covered by S.A. legislation.

We may have ideas towards a national strategy, however our goals in building national councils in this period was primarily to expand our recruitment and organisation of members in these important and big companies

In 1988/1989 there have been important developments which changes the context in which we are organising and which must be taken into consideration when looking at national shopstewards councils.

- * Our membership has increased in almost 6 times our size in 1986. We now have a presence in practically every major company in the industries we cover.

- * We are the most important negotiating force in three national industrial councils (NISICEMI, TRC, and MIC) We are in the process of setting up an Industrial Council in the fourth sector Auto.

National Industry level bargaining is therefore a reality and the demand for plant level bargaining as in the past has declined considerably.

When we look at shop stewards councils therefore it must be on this basis that in each sector in the union i.e. engineering, tyre and rubber, motor and auto our strategic objective is that of consolidating our power within the industrial council and mobilising our members on campaigns related to the council.

The Engineering Industry and the NICISEMI

Approximately 360 000 workers are covered by the NICISEMI. Seventy percent (252 000) of these work in companies owned by SEIFSA members. There are approximately 4 500 Seifsa members. It can be estimated that well over 50 %

of SEIFSA members fall under the control ultimately of the Rembrandt Group, Anglo American and SANLAM/Gencor. The only import group outside the council and SEIFSA is BARLOW RAND.

WHERE ARE OUR PRESENT SHOP STEWARDS COUNCIL LOCATED

Metkor Dorbyl	Rembrandt Anglo
Iscor	Iscor
Hendred Fruehauf	Motor Council
VanLeer	part Nisicemi part wage determination
BTR Dunlop	Tyre and Rubber Industry
Metal Box, Robor	
BMC etc	Barlow Rand
ESCOM	Energy/Electrical
Haggie Rand	Anglo (Scaw Metals) and Gencor
Siemens	
Altech/Powertech	Altron Group

From the above it is obvious that all our councils are located in important companies except Hendred and Van Leer which have no strategic importance. Btr Dunlops should be intergrated into the Tyre and Rubber Council and ESCOM falls into a sector of its own. The Other councils fall into very key companies in the engineering/electrical industry.

Are there important companies that need to be linked nationally in Anglo, SANLAM AND Gencor ?

IS OUR PRESENT STRATEGY TOWARDS SHOPSTEWARDS COUNCILS CORRECT

Metkor Dorbyl, Haggie, Altech/Powertech and ISCOR are important and very big companies. It was probably important in order to develop our structures within them to organise them as separate councils. However if they are to fit into our main organisational thrust they must be more directly linked to our NENC. These companies are big enough to have their own priorities. Our present strategy has the danger of emphasising these priorities over and above the national priority. We need to develop the NENC in a way that draws these councils in without neglecting their individual needs entirely.

For example: The year plan of these councils must be directly drawn up and monitored by the NENC itself. The budget must be okayed by the NENC and the National Organiser must be seen as an NENC organiser and not a DORBYL organiser or Altech Organiser.

It was definitely necessary to have a national organiser for ISCOR, however in however we should see ISCOR as part of the primary steel producers and the work of the national organiser should therefore extend to HIGHVELD STEEL AND MIDDLEBURG STEEL AND POSSIBLY COVER THE OTHER HOUSE AGREEMENTS. Again the work of this national organiser should be planned and monitored by the NENC.

In summary

The NENC should become more than a negotiating committee but a national strategy committee for the Engineering Industry which has its major thrust the NICISEMI negotiations. The shopstewards councils and House Agreements are special areas of its work. The National Organisers operate as a team under the guidance of the NENC.

It is important to stress though that we must continue to give the companies we have targeted the special attention that has as national shopstewards councils.

BARLOW RAND must be discussed separately because unlike the other companies their strategy is anti national bargaining and aggressively for decentralised bargaining at the smallest possible unit possible. In attempting to build a national structure within Barlow Rand we are going against a fundamental policy of the Groups Strategy. The size and Complexity of the group require a more systematic and long term strategy. We need to concentrate on the biggest divisions build leadership and structures through carefully selected campaigns. How does this relate to the nenc. The NENC's focus is the Industrial Council. Barlow Rand differs in that the wage negotiations are for increase on minimums above the IC. It has been suggested that we should establish a rule that no plant level bargaining takes place until after the NIC wage negotiations have been completed. In practice we find that this creates problems in the plant. However in the absence of an alternative our strategy may have to incorporate this rule. The BR S/s council may have to devise a specific campaign within BR to bring the workers in line. Thereafter in the short term the BR council should serve to coordinate the separate plant negotiations through establishing common demands, transmitting information that will help in these negotiations (A separate BR wage bargaining report) The rest of the year should be devoted to dealing with other issues eg a job security campaign. The BR organiser and the BR council should be a part of the NENC but treated as a special Project. Within BR we should have common campaigns and not separate shop stewards councils eg METAL BOX.

THE OTHER COUNCILS

BTR DUNLOPS must obviously fit into the strategy of the Tyre and Rubber Industrial Council. However in the short term this will only include two of the bigger BTR companies, since the TRIC at this point in time is only focusing on tyre producers.

Hendred and Vanleer have to be maintained as national company bargaining units certain capable local organisers should be formally appointed as coordinators by the NEC of Numsa. The main target of these councils is to pressurise the company to pay the full costs of all their national caucuses and negotiating meetings. At present Hendred pays R2 000 per year and Vanleer pays travel costs for out of town delegates a small portion of accommodation costs. All this restricted to one meeting.

ESCOM if we remain in this company on a long term basis is big enough to have a fulltime national organiser. The total num of black workers is in the region of 25 000 (total workforce 56 000). Escom is spread across the country and has about nine regional offices. It is highly centralised. Reporting back is a major problem. Because it is classified essential service strikes are ruled out and this creates major problems for militant mobilising campaigns. It has to be organised differently. Escom is proposing a separate industrial Council type system..which may be a good thing. Escom is very remote from the major thrust in the nenc. It may have to run as an independent Council.

The crucial question however is what is the long term future of this council vis vis NUM.

THE NEED FOR RESTRUCTURING IN NUMSA LOCALS

August 7, 1989

1. WHAT ARE THE PROBLEMS ?

1.1 THE ADMINISTRATIVE BASE.

In order to properly service workers and to work efficiently and effectively, organisers and the local need an efficient administrative base. What are the jobs which need to be done ?

1.1.1 Filing of all incoming and outgoing correspondence:

1.1.2 Registration of all correspondence:

1.1.3 Filing of membership forms, copies of stop orders, minutes, reports etc.

1.1.4 Registering all stop orders sent to management and forwarding a list to the Regional Office to check against the number being paid by management:

1.1.5 Referring incoming telexes, letters etc. to the right person for action: eg the organiser or the local secretary:

1.1.6 Answering the phone and taking accurate messages where necessary, and making sure the messages are forwarded to the right person:

1.1.7 Typing:

1.1.8 Assisting workers who come into the office, especially when the organiser is out. Many workers come in with simple queries about pension fund refunds, sick pay, case reports etc., which can be handled by the local administrator and should not need the worker to wait for a long time.

1.1.9 Keeping the office tidy, so that documents and papers don't get lost:

1.1.10 Circulating information to local office bearers, central committee members, REC members, RC members etc:

1.1.11 Finding the organiser if there is an urgent matter which he/she needs to attend to:

If papers get lost, or mis-filed, it can cause a lot of wasted time and problems with disputes, court cases, negotiations etc.

If telexes from the region or head office are not passed on so that they can be raised in the local shop stewards council or by the organiser, it means that constitutional matters or campaigns or urgent factory matters will not be attended to.

If there is no follow up from print outs of stop orders, the

management can get away with thousands of rands which they have deducted from workers but have not paid over to the union.

1.2 INEXPERIENCED ORGANISERS:

In most of the locals, some or all of the organisers have been with NUMSA for less than two years. Many of the new organisers were not in organised factories before becoming organisers. Hence they know very little about building structures in the factory.

An organiser who does not know about or have experience of building factory structures will have a very hard time trying to show workers how to build factory structures. It is a case of the blind leading the blind.

To build structures and organisation in the factory, you need issues. It is relatively easy for an experienced organiser to find issues, but inexperienced organisers often can't see these issues. As a result, their factories only respond to attacks by management - e.g. dismissals, retrenchments, reorganisation of production etc. - or to wage demands. These issues are normally very hard to win, and often depend on spontaneous militancy rather than consolidated organisation. So it is difficult to build proper, consolidated organisation around these issues.

In the past we usually had experienced organisers to work with inexperienced organisers, but that is not the case now.

So it is very important for all organisers to learn as much as possible about the major factories, so that they can see issues: e.g. underpayment of wages; facilities not in accordance with the MOSA or BCEA; incorrect bonuses or leave pay; unfair productivity increases or targets; etc. At present, however, no-one discusses these things with the inexperienced organisers, and the formal training which NUMSA provides doesn't teach them enough about the easier basic issues: BCEA, MOSA, UIF, Pension/Provident funds, sick pay, medical aid, Industrial Council agreements, especially dealing with working conditions and job grades.

1.3 NO LOCAL STAFF MEETINGS AND IRREGULAR REGIONAL STAFF MEETINGS

In many locals, the organisers do not meet at all to discuss:

- 1.3.1 Progress in their factories/workshops;
- 1.3.2 The problems they have encountered;
- 1.3.3 The negotiations which they are conducting;
- 1.3.4 The progress and planning for the local shop stewards council;
- 1.3.5 The progress and planning for organising in the local;
- 1.3.6 Planning for the development of leadership in the local.

(Remember: leaders do not grow on trees. You have to develop workers' interest in the organisation and their understanding of the organisation before they become leaders.)

It is very important for organisers in a local to share ideas. No-one can always be right. We all can benefit from discussing problems, tactics and strategies. If you have a problem you can't

solve, discuss it with the other organisers in the local. If you still can't solve it, talk to the regional secretary or the regional organiser.

If you try to do everything on your own, without discussing things, you will never learn or develop yourself, and you will make mistakes.

Inexperienced organisers can learn a lot from staff meetings. No-one should be too proud to ask for assistance or guidance.

The Regional Staff meetings are crucial. This is where organisers should get reports of the REC, RC, NEC, CC, NCC, NSSC and COSATU meetings, so that they are fully integrated into the developments of the union and of COSATU.

Further, no region can make proper progress unless there are regular staff meetings to plan strategy. One of the biggest problems we have at present is that most organisers or locals do what they want, with no plan to develop the region.

Campaigns can't work unless they can be planned in the regional staff meetings. Information on the campaigns is given to organisers in the regional staff meetings; jobs are allocated in the regional staff meetings; plans are made here.

1.4 POOR ATTENDANCE OF ORGANISERS AT STAFF MEETINGS AND SEMINARS.

Many organisers say that they can't attend staff training seminars or staff meetings because workers in the local demand that they must always be at the factories.

This must be discussed in all regions and locals. If organisers are not trained, or if they don't attend staff meetings and take part in the planning and discussion of problems and strategies, they will not be able to work efficiently and effectively in the locals. So shop stewards and members must undretsanad and support the attendance of organisers at these staff meetings and seminars.

1.5 POOR STAFF DISCIPLINE.

There are a few organisers and administrators who do very little work. In some cases this is because the people who were employed are not capable of doing the jobs. In other cases, the organisers or administrators feel that this is just a job, like working for the capitalists, so they do as little work as possible. They come to work late and leave early, and spend a lot of time having lunch. They don't hold any meetings in the evening, after work, when workers are free, or at weekends. In other words, they are not building the organisation.

There are many reasons for this. Some of them are discussed in the discussions paper on DISCIPLINE which was circulated by the NEC for all regions.

One of the reasons for poor discipline is the reluctance of worker leadership to discipline staff. Often they make the mistake of treating the staff like employees, and at the same time not disciplining them. Workers don't like to fire other workers. There is also a mistaken idea in some of our regions and locals that if a secretary or worker leader gives instructions or tries to discipline someone, he or she is "acting like a boss". This is nonsense. Secretaries are elected to carry out the mandate of the regional or national structures. In the case of the Regional Secretaries, that includes giving directions to the staff and making sure that the staff do the work which is necessary for the organisation. Obviously, this should be done with consultation and the full involvement of the staff in planning. But then staff members must accept that the Regional Secretaries are acting on behalf of the REC and the RC. No staff member should refuse instructions, unless they are unreasonable or against the policies of the union.

The Secretaries can only coordinate and give direction if they have the support of the worker leadership. In some locals, organisers who are not doing their jobs collect a group of workers, or clique, who are their friends and protect them even when they are corrupt. Even when they know an organiser is corrupt, they protect the organiser. In some locals, the local shop stewards know the organisers are lazy and incompetent but they are afraid to discipline them - so they only try to transfer them to another local. This only means that the problem moves from one local to another.

It is only if there are proper, democratic structures in the local that workers can keep a proper check on organisers and administrators and openly and honestly discuss problems of discipline of staff and even of worker leadership or members.

We are not yet mature enough to point out problems openly and honestly when we see them. NUMSA structures should discuss this problem and the need for a code of conduct.

seclocal

ORGANISERS' HANDBOOK

FOR DISCUSSION

THIS DRAFT COVERS ONLY FACTORY STRUCTURES AND BUILDING THE LOCAL.

LOOK FORWARD TO FURTHER EXCITING EPISODES IN THE NEAR FUTURE !

1ST DRAFT

HANDBOOK FOR DISCUSSION

April 26, 1989

ROLE OF THE LOCAL ORGANISERS

THIS DOCUMENT IS FOR DISCUSSION IN ALL REC'S AND SHOP STEWARD COUNCILS AND STAFF MEETINGS.

Please make comments to the next meeting of the National Campaign Committee.

For organisers: you should discuss each part of this handbook in your local and regional staff meetings so that you can share ideas about how to do the different jobs.

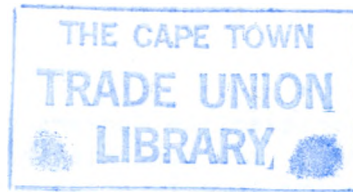
1. Why is the local organiser so important?

1.1 Information:

For most of our members the local organiser is the most important link between the members and the union. The local organiser is responsible for servicing our members, for building factory and shop steward council structures, and for developing leadership in the factories and local.

For most of our members, their information about the union comes almost entirely from their organiser.

Especially where the shop stewards are new or inactive, workers get reports of union activities at their own factory, or at local, regional or national level mainly through their organiser.



1.2 Politics:

Some of our organisers feel that servicing the members is not so important. They believe that it is more important to conscientise the members about politics. If it is done properly, organising, is a much more important political act and lesson than just preaching about political slogans. Building proper structures in the factories and the union, mobilizing the workers in our campaigns, and developing proper democracy in the factory and the union, is crucial to ensure a socialist future with true working class democracy.

What is working class democracy? It is those structures and ways of making decisions which we are building in the trade unions and in the street committees:

- no individual decision making: decisions are collective;
- election of representatives at all levels;
- duty to get mandates;
- duty to report back;
- power to recall representatives and hold new elections.

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This structure of workingclass democracy is in NUMSA's resolutions from the national congress. The basis of NUMSA's political policy resolutions is the building of the structures of working class democracy. Some of us want to just quote slogans - but the State of Emergency has shown us that teaching people slogans builds nothing and achieves nothing.

1.3 Servicing the members:

Very few workers join a union for purely political reasons. Most workers join because they have problems at work: money, job security, rude foreman, bad conditions, etc. The workers' image of the union comes from many things: general meetings, the shop stewards, newspapers, pamphlets etc. But for most workers, their image of the union comes mainly from their organiser. It is usually the organiser who introduces them to the union's structures and policies. It is the organiser who discusses their problems and shows them ways to resolve the problems. It is the organiser who must help workers with their problems until the shop stewards are capable of doing these things themselves: for instance, pension problems, or claiming benefits like sick pay, or making sure unemployment cards are correctly filled in, or checking pay slips etc. If the organiser fails to service the members well, workers will have a bad image of the union. That is why so many workers resigned from other unions to join NUMSA in previous years.

Some of our organisers believe that it is not their job to do these things. Other organisers only do these things; they never build structures or organise new members. Both are wrong.

- to conscientize workers politically, you must first show them that there are concrete things to be gained from being a union member. The loyalty which workers develop to the union means that they will then listen to you when you explain NUMSA's political policies.

- an organiser is not a lawyer. Some organisers enjoy taking up cases all the time. Taking cases is easier than building structures, or conscientising workers, or helping them to understand how to approach problems. NUMSA is not a firm of lawyers. We must service our members, but our main job is to build a powerful union with a clear and militant membership which can win improved conditions for all workers through collective struggle and action - NOT THROUGH INDIVIDUAL ACTION OR INDIVIDUAL CASES. We have to take some cases, and no organiser can dodge cases when they are necessary. No organiser can dodge the servicing of the members either. But our main jobs are to recruit members and to build factory structures which can develop democracy and militancy among our members.

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2. Daily, Monthly and Weekly Jobs of the local organiser.

2.1 Let us list all the jobs of the local organiser:

Planning his or her activities:

Getting information: reading about his/her factories, industry etc. and reading reports of CC, REC, OEC, meetings etc.

General meetings: local and factory: arranging, planning and participating:

Factory S/s committee meetings at factory or office or home:

Planning local shop stewards council agenda and getting information on important items to be discussed: standard agenda to cover constitutional items first. (The use of the local shop stewards council to cover lack of factory structures is a mistake).

Developing leadership: education of shop stewards and members through meetings as well as seminars: most learning is done through meetings and negotiations, not seminars.

Reporting to the local staff meeting and to the local coordinator or local secretary for transmission to the regional secretary and head office. Especially reports on strikes, negotiations and disputes.

Handling cases: disciplinary matters, grievances, taking up matters with the legal officer and lawyers, reporting back to the affected workers and the workers in that factory.

Attending local and regional staff meetings.

Allocating priorities.

Distribution of pamphlets, forms, notices etc. to factories.

Negotiations: factory conditions, wages, job evaluation, disciplinary matters, procedures, retrenchment, provident funds, benefits, housing etc.

Problems:

Too many small establishments which are time-consuming.

Organisers too busy to do all these things.

Organiser's lack of knowledge and skills and not getting proper reports of union decisions and campaigns.
Not involved in decision making so not motivated.
Poor cooperation among staff.

We will list the jobs in groups according to what they are for. Later in this handbook we will give more details about each job.

2.2 Recruiting members:

In some locals, many workers from new factories or garages or workshops come into the offices to join. Sometimes shop stewards or members from other workplaces bring them in.

In other locals, where the union is not so well known or so strong, the organiser has to go to the factories or garages to tell workers about the union and to encourage them to join.

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Obviously, it is a good thing to get the experienced shop stewards to recruit for the union in new workplaces. But there are two problems:

1. Shop stewards often recruit their friends. They may not want to recruit at the factories which the union has targeted. It is much easier to recruit members at a small factory, so many small factories will flood in, making the organiser's job very difficult. In big factories, usually only a few workers join at first.
2. After the first few workers have joined from a factory, it is hard for shop stewards from another factory to follow up and recruit more members there. So the job then falls on the organiser.

We have become very lazy in NUMSA. It is quite easy to get recognition these days, so we don't push hard to organise all the workers in a factory. We aim for 50% + 1, then we relax.

It is crucial to aim for 100%, not 50%.

For instance, if workers need to take strike action, they will be very weak if only 50% of the workers strike.

As we said above, usually only a few workers from a big factory join at first (unless there is something pushing them - usually a big problem). Then the organiser, with the help of experienced shop stewards in the local, has to sit with these workers to plan how to get the other workers to join. Even in factories where we have recognition, there are always workers resigning or being dismissed and new workers coming. The organiser must build consciousness among the members in the factory that it is crucial for them to organise every worker. It is also important to build a system of reporting from every department, so that departments where there is low membership can be targeted.

The organiser must take the responsibility for making sure that the factory is fully recruited - but he or she can and should get the shop stewards in the local to help. The organiser must then

plan with the local shop stewards about how they will help - don't just leave them to do whatever they want.

All organisers must plan with the local staff coordinator and the local administrator for the administrator to help the organisers keep a list of membership:

It is crucial to keep a check for all workplaces on

- how many members in each department?
- how many non-members in each department?
- are members resigning from the union? If so, why?
- are new members joining?

The administrator in the local should help organisers keep these records, using reports from the shop stewards and the computer prints sent from the head office. Encourage each shop steward to

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keep a book for his or her department, showing who is a member and who is not. The shop steward must also record new workers and workers who resign or are dismissed from the company in this book. These books must be brought to all meetings of the factory shop stewards committee.

The organiser and the administrator must also work out a system of recording the names and clock numbers of all stop orders which are sent to management. This is a very big problem. The NUMSA head office and regional office don't know how many stop orders you have submitted. In many companies management loses some of the stop orders or they just don't implement them. In some companies management deducts but doesn't pay all the money to the union. We have no way of knowing there are problems unless you keep a record of how many stop orders you have submitted. The monthly report to the regional secretary from your local must note the name of the factory/garage/workshop and the number of stop orders submitted, as well as the date when they were submitted.

When you are recruiting, it is important to have general meetings with the workers so that you can clearly explain to them about the union.

2.3 Building organisation

The success of everything in the union depends on having good structures at the factory level. (Obviously, structures in the small workshops/garages in the motor industry are slightly different but are just as important).

If we don't have good structures in the factory, we get mistakes:
1. The workers depend completely on the organiser. The organiser can't do all the jobs of a shop steward. If he or she tries, the organiser will end up not doing other jobs which are urgent.

or

2. One or two activists do everything in the factory. The workers come to rely on them. If they go, the organisation in the factory collapses. Also, these activists come to represent the workers in union structures without proper mandates: they speak for themselves and don't always reflect the opinion of the workers.

3. The members don't really become conscientized or mobilized in any way.

The constitution of NUMSA lays down structures:

- in bigger factories or workshops, there must be a shop stewards committee. This committee must be elected by all our members

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every two years. The workers in a constituency have the right to remove a shop steward at any time. Then there must be a bye-election in that constituency. There must be an election at least once in two years, even if the workers say they are satisfied with their shop stewards. NUMSA usually tries to use the elections for education about the jobs of the shop stewards. In your local you must discuss how to do these elections so that workers learn from them.

- garages and small factories must be grouped by the local so that about 50 members share a shop steward. We still have to work out how to do this in practice.

The constitution lays down that the shop stewards committee in each factory must meet at least..... The shop stewards should meet at least once a week inside the factory, to discuss what is happening in the factory and how many members we have in each department. They should report to each other all disciplinary matters, grievances or other problems and discuss together how to solve them. In small factories all the shop stewards usually know what is happening. In bigger factories, often a shop steward in one department doesn't know what is happening in the other departments. So these meetings are very important. Otherwise you get two problems:

1. All the members and shop stewards come to rely on only one or two active shop stewards and the workers bring their problems directly to these active shop stewards, instead of going through their own department's shop steward.

Some shop stewards and their departments become completely inactive. When there is a problem in the factory (e.g. industrial action), you find that that department is very weak.

2. The shop stewards start to act like lawyers. Instead of having collective power, the workers and the shop stewards act as individuals. The shop stewards represent individual workers with their disciplinary problems or grievances, without the other workers knowing about these problems. So there is no unity in the factory.

Remember: the basis of our organisation is the unity of the workers. This is where we get power. Everything that you or the shop stewards do should aim to build greater unity and solidarity in the factory and with other workers.

As well as having their own meetings inside the factory, the shop stewards should try to meet on a regular basis with the organiser. This is easy in some locals, where there are fewer factories, and harder in others where each organiser is responsible for many factories. But it is essential. Shop stewards don't learn their job by attending seminars. They can

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only learn how to be good shop stewards and how to build strong structures in the factory by meeting with the organiser, as a committee, to discuss what problems there are in the factory and how to solve them. Then they must go back and try to solve the problems, then hold another meeting with the organiser to report back. Through this process of discussion and practice, the shop stewards learn their job. The seminars are important, but mainly to give background and information which the shop stewards need.

In many locals we are making the mistake of not building the factory shop stewards committee. Instead, shop stewards only attend the local shop stewards council. They bring their factory problems there to get advice. Because of the long agendas, the matters can't be fully discussed, so the shop stewards don't really learn.

In some locals, the organisers are not even attending the locals. This means that the shop stewards never get any input at all from the organisers. Especially in the newer locals, this means that you have the blind leading the blind: inexperienced shop stewards trying to help even more inexperienced shop stewards.

Using the local shop stewards council in this way means that no structures are built in the factory. It also means that the locals can't do their constitutional work: discussing regional and national union matters and giving mandates to their representatives, and reporting decisions back to the members at the shop floor. This seems to be one of the major reasons why our campaigns are so weak.

For ordinary members to understand about the union and about problems in their factory and campaigns and union policies, they must attend general meetings. There are three kinds of meetings:

1. Departmental meetings in the factory. If they are not stopped by management, the workers in each department should try to meet at least once a week to discuss union issues in their department, in the factory and in the union. (Obviously, in a small factory

there is no need for departmental meetings). In a big general meeting it is very hard for workers to ask questions about things they are not clear on. Many workers just keep quiet and only a few people speak. In departmental meetings, workers have got a better chance of asking questions from their shop steward and each other and becoming clear. These meetings can be held at lunch time or after the shift or before the shift.

2. General meetings in the factory. If it is possible, workers should meet in a general meeting in the factory at least once a month. If there are important issues, such as negotiations or disputes, they should meet more often. Sometimes the organiser should attend these meetings if there is access. Usually these meetings are too short to discuss matters deeply, but they are valuable for reporting back and for building unity.

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3. General meetings with the organiser. These are very important. If the organiser can't attend all general meetings, he or she should plan with experienced shop stewards to attend some of the meetings. The organiser must plan with these shop stewards before the meeting. He must not just send them blank. These general meetings should happen regularly. In these meetings, the organiser should:

3.1 Try to get from the workers how things are in the factory. Sometimes shop stewards don't give the whole picture, because they are lazy or unsure of themselves or corrupt. Then you often get a very different picture from the workers themselves, and you can try to correct the problems with the information you get from the workers.

3.2 Try to put something educational into the agenda. You should try to put in something relevant to what the workers want to discuss. For instance, if the main point on the agenda is about wages, you could report about the LRA campaign and how it relates to the Living Wage campaign and job security. Or, if the factory has newly joined, you could talk about "what is the union?" You could also get someone else to talk on this, for instance an experienced shop steward. Obviously, you must allocate priorities, because you won't be able to attend every meeting.

But you must attend some. Some organisers think that they don't have to attend any meetings, because shop stewards can run them. But remember: as an organiser you have more knowledge, union skills and experience than almost all shop stewards, so you need to be able to give information and direction to the members. You must also get a feel for what the workers are really thinking. These things are best done in a general meeting.

The organiser must plan these general meetings with the shop stewards. Try to get the agenda planned so that it is not too long, and the important issues are properly covered. Try to explain to the shop stewards how to chair a meeting efficiently. The shop stewards should take it in turns to report to the general meetings and to chair, so that they all get experience and don't depend on one or two people.

It is crucial to plan with the shop stewards for regular shop steward committee meetings and general meetings.

Summary: there must be weekly meetings of the shop stewards in the factory, and regular meetings of the shop stewards committee with the organiser. There must be regular general meetings in the factory, and with the organiser outside the factory, where there is more time to discuss.

2.4 Developing Leadership

Usually, a worker develops as a leader through working with someone who has wider knowledge and experience. We often think that this means that an organiser should "pump" a worker with his political ideas, or should "caucus" a worker when the organiser is under pressure. Both of these are clearly wrong.

Many workers learn to be leaders through being elected to office bearer positions in factories, locals, regions or nationally, because they are then exposed to a wider range of experiences. Other workers gain this experience and knowledge through talking to an organiser and working with him or her in the local.

Very few workers learn to be leaders through attending seminars. Seminars give you background and sometimes consolidate what you have learnt through experience or reading or discussion. The process of learning happens mainly through the combination of theoretical learning and practice: workers and organisers consolidate knowledge by doing things and carrying out in practice what they have learnt through discussion, reading or seminars.

You can see in NUMSA at present that good worker leaders develop mainly where there are organisers or regional secretaries or other very experienced shop stewards who can pass on knowledge and experience to them. In some locals the organiser makes no attempt to learn more, so he or she is not in a position to pass on knowledge. In some locals the organisers are just not interested. In these locals you find that there are no worker leaders developing.

So there is a duty on you, as an organiser, to develop leaders - not by caucusing or pumping workers, but by passing on your knowledge and experience. To do this, you must first have some knowledge yourself. Too many NUMSA organisers are not interested in reading or attending seminars. For instance, no organisers in one region attended the housing seminar held there recently. In this region and other regions, only one or two organisers attend the report back meetings from the national negotiations. These organisers also fail to attend seminars or staff meetings where medical aid or other issues are discussed. Wherever possible, when you have time and there is space, you should try to attend meetings where you can learn something.

NUMSA Head Office regularly sends press cuttings to the regions for distribution. Very few organisers (or regional secretaries!) ever read them. This means that you are ignorant of what is going on in the industry which you are supposed to organise.

NUMSA has also been guilty of not distributing enough material to organisers - but this will only be useful if organisers read it.

You should also regularly read the newspaper - not only the Sowetan, but other papers as well if you can. Try to read the business news in the paper as often as possible. If you don't understand something, ask someone to explain it to you. Don't be shy.

2.5 Building the local:

Clearly, you can't have a strong local shop stewards council if you have weak shop steward committees in the factory. But this is what we have now in most of the locals. We have:

- a few factories/workplaces with strong shop stewards who work together as a committee and also hold regular general meetings;
- some factories have one or two active shop stewards who attend local shop steward council meetings, then report back only to a general meeting. The other shop stewards are inactive;
- in most of the factories, the structures are very weak. These factories usually don't attend the local at all, unless there is a problem. Or, there are one or two activists who attend the local, but there is no structure for them to report to, so they are speaking only for themselves.

There are some very big local shop stewards councils, especially in the Wits Region, but when you check you find that a small proportion of the factories are represented - and many of those present are activists who have no structure at the factory to report to.

As well as the problem of the weak factory structures, another reason why shop stewards don't attend the local is that they become bored. In most of the locals, the council discusses mainly factory problems. If the shop stewards have to listen week after week to the problems of other factories, they lose interest. Only the activists and the new factories continue to attend.

What are the constitutional functions of the local shop steward council?

BUILDING UNION STRUCTURES IN THE FACTORY

1ST DRAFT

July 24, 1989

This is a handbook for discussion. Use it by reading it through in a group: either in your staff meeting, or in your shop stewards council in the local, or in the shop stewards committee in your factory.

This handbook is not a Bible. It brings up some points for you to think about, but you may feel that other ways of building structures are better.

1. STRUCTURES IN FACTORIES

The structures of the union which work well in factories with 50 or more workers often can't be used in very small factories. So we will talk first about factories with more than 50 workers.

1.1 Why do we want structures ?

Working class democracy and worker control needs clear structures to work properly. These structures must provide for:

- election of all representatives;
- accountability of all representatives to the workers;
- mandates;
- reporting back.

If the shop steward committee in your factory is weak, it is easier for management to control the workers. If the members of the union are not clear about the union, management can easily confuse them.

1.2 What sort of structures ?

The foundation stone of the union in the factory is the SHOP STEWARDS COMMITTEE. This committee is also the foundation stone of all the union's constitutional structures e.g the local shop stewards council, the REC, the RC, the CC etc.

Elections: Every member of the union who is in good standing (i.e. he or she is fully paid up or not more than 3 months in arrears) can be nominated by his or her fellow members to stand as a shop steward. Every member of the union who is in good standing can vote in the election for shop stewards in his factory.

In most factories, NUMSA asks for at least one shop steward in each department. If the departments are very small, there can be one shop steward for a few small departments which are near each other. If a department is working shifts, there should be a shop

steward in that department for every shift. Usually, management demands to negotiate with the union about the constituencies. They usually demand that there must be only one shop steward for about 50 - 100 members. If there are too many members for each shop steward, he or she won't be able to do the job properly.

So if you negotiate with management about shop steward constituencies, make sure that :

* the shop steward can easily talk to all the workers in his department;

* the shop steward can easily know everything which is happening in his department.

In NUMSA, shop stewards are now elected for two years. NUMSA runs a campaign through the whole union, usually in January and February, for the election of new shop stewards:

* an old shop steward is allowed to stand again;

* all members in the factory in good standing can vote and nominate candidates.

All members must be encouraged to vote. Explain why the elections are so important - because they are the basis of true union democracy.

The election procedures will be circulated as part of the shop steward election campaign.

Jobs of the shop stewards: We can summarise them:

* recruiting workers to join the union;

* explaining the union to workers so that all members understand about unity and about the union structures;

* discussing with members in your department or constituency to clarify problems and grievances;

* taking up problems or grievances when your members instruct you to do so: grievances must first be discussed with the shop stewards committee before you take them to management, so that you can get their ideas and so that all members in the factory can be united in supporting the grievance;

* getting mandates from the members in your department and the members in the factory. Remember: a shop steward is responsible first to get a mandate from the members in his department. Often, in a big general meeting workers don't get a chance to speak or to ask questions, so they feel that they have not really taken part in a decision. It is often better to have departmental general meetings and then a general meeting of all the workers before making a decision. Of course, this is usually not necessary in a small factory. You need mandates for everything: issues to take to management; issues which management raises to the workers; issues for the local shop stewards council; issues for the RC and REC; issues for the NENC and the NCC; CC agendas; congress issues; community issues where these affect the workers in the factory.

* reporting back to members: everything you get from management or from any union committee (for instance, the local shop stewards council) must be reported back to the workers. Sometimes shop stewards only report back to their members in a big general meeting of the whole factory, at lunch time. Lunch time is short, and workers can't ask questions. So you must make sure that the shop stewards committee arranges a general meeting after work or at a weekend at least once per month, where the workers can discuss things in depth. Also, you as a shop steward must repeat the report back to your own constituency, to make sure that the workers have chance to ask questions, to fully discuss the report and get the issues very clear.

* negotiating with management: all problems and grievances and demands from the workers must be discussed first by the factory shop stewards committee. If the workers in your department have a problem, raise it first with the other shop stewards to get their opinion. Shop stewards must also discuss difficult issues (like wages) with the organiser before going to management: it is useless to come to the organiser only when you are already in a problem. Usually, the shop stewards should take up issues with management without the organiser being present, as long as they have fully discussed with the organiser before the meeting. usually, the organiser will be called into the meetings with management only when the shop stewards can't make progress. For some issues, like retrenchment, it is often better to have the organiser involved from the beginning.

To do all these jobs, the shop stewards must meet regularly together and try to meet the organiser. there should be in every factory:

1. A meeting of the shop stewards committee at least once per week;
2. A meeting with the organiser whenever necessary, but not less than once per month;
3. A general meeting at least once per month: the organiser should help by discussing with the shop stewards committee what to put on the agenda of the general meeting and how to raise the issues;
4. General meetings or department meetings at least once per week in the factory, to report and discuss all the issues which are coming up from the workers, the management or the union.

DISCUSSION DOCUMENT FOR ALL REGIONS

THE REGIONS WILL HAVE TO REPORT AT THE NEC ON 19-20 AUGUST 1989

STAFF DISCIPLINE

1. THE PROBLEMS OF STAFF NOT ATTENDING STAFF MEETINGS AND STAFF TRAINING WERE RAISED DURING 1988. DETAILED REPORTS WERE GIVEN OF NON-ATTENDANCE AND REGIONS AGREED TO DISCUSS THE REPORTS AND REPLY TO THE CC ON THE ACTION THEY HAD TAKEN TO CORRECT THE PROBLEM. NO REPLIES WERE RECEIVED.

2. THE PROBLEM OF STAFF NOT REPORTING AS REQUIRED BY THE CC WAS DISCUSSED. WHEN THERE WAS A PROBLEM OF ORGANISERS NOT FOLLOWING UP ON UNDER-PAYMENT OF SUBS, THE NEC AUTHORISED THE WITHOLDING OF SALARIES. THE REQUIRED REPORTS WERE RECEIVED FROM ALL STAFF WITHIN TWO DAYS.

3. IN SEVERAL REGIONS, ORGANISER TRAINING HAS FAILED BECAUSE OF IRREGULAR ATTENDANCE BY ORGANISERS. IT WILL NOT BE POSSIBLE TO DO PROPER TRAINING UNTIL ORGANISERS ATTEND PROPERLY. THEY SAY WORKERS IN THE LOCALS BLAME THEM IF THEY GO TO STAFF MEETINGS OR SEMINARS: IF THIS IS A PROBLEM, THE NEC SHOULD DECIDE WHAT TO DO ABOUT IT.

4. IN SOME REGIONS, ORGANISERS DON'T ATTEND REGIONAL OR LOCAL STAFF MEETINGS. THIS MEANS THAT THEY DON'T GET INFORMATION ABOUT UNION DECISIONS AND CAMPAIGNS, AND THEY DON'T REPORT TO THE REGION. SUCH A BIG UNION CAN'T OPERATE IN SUCH A CHAOTIC WAY.

5. EXCEPT IN ONE OR TWO REGIONS, ORGANISERS ARE NOT REPORTING TO THE REGION. THIS MEANS THEY OPERATE AS INDEPENDENT UNIONS. THE CC AND NEC HAVE MANY TIMES REPEATED THEIR INSTRUCTIONS THAT REPORTS MUST BE SENT.

6. IN SOME REGIONS, ORGANISERS DO NOT FEEL ANY RESPONSIBILITIES FOR THE CAMPAIGN ACTIVITIES, AND DO NOT FOLLOW REQUESTS FROM THEIR REGION.

7. IN SOME LOCALS, WORKERS KNOW THAT ORGANISERS ARE NOT ATTENDING MEETINGS AND ARE NOT ARRANGING ANY MEETINGS WITH SHOP STEWARDS OR GENERAL MEETINGS, OR ARE NOT KEEPING APPOINTMENTS. IN OTHER LOCALS ORGANISERS ARE SIGNING AGREEMENTS WITHOUT AUTHORISATION.

INSTEAD OF DISCIPLINING THESE ORGANISERS, THE LOCALS COVER UP FOR THEM OR ASK FOR THEM TO BE TRANSFERRED TO OTHER LOCALS. THEN THE LOCAL ASKS FOR MORE ORGANISERS BECAUSE THESE UNDISCIPLINED ORGANISERS ARE NOT DOING ANY WORK.

8. MANY ORGANISERS DON'T REPORT STRIKES OR NEGOTIATIONS OR AGREEMENTS UNTIL THERE IS A MAJOR PROBLEM, IN SPITE OF INSTRUCTIONS TO REPORT.

9. IN SOME LOCALS AND REGIONS ADMINISTRATORS ARE VERY UNDISCIPLINED. THEY COME LATE, LEAVE EARLY AND SPEND A LONG TIME HAVING LUNCH. OFTEN THEY DO NOT DO JOBS PROPERLY, LIKE FILING OR TAKING MESSAGES OR HELPING WORKERS.

10. THE NEC REFERRED A PROPOSAL TO THE REGIONS FOR DISCUSSION LAST YEAR. THE REGIONS WERE SUPPOSED TO RESPOND BUT HAVE NEVER DONE SO. THE PROPOSAL WAS:

10.1 NATIONAL SECRETARIES CAN INVESTIGATE ANY PROBLEMS WHICH THEY FIND. AND REFER THE INFORMATION TO THE RELEVANT REGION.

10.2 REGIONS SHOULD HAVE A DISCIPLINARY COMMITTEE. CONSISTING OF

SOME OFFICE BEARERS AND SOME OTHERS. NOT TOO BIG. WHICH WILL INVESTIGATE ALL PROBLEMS AND MAKE SPECIFIC RECOMMENDATIONS TO THE LOCAL OR THE REC. BECAUSE IT IS VERY DIFFICULT FOR A BIG MEETING TO INVESTIGATE A PROBLEM. TO ACT AS PROSECUTOR AND TO ACT AS JUDGE. SO THE DISCIPLINARY COMMITTEE WOULD ACT AS PROSECUTOR AND MAKE RECOMMENDATIONS.

11. WE MUST ALSO ASK:

11.1 WHY ARE ORGANISERS UNDISCIPLINED IN SOME CASES ? THERE ARE MANY COMPLICATED REASONS FOR SOME OF THESE PROBLEMS.

WE MUST FIND WAYS OF TRAINING OUR ORGANISERS EFFECTIVELY, AS WELL AS ADMINISTRATORS. OFTEN PROBLEMS ARE RELATED TO THE INABILITY OF AN ORGANISER OR ADMINISTRATOR TO COPE WITH HIS/HER JOB. IN THAT CASE, THE REGION AND LOCAL MUST SET CLEAR TASKS AND OBJECTIVES AND GIVE CLEAR DIRECTION TO THE STAFF ABOUT THEIR TASKS.

11.2 WHY ARE REGIONS AND LOCALS NOT ABLE TO EFFECTIVELY CONTROL ORGANISERS AND ADMINISTRATORS ? AGAIN, THERE ARE COMPLEX REASONS AND INCLUDE OFFICE BEARERS AND REGIONAL SECRETARIES NOT WANTING TO "ACT LIKE BOSSES" AND NOT HAVING ENOUGH INFORMATION AND CONFIDENCE; AND LOCALS BEING SCARED OF LOSING AN ORGANISER AND NOT HAVING ANYONE TO REPLACE HIM/HER.

12. BECAUSE OF THESE COMPLICATING FACTORS, THE WHOLE ISSUE OF STAFF DISCIPLINE HAS TO BE LINKED TO:

CLEAR EMPLOYMENT CRITERIA; AND
PROPER TRAINING PROGRAMMES.

ONCE THESE THINGS ARE IN PLACE, REGIONS WILL BE ABLE TO START ADDRESSING:

WHAT TO DO WITH ORGANISERS AND ADMINISTRATORS WHO CAN'T MEET THE SPECIFICATIONS;
HOW TO DEAL WITH ORGANISERS OR ADMINISTRATORS WHO DO NOT COMPLY WITH INSTRUCTIONS;
HOW THE LOCALS AND REGIONS RELATE TO EACH OTHER IN ACHIEVING STAFF DISCIPLINE.

13. IN THE INTERIM, WHERE CLEAR AND SPECIFIC INSTRUCTIONS HAVE BEEN GIVEN BY AN REC OR THE NEC OR THE CC OR THE NCC, AND ARE NOT CARRIED OUT, THE WITHHOLDING OF SALARIES IS A REAL SPUR TO ACTION. HOWEVER, THIS MUST NOT BECOME A SUBSTITUTE FOR ADDRESSING THE REAL PROBLEMS.

14. SOME PROPOSED GUIDELINES ON CRITERIA FOR STAFF APPOINTMENTS ARE APPENDED TO THIS DOCUMENT AS A BASIS FOR DISCUSSION.

PROPOSAL FOR DISCUSSION BY THE NEC MEETING ON
19-20 AUGUST 1989.

July 4, 1989

TO BE FORWARDED FOR DISCUSSION TO THE REGIONS AND CC.

CRITERIA FOR THE EMPLOYMENT OF ORGANISERS: DISCUSSION DOCUMENT.

1. MOTIVATION.

MORE THAN EVER BEFORE, THE RAPID GROWTH OF NUMSA MEANS THAT ORGANISERS WORK WITHOUT SUPPORT FROM MORE EXPERIENCED STAFF OR WITH MUCH LESS SUPPORT THAN THEY DID IN THE PAST. THEY THEREFORE NEED SKILLS, COMMITMENT AND SELF-DISCIPLINE EVEN MORE THAN BEFORE.

2. THE PROBLEM.

2.1 MANY REGIONS HAVE EMPLOYED ORGANISERS WITH FEW SKILLS AND/OR LITTLE OR NO UNION EXPERIENCE. IT IS HARD FOR SUCH A PERSON TO BE A SUCCESSFUL UNION ORGANISER UNLESS HE OR SHE IS PROPERLY TRAINED ON THE JOB. AT PRESENT, WE DON'T HAVE ADEQUATE FORMAL OR ON-THE-JOB TRAINING PROGRAMMES.

2.2 SOME REGIONS HAVE HIRED OR ARE THINKING OF HIRING PEOPLE WHOM THEY KNOW TO BE UNSUITABLE (E.G. BECAUSE OF DRINKING OR LACK OF SKILLS). THEY ARE HIRING THESE PEOPLE BECAUSE THEY ARE DISMISSED WORKERS, OR BECAUSE THERE ARE NO OTHER APPLICATIONS.

IT IS VERY, VERY HARD TO REMOVE A BAD OR UNSUITABLE ORGANISER. USUALLY, WORKERS WILL ONLY DISMISS AN ORGANISER IF HE IS FOUND TO BE FINANCIALLY CORRUPT. OTHERWISE, THEY WILL TRY TO TRANSFER HIM TO ANOTHER LOCAL, EVEN THOUGH THEY KNOW THEY ARE JUST GIVING A PROBLEM TO THE OTHER LOCAL. SO IT IS VERY IMPORTANT NOT TO EMPLOY AN UNSUITABLE PERSON IN THE FIRST PLACE. AN INCOMPETENT, LAZY OR CORRUPT ORGANISER CAN WEAKEN OR DESTROY THE UNION'S ORGANISATION IN A LOCAL.

3. STATUS OF ORGANISERS.

AN ORGANISER SHOULD BE A LEADER AND A COMRADE IN THE STRUGGLE, NOT JUST AN EMPLOYEE. IT IS IMPORTANT THAT WORKERS MUST CONTROL THE ORGANISATION AND THE ORGANISERS, BUT NOT IN SUCH A WAY THAT ORGANISERS ARE NOT ALLOWED TO TALK OR TO GIVE LEADERSHIP AS AN EQUAL WITH OTHER COMRADES IN THE ORGANISATION. THE MAIN POINTS ARE THAT ORGANISERS CANNOT VOTE AND THEY MUST NOT DOMINATE - BUT THEY SHOULD TAKE A FULL PART IN THE ORGANISATION. NUMSA MUST PAY MORE ATTENTION TO INVOLVING ORGANISERS AND DEVELOPING THEIR LEADERSHIP QUALITIES.

4. CRITERIA FOR HIRING ORGANISERS.

TO HELP REGIONS AVOID THESE PROBLEMS, THE CENTRAL COMMITTEE SHOULD SET DOWN GUIDELINES FOR HIRING ORGANISERS. WE NEED TO LOOK AT THE JOB DESCRIPTION FIRST.

4.1 JOB DESCRIPTION: LOCAL ORGANISER.

4.1.1 RECRUITING WORKERS TO JOIN NUMSA.

4.1.2 ORGANISING WORKERS: EXPLAINING TO THEM ABOUT THE UNION, ITS STRUCTURES AND ITS POLICIES. WORKING WITH THE MEMBERS TO BUILD STRUCTURES IN THE FACTORY/WORKSHOP.

4.1.3 HELPING THE WORKERS TO OBTAIN RECOGNITION OF SHOP STEWARDS.
HELPING TO RUN SHOP STEWARD ELECTIONS.

4.1.4 WORKING WITH THE S/S SO THAT THEY LEARN HOW TO:

- + REPORT TO WORKERS;
- + TAKE UP GRIEVANCES AND DISCIPLINARY ACTIONS;
- + NEGOTIATE WITH MANAGEMENT;
- + HOLDING MEETINGS OF THE S/S OR GENERAL MEETINGS.

4.1.5 SERVICING WORKERS AND ASSISTING SHOP STEWARDS TO SERVICE WORKERS. THIS MEANS KNOWING ABOUT UIF, PENSION AND PROVIDENT FUNDS, WORKMEN'S COMPENSATION, LRA, SICK PAY, MEDICAL AID ETC.

4.1.6 NEGOTIATING WITH MANAGEMENT ON PROCEDURES, WAGES, HEALTH AND SAFETY, WORKING CONDITIONS, RETRENCHMENT OR OTHER ISSUES.

4.1.7 REPORTING TO THE LOCAL AND TO THE REGIONAL SECRETARY ON ACTIVITIES.

4.1.8 PLANNING HIS OR HER OWN ACTIVITIES AND PLANNING DEVELOPMENT OF THE FACTORIES AND THE LOCAL.

4.1.9 ASSISTING THE LOCAL SHOP STEWARDS COUNCIL TO DISCUSS ISSUES FROM THE REGIONAL AND NATIONAL LEVEL, AND COMMUNITY ISSUES.

4.1.10 ASSISTING WITH EDUCATION SEMINARS.

4.1.11 REPORTING BACK TO MEMBERS AND SHOP STEWARDS ABOUT NATIONAL NEGOTIATIONS, HOUSING MEETINGS, PROVIDENT FUND NEGOTIATIONS ETC.

4.1.12 HOLDING FACTORY AND LOCAL GENERAL MEETINGS.

4.1.13 DEVELOPING LEADERSHIP AMONG SHOP STEWARDS AND MEMBERS.

4.1.14 GIVING DIRECTION IN STRIKES AND DISPUTES.

4.1.15 PROCESSING DISPUTES.

THERE ARE MANY OTHER DUTIES AND RESPONSIBILITIES WHICH ARE NOT LISTED.

4.2 CRITERIA FOR EMPLOYMENT.

IF WE LOOK AT THE JOB DESCRIPTION, IT IS CLEAR THAT AN ORGANISER NEEDS CERTAIN SKILLS AND QUALITIES. WITHOUT THESE, HE OR SHE WILL NEVER COPE WITH THE JOB, NO MATTER HOW MUCH TRAINING WE GIVE.

THERE ARE SOME PEOPLE WHO ARE VERY GOOD AT MOBILIZING AND EXPLAINING TO WORKERS, AND WE MUST USE THEIR SKILLS, TOO. BUT THE AVERAGE ORGANISER TODAY NEEDS MANY OTHER SKILLS AS WELL.

SKILLS:

1. THE ABILITY TO READ A REPORT OR AGENDA OR MINUTES, UNDERSTAND IT, AND EXPLAIN IT CLEARLY TO WORKERS.

2. THE ABILITY TO DO BASIC ARITHMETIC, SO THAT HE OR SHE CAN LEARN TO CALCULATE PAY SLIPS, LEAVE PAY ETC.

3. THE ABILITY TO WRITE A REPORT CLEARLY, SAYING WHAT HE OR SHE IS DOING AND REPORTING ABOUT STRIKES ETC.

4. THE ABILITY TO UNDERSTAND A NEGOTIATION ABOUT WAGES OR RECOGNITION AND TO EXPLAIN CLEARLY TO WORKERS.

5. THE ABILITY TO SPEAK CLEARLY IN FRONT OF MANY PEOPLE.

6. THE ABILITY TO READ A REPORT AND EXPLAIN IT CLEARLY TO SHOP STEWARDS OR WORKERS.

7. TO BE ABLE TO SIMPLIFY THINGS AND EXPLAIN THEM TO WORKERS: EG. UNION POLICIES; NEGOTIATING PROPOSALS; MANAGEMENT OFFERS; ETC.

8. DRIVER'S LICENCE.

EXPERIENCE:

IT WOULD BE BETTER TO HAVE:

1. SOME EXPERIENCE OF UNION ORGANISATION AS A MEMBER OR SHOP STEWARD, AND OF UNION STRUCTURES.

2. SOME EXPERIENCE OF DEALING WITH PEOPLE.