

SALTA 22A: COSATU 1998

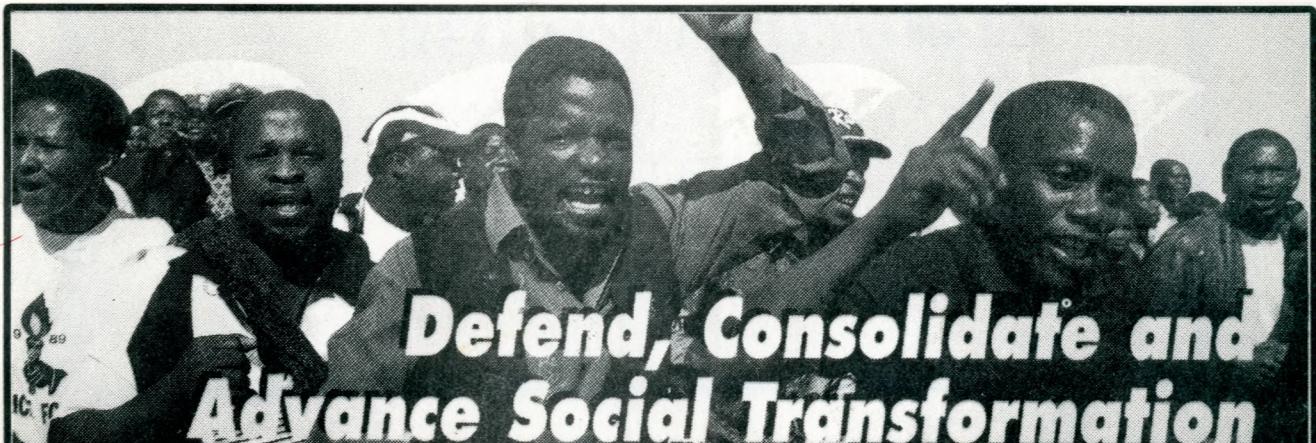
# COSATU

## REGIONAL CONGRESS

**11 JULY 1998**



**CREATE  
MORE  
JOBS**





COSATU WESTERN CAPE

REGIONAL CONGRESS

DATED

11 JULY 1998

# **COSATU REGIONAL CONGRESS**

## **11 JULY 1998**

### Agenda

#### **Day 1 -11 July 1998**

1. Opening & Welcome
2. Address by COSATU Chairperson
3. Address by Thabo Mkeki
4. Address by SACP
5. Credentials
6. Adoption of Agenda
7. Aplogies
8. Minutes of 1997 Congress
9. Matters arising
10. Address by Sam Shilowa
11. Office Bearers report
12. Finance Report
13. Any other business
- 14. Closure**

**PROCESSED**

## 1. Opening

Meeting to be opened by Cde Jackie Breda, COSATU Treasurer.

# Nkosi Sikelel' iAfrika

*Nkosi Sikelel' iAfrika  
Maluphakanyisw'uphondo Iwayo  
Yiswa imithandazo yethu  
Nkosi Sikelela  
Thina lusapho Iwayo*

*Morena boloka Sechaba sa heso  
O fedise dintwa le matshwenyeho  
Morena boloka Sechaba sa heso  
O fedise dintwa le matshwenyeho  
O se boloko, o se boloke  
Setjhaba sa heso  
Setjhaba sa Afrika*

&&&&&&

## **2. Address by COSATU**

Comrade Randy will deliver the Chairpersons address

## **3. Address by ANC**

Address to be delivered by Chairperson of the ANC, Comrade Thabo Mbeki

## **4. Address by SACP**

Address to be delivered by Comrade Blade

## **5. Credentials**

Secretary to present credentials to Congress and Chair to advise whether the meeting is duly quorated.

### **COSATU PROVINCIAL CONGRESS**

### **CREDENTIALS AS AT 11 JULY 1998**

Union	Paid up membership	Percentage of total	Voting Delegates	Number present to qorum	Those Present
CAWU	8723	3.4	35	12	
CWU	5500	2.1	23	8	
CWU	9783	3.8	40	13	
FAWU	45000	17.7	181	50	
NEHAWU	15400	6	62	20	
NUMSA	18259	7.1	74	24	
NUM	6242	2.5	24	8	
PPWAWU	6361	2.5	26	9	
SACCAWU	14318	5.6	65	21	
SACTWU	51861	20	213	70	
SADTU	15282	6	62	20	
SAMWU	26023	10.2	105	35	
SARHWU	5450	2.1	23	8	
SASBO	10829	4.2	44	15	
T&GWU	9576	3.7	39	13	
POPCRU	5000	1.9	21	7	
SAAPAWU	0				
<b>TOTAL</b>	<b>253613</b>	<b>100%</b>	<b>1007</b>	<b>332</b>	

A qorum for the Congress is 2/3 of the affiliates in good standing operating in the Province. This means 2/3 or 16 = 11 affiliates. Of these affiliates to be eligible for consideration must have 1/3 of their delegates present.

## **6. Adoption of the Agenda**

## **7. Apologies**

## **8. Minutes of the 1997 Congress**

Congress opened at 10h40 by the Vice Chairperson Cde Gloudia Stevens with the singing of the National Anthem. Followed by a minute of silence for Cde Lizo.

The Chair called for the adoption of the agenda. the following amendments to the agenda were proposed.

Moved: SACCAWU  
Second: CWU

NUMSA: Congress should pronounce itself on the Suharto issue  
Chair: To be raised under resolutions

NUMSA: Not a resolution. need to look if we can have action on the day of the court case

CWU: Agrees. urges Congress to discuss what action is to be taken on the 28th November 1997.

CWU: Agrees

Chair: To be discussed with resolutions agrees that it's not a resolution but the formulation would appropriately placed at the resolution section.

Opening Address: Randy Pieterse

Welcome to the ANC

Welcome to the SACP

Welcome to fraternal organisations

Welcome to Gomomo

See speech copy of which was circulated.

Call on Congress credentials to be forwarded to table.

Outline of rules of Congress

ANC address - Yousuf Gabru addressed the Congress on the role of the ANC and COSATU in the Alliance and the agenda of transformation.

Focus on the elections and the particular challenge that faces us in the Western Cape.

Call for credentials to be forwarded to table

Brian Bunting

**Apologies for Leonard, Philip and other members of the PEC who are attending the funeral of Cde Lizo.**

Your presence here has shown that COSATU has become a force that cannot be ignored and the challenge facing it in the future is ?

See notes

Credentials:

Tony read the credentials of affiliates to the Congress and announced that the Congress was duly quorated.

Minutes of last Congress was tabled to the Congress for adoption following corrections were tabled.

SACCAWU

Were present not sure of question mark.

Gloudia.

Addition of point elections and closure on point five.

SAMWU

Boss to be replaced.

Minutes : Moved for adoption:

Seconded:

SACCAWU

POPCRU

Official Addresses

John Comomo

Amandla

Viva COSATU

Viva ANC

Viva SACP

Viva SANCO

Long live the spirit of a few

Aluta continua

Welcome to everyone.

Members of Parliament forget that they the permanent members of the ANC in Parliament. They need to organise forums to report back. We have come from a very important Congress. We need

to ensure that the resolutions taken are implemented. Problems we are facing. We need to strive to ensure that we achieve that goal of socialism.

On crime and violence

On racism

On the 1999 elections

### **Break for lunch**

Regional Office Bearers report was presented by Secretary

SAMWU interjected with the following point

In Khayelitsha there's a dispute between SAMWU and the Tygerberg Metro. 8 Workers were arrested and refused bail for 7 days.

CWIU: point of order

SAMWU wants the Congress to give support to the question of bail.

SAMWU: R.O.B.'s report not true reflection of what's happening in affiliate

NUM: SAMWU should table a resolution, so that the issue can be entertained in a more constructive way.

CAWU: Supports NUM

CWIU: Appreciates process, but feels we should sort out the process at an Alliance level not within Congress

SAMWU: Resolutions are passed without being carried out. It is the slogan an injury to one is an injury to all is that a real slogan or lip service? Incumbent of Congress to take a decision.

NUMSA: We are not saying we don't agree with the question on solidarity, we want to discuss a structured approach.

T&GWU: Share the same sentiments, propose move.

SAMWU: Appreciate what's being said, suggest we get one per affiliate to be released to draft a resolution.

Regional Secretary: Procedural point. SAMWU should draft resolution and get a union to support this.

Back to R.O.B.'s report

**CWIU** : Page 2 is there an Alliance approach for by elections in Elsies River

**Chair** : Local is co-ordinating an Alliance programme that is in place

**CAWU** : pg 3 membership is now at 11 118

**SADTU** : pg 4.43% growth which makes us the 5th biggest union in the Province, not acknowledged on the 4th page.

**NUM** : pg 4 Namaq Sands

**CWU** : pg 4 wish to dispute the fact that increase is solely due to membership, have a recruitment strategy

**SARHWU** : Affiliates have had an opportunity to raise corrections to report at last REC so we shouldn't entertain technicalities

**CWIU** : pg 4 of Office Bearers Report

**NUM** : No note made of Namaqualand East where there's a temporary structure in place  
Mini debate whether it should be part of the Western Cape.  
Beville Local : No commitment from affiliates to assist in building locals.

**CWIU** : How do we distinguish between Industrial and residential locals.

**Regional Secretary** : Responded - if you come together where you stay -residential, notification of Monday's workshop

**CAWU** : Where is information on Khayelitsha Local

**Chair** : It is reflected further down.

**T&GWU** : Family event lacks political flavour, propose that we mix the two options so that we don't lose the politics.

**CWIU** : Point of order lets deal with an issue and put it to rest.

**T&GWU** : Agrees

**CWIU** : Supports option one shouldn't lose the objectives of May Day

**PPWAWU** : Supports option 2. brings families together and helps them realise what we are doing

**NUMSA** : Supports combination .should be in central location like Athlone. speakers to be limited

FAWU : Supports NUMSA and T&GWU

SACTWU : Supports, let May Day committee discuss details and report to next REC.

NUM : Supports combination, supports committee

SADTU : Supports combination

CAWU : House seems to agree with 2 options lets check if CWIU does not agree at this point.

CWIU : Accepts

NUM : Direction

SACTWU : pg 9 Report does not cover an update on the BCEA, hoped congress would capture that

Regional Secretary : SACTWU to propose a process for reporting

SACTWU : Would just require a quick report based on the COSATU Executive.

President passed in Parliament. DGS and Tito should finalise issues agreed at Summit and that is not embodied in the Bill passed, which we believe as COSATU is not reflected in Parliament. Next year before the promulgation should be captured in an amendment Bill. First REC in January will outline the technical amendments.

CAWU : Point of order, this secretary's report adopted by REC.

Chair : SACTWU to come up with process proposal s outlined by CAWU

SACTWU : Covered

CAWU : pg 9 On the constitutional court re: calling off the strike.

R.S : This is still in process.

CWIU : What intervention has COSATU made to SASBO. State of SASBO indicates a crisis, we as affiliates need to intervene.

R.S. : Problem nationally with participation. ROB's have had meetings with SASBO Office Bearers, have been diligent in sending apologies. We have taken matters up with them and they have not responded

NUMSA : Where did the Office Bearers come up with the information in the report.

R.S : You can say this is thumb suck, we have simply given our impressions and our comments based on Office Bearers experiences, it's up to affiliates to contest what is said.

NUMSA : How can you say carrying out decision politically

R.S : Based on attendance at J.S.S.C.'s and other structures.

SADTU : We are involved in COSATU structures, given examples

CAWU : Point of order. SADTU not participating

SACTWU : Office Bearers report not based on thumb sucking, based on participation of affiliates in COSATU structures, based on participation from various unions, should say we either participating or observing then challenge Office Bearers.

NUM : Did not come here to justify our participation in COSATU, NUM accepts this as an objective analysis of what has happened in the Western Cape, we will be fooling ourselves if we try to deny what's contained in the report, support SACTWU let's direct our energies to the way ahead and how we strengthen our participation in COSATU structures.

SARHWU : No affiliate can say that the report does not give a near true reflection, need to take SASBO's non participation seriously. At next REC we need a full report on discussions with SASBO REC in the region, so that we can discuss and resolve the problem. We can not have new unions joining and not participating.

FAWU : On point 3

SAMWU : This is not thumb sucking, this is not a scientific analysis, call on ROB's to withdraw what's reflected on the state on their organisation.

R.S : Not an adequate reflection, just an impression, yes there is has been problems, there has been improvements in some of the areas, need to brought up to date with recent developments and will be reflected at REC's

NUMSA : How do assess ability to carry out decisions politically.

Chair : Tony did recommend a way of taking the issue forward, lets move

FAWU : pg 3 We have a resolution, suggest this be entertained then

CAWU : pg 14 Proposes the adoption of recommendation as put forward, and that REC takes process forward.

PPWAWU : Supports

FAWU	pg 14 Clarity on the issue of demarcation from SACCAWU
CAWU	Commitment for us to implement the congress resolutions. ROB's should oversee that this process is completed
NUM	In our view the issue is solved
CAWU	Feels it's not over yet
CWIU	Testing process
T&GWU	Supports recommendation for J.S.S.C
SAMWU	Urges on Alliance question
R.S	Takes point that SAMWU should be at meetings of Alliance in the future
SAMWU	pg. 18 Alliance position should be that we go into opposition. if Kriel reshuffles either or none
CAWU	Supports REC should develop a programme to campaign against the removal of our MEC's
POPCRU	Supports
NUM	Why should we react to Kriel, we needn't give them a basis to exist
CWIU	Haven't discussed this matter properly with our constitutional structures. want to suggest that we take the views of the house back and empower the REC to take a decision.
R.S.	To consider the view of CWIU. explanation on what's happening
SAMWU	Need to take a decision as congress
SACTWU	Approach must be locked into an Alliance process. need to alert ANC that whatever decision is made is an Alliance decision.
CAWU	Feel we need enough time. propose that the first REC deals with the issue
SADTU	Support position that MEC's should stay here
CWU	Support CAWU
President	Lets refer this to the Alliance

SACCAWU	Feels input of the President will take us through. may comrades with different views be strong.
FAWU	Supports NUMSA
SAMWU	We need to discuss politically, this house must give direction to the Alliance meeting
R.S.	ANC PEC has already taken decision that they will take the seats given. we need to take our decisions on an informed basis. hence requires a special REC.
NUM	Want's to raise concern of the issues. seems COSATU will now be dictated to by forces on the outside. we need to note this.
CAWU	pg. 19 asserting hegemony-clarity
R.S.	Basis of the point is asserting ourselves politically. we have just raised one issue that could help us assert our position. explanation of the proposal. It's more about asserting our hegemony.
CAWU	We rejected this proposal as raised with employers in the construction industry. Our members will find a serious problem with this.
President	We should be guided by our 8hour policy. not care what construction management wants.
NUM	Need to start a campaign around this. to be taken further by the REC not for COSATU members only. but for society at large.
SARHWU	Supports
R.S	Explanation of proposals outlined on page 20
T&GWU	Sipube to Siphuba
PPWAWU	pg. 24 supports
NUMSA	Note the committees. would like comrades serving there to send progress reports and recommendations to affiliates. support proposal as outlined.
FAWU	Who should give the progress report and what are the mandates we talking about
NUMSA	These activities are being co-ordinated by COSATU. they represent COSATU so COSATU should compile these reports. further issues dealt with requires mandates. hence reporting and mandating should be done regularly. These comrades should be accountable.

FAWU Need to realise that comrades serving there are representing labour as a whole, and not just COSATU

NUM Omission in the ROB's report on the resignation of the treasurer

RS Treasurer issue captured in the REC should have been in the report

**SADTU** Has a problem with the gender report being for noting. As COSATU we need to develop a holistic approach to gender, the issues should cover both men and women.

SACCAWU Sabrina -treasurer not vice

CAWU Moves adoption of Office Bearers report

SACCAWU 2nd

President Closing remarks

Closure of nominations

SACTWU Moved

FAWU Moved

Announcements

Launch of Khayelitsha local on 7th December 1997

ROB's propose

Do financial and election now, resolution tomorrow

Supported

Financial Report : Randy tabled the financial report

Treasurer left -explanation

Recommendation : That we no longer have a regional fincom, but a committee made up of NEHAWU, NUMSA, SACTWU, SADTU, CWU, SASBO

Treasurers to form part of the delegation to REC

To submit a budget to National office, with monthly allocation to regions

To get audited report to next congress

Treasurers recommended adoption of financial statement

SACTWU Moved

NUMSA Second

**Elections** Joe Foster was asked to officiate

Chair Person Randy Pieterse was nominated

Vice Chair Gloudia Stevens

Treasurer Jackie Breda

Regional Secretary Tony Ehrenreich

As these comrades were the only ones proposed for the respective positions they were declared duly elected.

The meeting then adjourned for the Saturday

Sunday Day 2.

The Congress discussed and adopted the following resolutions

The full text is contained in copies of the resolutions attached. The congress then dealt with the question of resolving the racism question in our society.

The Congress closed with the anthem at 13h30

## **9. Matters Arising**

It is proposed that those areas that relate to the resolutions and its implementation be deferred to the discussion under the Office Bearers Report. *Only matters not dealt with in the other sections of the agenda should be raised for discussion at this point.* This proposal is to streamline and structure Congress's discussion.

## **10. Address by COSATU General Secretary**

Comrade Mbazima Shilowa

Comrade Sam, in his address will also cover the provisions emanating from the COSATU Central Committee.

### **Office Bearers Report to Provincial Congress dated 11 July 1998**

#### **11.1 Constitutional Obligations of the Congress**

The Congress represents their most senior gathering of worker leaders in this Province and is the highest constitutional decision making structure of COSATU in the Western Province. During our deliberations we should be especially mindful of the following obligations that the constitution places on ourselves.

- To implement and give effect to the decisions of the National Congress, Central Committee, Central Executive Committee and Executive Committee of COSATU.
- To examine Regional problems and co-ordinate activities and campaigns to overcome such problems
- To carry out the aims and objectives of the Federation with regard to the organisation of workers in the Region
- To facilitate and encourage co-operation between affiliate Unions in the Region
- To consider reports of the activities of affiliated Unions in the Region

#### **11.2 Introduction:**

The Provincial Congress of COSATU is held at an exciting time, more so given the fact that we have just come from our first Central Committee. The Central Committee has finalised key areas of socio-economic policy that would guide Cosatu's activities. This new structure has revolutionised the decision making process around policy formulation for COSATU. The Central Committee policies enables us to in a much more focused way direct the activities of the Province to ensure that we achieve our broad objectives as defined by the COSATU constitution. In addition we should take note of the upcoming Alliance Summit and ensure that our policies for the Province are based on a correct analysis on the current political and socio-economic situation, objective balance of forces, limits and possibilities and well as our commitment to the National Democratic Revolution led by the ANC. We have to match our responsibilities as a progressive

Trade Union Movement, as part of the Alliance and as a social movement, with the outcome of this Provincial Congress.

As agreed at the last Provincial Congress we should locate our resolution within a transformation context. Contrary to those who see our views as being out of touch with the dictates of the current situation, there is no contradiction between the National Democratic Revolution and the struggle for Socialism. As Lenin said "The outcome of the Revolution depends on whether the working class will play the part of a subsidiary to the bourgeoisie, a subsidiary that is powerful in the force of its onslaught against the autocracy, but impotent politically, or whether it will play the part of the leader of the peoples revolution".

This is particularly so in the South African context, where political and economic power remained for so long in the hands of a few, we seek to assert political and economic power in our country through proper use of our ascendancy to political power. The SA working class can rise to the challenge of ensuring that we build hegemony around the transformation process, which is not merely cosmetic, but real. On the other hand failure to seize the moment for transformation can lead to other forces imposing their own agenda. This we should not allow.

## **11.3 Current Situation**

### **11.3.1 POLITICAL SITUATION**

In assessing the political situation it is important to remind ourselves of the nature of the National Democratic Revolution, which should contextualise our analysis of the present period. The strategic objective of the National Democratic Revolution is the creation of a United non-racial, non-sexist and Democratic Society. This in essence, means the liberation of Africans in particular and Black people (Black, Coloureds and Indians) in general, from political and economic bondage. It means uplifting the quality of life of all South Africans, especially the poor, the majority of whom are Black and female. April 1994 constitutes a platform from which to launch the program of social transformation, what this revolution still has to accomplish is to overcome the legacy of a social system that was based on the oppression of the Black majority. Political freedom constitutes an important part of this mandate. However without social justice, such freedom will remain hollow, the pastime of those who can make ends-meet. The symbiotic link between capitalism and national oppression in our country, and the concentration of wealth in the hands of a few renders meaningless the declaration that national oppression and its social consequences can be resolved by formal democracy underpinned by market forces to which all should kneel in prayer. It seeks to encourage a notion of everyone for him her self. While formal democracy may present opportunities for some Blacks and women to advance without a systematic national effort led by the Democratic Government to unravel the skewed distribution of wealth and income the social reality of apartheid will remain. Thus the state has a fundamental important role to play in transforming our society, the character of such a state becomes essential. To this end we should ensure that the ANC attains an overwhelming majority in the 1999 elections to secure political power and direct the state to address the legacy of apartheid. The 1999 elections is a mere 11 months away and already we see that political events unfolding in the country having an election nearing character, part of these developments is the discussions within

the ranks of opposition parties around a unified approach to stop the ANC from attaining an overwhelming majority at the polls. Statements from the likes of the DP and the NP designed to block a two thirds majority for the ANC related to possible abuses of power is nothing short of racist in the extreme. No such calls about possible abuse of power were made from these parties when the Labour Government attained an overwhelming majority in Britain, or the Republicans achieved an overwhelming victory in the American elections. We should be especially mindful in the run-up to the elections of opposition parties resorting to old tactics, e.g. the IFP and the NP's use of violence during the election period, also, the NP's encouragement of racist election policies that undermines all of the attempts of nation building in SA for mere short term party political gain at the polls. Events since the 1994 elections have demonstrated that in the main opposition parties are opposed to the agenda of transformation. It is the Alliance under the guidance of the ANC who has consistently advanced the agenda of transformation, whilst we have made very many important advances we should be mindful of the fact that the Democratic Movement also faces its own challenges. In certain areas our organisation on the ground is weak, this needs to be remedied. Cosatu's members need to implement the resolution of the 6th National Congress to help build a strong ANC. We cannot have a strong COSATU and a weak ANC and still hope to lead the transformation process. The membership of the ANC does not reflect the fact that it is in alliance with an organisation that has more than 300 000 members in this Province. As the elections approach, rivalry for positions may lead to the individual assuming more attention than the collective of the movement. While we do not deny Comrades the right to want to advance to other positions that are available at this point, we believe that the movement is best placed to decide on strategic areas of deployment. We call on our members in the Province to help build a strong ANC, as well as effective election machinery that ensures a political victory for the ANC in the Western Cape. We need to ensure that all of our efforts are directed at strengthening the ANC at local level, to ensure participation of our members in the transformation process as opposed to a practice in many areas where the ANC structures are used as power bases for individuals, this negates the democratic traditions of the movement.

Contrary to the view that nothing has happened since 1994, many significant gains have been made since the first democratic elections. We see this in the areas of socio-economic rights and worker rights and the deepening of democracy. Most communities in rural areas now have access to water and electricity, some communities have had their land returned to them. South African pregnant woman, children under the age of 6 and the unemployed, now have access to better health care. Important policies covering the area of health, labour, water, land, education and training has been put in place. These for large sections of our society, more especially the working class, translates into revolutionary changes. All of this has been made a reality by the ANC led Alliance. To focus on but a few, the following in concrete terms represents the advances:

- The basic conditions of employment act
- The Labour Relations Act
- The South African Constitution
- Employment Equity Bill
- The Skills Development Bill
- Legislation around reduction in the prices of pharmaceutical drugs
- Termination of Pregnancy Law

Noting the above we should be mindful of the fact that the Alliance has achieved these under great opposition to the transformation agenda. The reasons for these are many and complex, relating to both internal and international factors, objective constraints as well as subjective errors in the way we have approached the transition. We need to acknowledge that in certain areas we have not done as well as we should have, this applies particularly to housing and transport. Our housing policy remains largely driven by the private sector, we need to re-examine this area with regard to the role that the state should be playing.

In the 1980's we were able to mobilise a variety of mass formations to achieve the goal of national liberation, we need to use the same approach to build a mass movement for transformation. Such a movement is essential to take forward programs in areas such as public transformation, housing, health, education and opposes the agenda to undermine and destroy the gains that have been made

### **11.3.2      SOCIO-ECONOMIC SITUATION**

This Provincial Congress is held as workers experience continual attacks from both domestic and international business. This is borne out by the fact that even though the economy is growing and companies continue to post super profits, jobs are being lost in all areas of the economy. This is being done under the guise of work reorganisation whose sole objective is to increase profit, with a complete disregard for the socio-economic consequences of such short sighted restructuring. As workers we know that this is nothing else but a new form of exploitation.

As workers, we know that this is nothing else but a new form of exploitation and oppression by the bourgeoisie. Their concept of globalisation masks their commitment to a neo-liberal agenda which seeks to strip countries of their sovereignty and right to chart their own social and economic path suited to their conditions of development. This subjects us to the dictates of the IMF, World Bank, G7, the multinationals and the market which, as we all know, is not neutral but an imposition of business's will on society. We are all expected to bow down in front of these un-elected institutions for our salvation. Their spokesmen tell us - for they are mainly white males - that we have to conform to their dictatorship or we will be forever marginalised. The working class and society in general should reject these assertions, which are aimed at ensuring that we accept the current agenda of multinationals, financial markets and the G7 as inevitable. As South Africans, we do want trade with the outside world. However, unlike these converts of the markets, we do not only want free trade, but fair trade. The same goes for those who are unemployed, particularly youth and woman. They do want jobs. It is however a fallacy perpetuated by the business community, the World Bank and the commercial media, that these people want any type of job, irrespective of wages and other basic conditions of employment on offer. We have to assert the right of workers to better quality jobs at a living wage. In this way, we will ensure that workers in South Africa do not become economic slaves in the name of job creation.

As COSATU, we are aware of the historic a progressive Trade Union Federation, as ours should play in the transformation of our country. It is in this regard that we have combined our role as a defender of worker rights and interests with that of the broader liberation movement. The same however applies to broader society which should accept that much as we have responsibility to the country as a whole we also have a responsibility to our members. We reject the view that we

are only concerned with the interest of employed workers. Our history shows that we have and continue to pursue a transformation agenda that extends beyond the sectional interests of our members. We dedicated ourselves to the liberation of our country while business spent their lives defending apartheid and reaping the benefits of its economy. As we meet at this Congress, society, communities and workers continue to bear the brunt of our economic policies. This is in spite of the Alliance Summit, the 50th ANC National Conference and the ANC, NEC Legotla, which called for continued review of the economic framework so that it is in line with the RDP goals and objectives. The NEC had in fact said that, there needs to be as much of an emphasis on the social deficit as on the management of the budget deficit. The above approach however appears to be regarded as mere guidelines by some in government, when they are in fact meant to be policy of the ANC. We should continue to push for a transformation program and policy supporting an emphasis on the working class. In line with the 1997 World Development Report, we should push for an active role of the state in many key areas of the economy. The upcoming Job Summit presents an important opportunity for us to cement an active role for the state in addressing the key economic challenges. The current situation in SA and the shifts in economic thinking which are presently taking place, points to an opportunity for restructuring and implementing a much more progressive and developmental economic agenda. A missed opportunity at this time, could have dire consequences for the Socio-Economic well-being of South Africans in future years. The Central Committee has developed a program of action to turn this opportunity into reality. The Provincial Congress needs to spend some time in defining an approach that ensures the support of our members based on an understanding of the key decisions. We must emerge with a campaign to defend jobs. We must protect the right of the state to provide basic services, particularly to the poor and disadvantaged. We need to join hands with all workers facing threats to their job security.

#### 11.3.4 ALLIANCE PROCESS

The Alliance Summit focused on a number of key areas that could contribute to rebuilding the Alliance and the resolution of certain differences around macro economic issues. These areas of agreement that would emerge from the Alliance would constitute a broad program for transformation. Nationally there has been a number of discussions within the ranks of the Alliance to pursue the areas identified below.

- Employment Creation Strategy and developing a joint approach to the Job Summit
- The Labour Market
- Social needs, social wage, social security
- Fiscal and Monetary Policy
- Industrial Policy
- Globalisation
- Building Organisations
- Election Campaign
- Public Sector Transformation

An Alliance Summit is to be held nationally to finalise positions on these key areas.

### **11.3.5 1999 GENERAL ELECTIONS**

The ANC needs a decisive victory to continue with the agenda of transformation. Earlier section of this report details the areas of transformation. We have also seen during the last 4 years, the opposition to transformation, from opposition parties a detailed referral to the opposition is as follows:

#### **National Party**

- The opposition to the security of tenure
- The challenge from Marais against the National Local Government transition proposals
- The opposition to redress the problems in Black education
- The opposition to a number of key areas of the Labour Relations Act, effectively condemning workers to apartheid labour laws.

#### **Democratic Party**

- There has also been an agenda to ensure the maintenance of White privilege and opposing most legislation that seeks to transform our society.

The polls indicate that there has been a reduction in the amount of support for the ANC nationally. This dissatisfaction has been captured by perceptions around the ANC's performance in the following key areas:

- Dissatisfaction with the lifestyles of government representatives (notion of the Gravy Train)
- A perception that the ANC is soft on corruption
- Lack of addressing areas of crime, poverty and job creation successfully

From the above it is clear that our historic base is moving away, and it becomes imperative that we do a careful analysis of the key reasons and develop a propaganda strategy to highlight the exact nature of governments performance.

The following key tasks should be pursued:

- Ensuring the registration of all voters in the run-up to the elections, including the distribution of identity documents to all potential voters
- We need to again conduct a voter education program

The details of the above program should be developed by the proposed committee of secretaries for presentation to the Regional Executive Committee. We should co-ordinate and synchronise our activities with the rest of the Alliance.

### **11.3.6 LIST PROCESS**

The unfolding developments around the list process is inclusive of the following key areas and positions within the Alliance.

### **The COSATU National Position**

We will not negotiate special space for COSATU people on the election to various structures of government. To participate in the list process, proposals should be processed through the ANC, effectively this means that only ANC members would be eligible for consideration in the list process. COSATU would be able to nominate certain ANC comrades for the list, but it would be processed through the various list committees that have been convened.

### **The ANC Position**

The ANC has made provision for the various Alliance partners to nominate ANC comrades to the list process. The list committee has decided that the following structures of COSATU can nominate.

- The COSATU Locals
- The Affiliate Local or Branch structures

The closing date for such nominations is, 10 July 1998, with the list conference being convened for some time in December 1998. COSATU would have delegates to such a list conference.

#### *Recommendation:*

That COSATU Congress nominates 20 key ANC members, it would support for the list conference.

### **11.3.7 CAMPAIGN FOCUS**

COSATU has to develop a detailed campaign that would direct its election effort, this should be done in conjunction with the ANC and Alliance program. The Committee of Affiliate Secretaries should be the co-ordinating structure within COSATU to oversee the development of our election effort.

#### *Recommendation:*

Refer to above

### **11.3.8 CONCLUSION**

What is clear, is that the general elections will form the key campaign for COSATU during 1998 and 1999. If we are to secure State Power to pursue the transformation agenda, our election effort must be effective in all areas of the organisation.

## **11.4 Assessment of Affiliates**

The assessment represents a subjective analysis by the Office Bearers of the performance of the Affiliates. It is to some extent supported by the various attendance registers, but it is in the main our experiences and it seeks to direct the focus of the Unions. The following applies in the report

The Management of a Union refers to how well it implements the political agenda of COSATU and participates in the broad thrust of asserting our hegemony over society.

<i>Number</i>	<i>Ranking</i>
1	Bad
2	Weak
3	Fair
4	Good
5	Excellent

### ***SAMWU***

Has recently had a change in Provincial leadership, which has led to an improvement of participation at a Regional level. Shopstewards and Organisers however, appear to be disconnected from COSATU. In areas where there has been joint co-operation, there has been questions of discipline around time keeping and pursuance of agreements. In respect of the management of the Union, our view is, it deserves a **3,5**. We commend their improvement.

### ***SACTWU***

This Union remains the anchor of the campaigns that COSATU has been taking up. The leadership is active and consistent, along with shopstewards generally. The Organisers however, are not completely in sync with the developments at COSATU. The Management of this Union does well with a **4,5**. The .5 reduction is for the fact that they sometimes make separate arrangements with their industries, without consulting other Unions, who are part of a joint program.

### ***CAWU***

The leadership of this Union is inconsistent in their participation. Shopstewards and Organisers appear to be dislocated from the COSATU developments. For Management it gets a **3**. Improvement reflected in many areas.

### ***CWU***

Leadership participation weak and inconsistent. Shopstewards and Organisers, largely dislocated, for Management it gets a **3,5**. There has been improvements since the 1997 Congress.

### ***NUM***

A recent change in leadership practise, regarding the Regional Secretary. Attendance and participation generally weak. The Shopstewards and Organisers are largely unknown to ourselves. The Management is weak and they get a **3**. This Union, however, should be commended for the work done on crime.

### ***CWU***

Participation of leadership erratic, but improving. Shopstewards and Organisers dislocated. Management gets a **3,5**. Have seen must greater connection to Cosatu.

### **SACC4WU**

Leadership participation encouraging Shopstewards and Organisers largely dislocated from COSATU. Management a **3,5**. Improvements are obvious, but they need to be more forthright with the Federation.

### **SARHWU**

Leadership participation improving, membership, Shopstewards and Organisers not as well connected to COSATU as they should be. Management however gets a **3,5**. Commend their improvements.

### **TGWU**

Leadership fairly new, participation erratic. Shopstewards and Organisers represent improved co-operation. Management a **4**. Their efforts are to be congratulated and their internal campaigns galvanising their members, a good initiative.

### **NEHAWU**

New leadership, consistent and effective in their participation. However Shopstewards and Organisers largely dislocated for Management a **3**. The improvements in this area are to be commended, as its sets the basis for sustained organisational growth.

### **FAWU**

Leadership participation consistent and effective. Lots of improvement required from the side of Shopstewards and Organisers. Management scores a **3,5**. Good improvement since 1997, still room to go to its full potential.

### **NUMSA**

Leadership consistent and effective. SS participation improving but erratic. Organisers largely absent. For Management a **3,5**. Recent developments is a reflection of the obvious gains made amongst Metal Workers.

### **SAAPAWU**

Leadership absent. SS and Organisers absent. Participation, other than a brilliant performance at the launch of the Autumn Offensive, not connected to COSATU. While their score is **0**, we do think their present leadership has the potential to dramatically improve, given a change in the political will of the General Secretary to resolve outstanding matters.

### **PPWAWU**

Leadership effective and erratic, but a vast improvement has been noted. SS and Organisers need to be more centrally involved. This Union should guard against the formation of factory unions. For Management a **3**. A great improvement in servicing of members, observed eager to co-operate.

### **SASBO**

Leadership participation absent, some SS are making an effort to remain connected to COSATU. The view of the Office Bearers is that the Provincial Secretary is in a "comfort zone" and has neither the capacity nor the political will to engage in an ever changing environment in SA. For Management, the inability to manage their engagement with COSATU, notwithstanding some differences, they may have, earns this Union a **0,5**.

### **POPCRU**

Leadership participation effective and consistent. Vast improvement in participation of SS and Organisers. While they do not promise much, they do deliver. They earn a **4**.

### **SADTU**

Leadership participation effective and consistent. Membership and SS becoming much more involved in COSATU. Full marks for effort in participation in COSATU. We are keeping our fingers crossed for their involvement in non-education campaigns. Presently they earn a **4**.

What needs to be done to get a more accurate reflection of the level of participation of Affiliates, relative to their own Union size, is for us to get their number of shop stewards within the Union. A percentage breakdown of participation would then be possible, and it would ensure a more accurate comparison between Affiliates.

### *Recommendations*

The COSATU Office Bearers should be invited to address the Regional Executive Committee and Congresses of all of the Affiliates. This will ensure a first hand connection with the elected constitutional structures of the workers. Then the forwarding of data detailing number of SS and Organisers with relevant details should be finalised by end July. We should develop an Organisational Bulletin of COSATU, that goes to Affiliate offices on the 1st day of every month. SS would then be able to constantly connected with developments within COSATU.

## 11.5 Affiliates Participation

### TRAIN CAMPAIGN

AFFILIATE	27 MARCH 1998	24 APRIL 1998
CAWU	3	1
CWIU	0	0
CWU	1	13
FAWU	15	0
NEHAWU	10	0
NUM	2	2
NUMSA	91	7
SACTWU	159	113
SACCAWU	3	0
SAMWU	18	4
POPCRU	1	4
PPWAWU	5	1
SARHWU	35	2
T&GWU	14	1
SASBO	0	0
SADTU	2	0

### REGIONAL EXECUTIVE COMMITTEE

Regional Executive Committee's were held on the following dates:

- 18 February 1998
- 20 May 1998

## REGIONAL SHOPSTEWARDS COUNCIL

UNION	5 MARCH 1998	26 MARCH 1998	7 MAY 1998
SACTWU	97	83	472
SADTU	11	15	29
SAMWU	5	7	19
NEHAWU	7	3	16
NUMSA	9	7	30
NUM	2	0	56
CWIU	3	2	37
CWU	2	0	20
T&GWU	4	3	32
SARHWU	4	3	35
FAWU	3	11	50
PPWAWU	2	3	22
SACCAWU	2	4	25
SASBO	1	0	18
POPCRU	2	3	24
CAWU	0	1	29

## 11.6 Regional Secretariat Meeting

These meeting continue to be an important area of discussion and debate around the implementation of decisions taken at the Constitutional Structures. In addition it provides valuable insight and assistance from affiliate secretaries that advises the office bearers on the most appropriate ways to locate COSATU.

*Recommendation:*

Should an evaluation conclude that it does not undermine the decisions of the Constitutional Structures, then this forum should continue.

## 11.7 Regional Organisers Forum

This forum has not been meeting as regular as it could, but remains an important tool to ensure buy-in of organisers in the various activities of COSATU. Whilst the focus has shifted slightly to briefings of National Structures of COSATU and topical discussions and presentations around key areas of activity of the organisers its value cannot be over stressed. Nobody can dispute the special role that organisers play with our constituency and their worth as key Cadres of the movement, must be appreciated.

*Recommendation:*

Organisers should be encouraged to set aside the necessary time to attend these structures and whilst not undermining affiliate structures reports of the COSATU REC's should be covered.

## **11.8 Affiliate Chairperson Development**

The Office Bearers are proposing this new forum as a key structure at which the notion of worker leadership can be pursued. This is not an attempt to in any way undermine the affiliate owned constitutional structures, but the securing of a common approach to developing a COSATU identity can be taken forward at this level. It would also present an important opportunity for chairpersons to share experiences and their common vision.

### ***Recommendation:***

That this structure be initiated with a two day workshop, focusing mainly on organisational development and an assessment of the respective affiliates. Future timetable for monthly meetings can be determined at such a workshop.

## **11.9 Development Forums**

The Development forums referred to below has legislative standing within the Province. They are also starting to play a much more profound role in the influencing of Provincial economic development. Given their sphere of influence it is essential that COSATU in a much more structured way interacts and influences their agenda.

### **11.9.1 WESGRO**

This structure effectively deals with investment promotion into the Western Province. Our influence here however, needs to be improved. As this forum has a very close relation with the present MEC for economics. The approach of this organisation is fairly right wing, with an agenda that is seen to dislocate the Western Cape for a South African or Southern African development focus. Its present executive is dominated by white business interests and it is clearly the structure that is favoured by the NP's Provincial Government. It has had a substantial increase in its budget from the Province and an assessment of the activities would reveal that they are attempting to become the premier agency for defining the developmental agenda of the Western Cape.

### ***Recommendations:***

A secretary from one of the manufacturing affiliates should be deployed to assist Cde Richard Kawie, to pursue Cosatu's interests. The other permanent reps should remain. Congress should define such a secretary.



### **11.9.2 Provincial Development Council**

This structure is much more sympathetic to labour's positions and has been tasked with developing a Growth and Development Strategy for the Western Cape. This document is in an advanced stage and COSATU urgently needs to decide on an approach. This structure does not appear to have significant support from the Provincial Government, especially if one considers the cut in their budget allocation and the fact that junior government officials attend. COSATU and the **Progressive Movement** is suitably positioned to direct the agenda of this institution, to achieve this we should boost the standing and profile of the structure in the Western Cape.

#### ***Recommendations:***

All education officers to become permanent delegates to this structure and represent COSATU in the various sub-committees. COSATU should appeal to Nedlac to devolve the authority to process Provincial disputes that arise out of Section 77 of the LRA around Socio-Economic Rights. COSATU should formulate an approach as to whether or not we would endorse the PDC growth strategy for the Western Cape. As this would be tabled to Provincial Government and could become the blue-print to their development agenda of the Western Cape.

#### **Process**

If endorsed, Education Officers along with the Regional Secretaries should meet to assess the strategy document and formulate a recommendation for a special REC, prior to the 23 July 1998, where special PDC Summit will pronounce itself on this document.

## **11.10 IMPLEMENTATION OF NOVEMBER '97 CONGRESS RESOLUTIONS**

### **11.10.1 DECLARATION ON NATIONAL HEALTH SYSTEM**

We have indicated our support for a number of provisions of Minister Zuma in the area of health care. A decisive victory was also won by NEHAWU on the question on the closure of hospitals. These areas however need to be further pursued. The Public Sector forum should develop the principles of transformation that would apply also to this industry. COSATU should continue to commit itself and its resources to this area.

### **11.10.2 RESOLUTION OF KHAYLITSHA DISPUTE**

These areas are being pursued in discussions within the Alliance and whilst our approach was not as consistent, as it should have been in the past, it has now been put back on track, with a number of principles adopted at the Joint Alliance Executive Committee meeting. A meeting is being held on 7 July 1998, and it is proposed that a detailed report with the finalised agreement be tabled by the first REC after this Congress.

### **11.10.3 EDUCATION CRISES**

In pursuance of the resolutions adopted at the November Congress, a process was adopted in the Province which dove-tailed with the National SADTU program of action. Our essential focus was the securing of quality public education for working class areas, and the equalisation of standards between Black and White education in the Province. Negotiations was held under the auspices of Nedlac, which led to a dispute around the Governments failure to redress education in the Province. We received a certificate from Nedlac, to stage demonstrations in pursuance of our Socio-Economic interests. The Provincial Government attempted to interdict our action, through the courts. COSATU scored a resounding victory in court and set an important precedent for workers throughout the country. On 11 May 1998, we embarked on 24hr protest action, and whilst this action was well supported in the city centre demonstration, the effect on industries, other than the clothing sector was quoted as being below 40%. The question of what the final levels of support was, is academic at this stage. What is significant is, is that we were able to mobilise a large section of society around our demands, but the lesson that should be drawn from all of this is that, we could have done better within our own ranks. Again, the question of the management of the campaigns within our affiliates arises. We have made contact with a large range of progressive organisations, within the education sector, amongst whom are the Principles, Students and Governing Bodies. Most of whom attended the Education Summit, convened by COSATU. The only notable absence at the Summit, was the Provincial Government. We clearly have the capacity to maintain the initiative, to this end we are assisting to co-ordinate students into a co-ordinating structure. The Government has made a number of concessions in the negotiations, which represent key victories to COSATU, amongst which the following should be noted:

- Municipal costs - not passed to schools
- Transport provisions - maintained
- Security provisions - improved
- Acceptance of the Principal of Redress, even though they are still substantive shortcomings

The campaign in the Western Province has to some extent been temporarily suspended, so as not to become caught up in the SADTU national campaign. SADTU should be congratulated for an important victory achieved nationally and an indication given of our support to the extension of those national provisions to the Province.

*The following measures need to be pursued:*

- Defining a funding formula that ensures substantial redress.
- A structured process to equity
- Across budget prioritisation of expenditure by Provincial Government

*Recommendation:*

We should attend the Government Education Summit, we must demand that such a Summit is convened, not only by the Education Ministry, but by Province as a whole. We should pursue the above outstanding matters, through the Nedlac process. Given the fact that education is a fundamental area affecting the future of our children, should the Government fail to comply with the demands listed above, protest action should be embarked upon, until the above and related areas are secured. We further undertake to support SADTU in its campaign in the Province

#### **11.10.4 BUILDING OF NON-RACIALISM**

Following on the presentation and discussion at the November Congress, Numsa convened a session on building non-racialism. The general feeling however, is, that within the Unions, workers across previously defined race groups have broken down the racial barriers, due to their common struggles around exploitation in the workplace. While this general rule applies, there are exceptions amongst individuals, some of whom are COSATU members. These racists should be condemned with the contempt they deserve.

*Recommendation:*

Any member of COSATU, being found guilty of using racist terms should be expelled from COSATU. Should a non-member be accused of racist remarks against any COSATU member, such a Union would be compelled to demand that disciplinary action be taken against such person. A COSATU poster to be developed, that captures racial harmony and reinforces the view that Black workers jointly, have played a fundamental role in building SA and its economy.

#### **11.10.5 RESOLUTION FOR THE 1999 ELECTIONS**

The elements of the resolution is taken up in a range of areas in this report and is up for Congresses consideration.

#### **11.10.6 RESOLUTION ON PRIVATISATION**

The detailed proposals have been made available by SAMWU and is presently being processed through the Public Sector forum. Congress should advise whether this will suffice.

#### **11.10.7 RESOLUTION ON FARM WORKERS**

Discussions have been convened with the SAAPAWU General Secretary along the lines of the November resolution, no progress has been made on this matter. This in our view is as a result of a lack of political will of Comrade Dixon to settle the contradictions present within SAAPAWU. This however, is completely unacceptable, as the plight of Farm workers is being disregarded, due

to some bureaucratic red tape. Whilst the head office of SAAPAWU ponders on these matters, there is no improvement in the organisational capacity of SAAPAWU, which means they get no assistance from the head office and they get no access to the resources that would become available, should they be under COSATU, or demonstrate that the Management has improved.

***Recommendation:***

We should finalise an arrangement with SAAPAWU in the Congress, independently from their head office if necessary. That would mean the implementation of the November resolution. This effectively means that the COSATU and SAAPAWU Provincial Office Bearers meet in the week post the Congress and finalise the implementation of a joint Management agreement that takes effect 1 August 1998.

#### **11.10.8 RESOLUTION ON THE SEAT OF PARLIAMENT**

Our position has been pronounced and the NEC of the ANC has effectively delayed the finalisation of this decision. Resolution is on track.

#### **11.10.9 RESOLUTION ON CRIME**

Substantial progress has been made on the implementation of this resolution, the details are covered under the following two headings.

##### **11.10.9.1 Train Campaign**

Whilst the above refers to the participation of the different affiliates the resolution has been given affect to by the following measures:

An agreement was reached with the Cape Chamber of Commerce and Industry to release our Shop stewards to participate in the campaign. Negotiations with Metro Rail, the Safety and Security Secretariat and the SAPS to support the campaign.

***The campaign took the following form:***

Between 400 600 of our Shop stewards took the last Friday off and spent the day on the trains, both to ensure a reduction in the levels of crime and advising commuters about mechanisms that could ensure their safety on the trains. Metro Rail provided free passage on the trains for our Shop stewards and the SAPS provided backup. The campaign was well received by commuters and the levels of success translated into a 70% reduction of crime on the days in question.

The latest development however is that Metro Rail intends cutting back on their own security arrangements due to budget constraints.

***Recommendation:***

We should oppose such a reduction and enter into negotiations with Metro Rail and the other relevant authorities to secure an increase in the number of people providing security to commuters. These negotiations should be conducted in such a way that COSATU would be positioned to declare a dispute on the issue.

#### **11.10.9.2 Gang Violence**

We are being represented on the forum that is presently engaged in measures to reduce the levels of criminal gang activity in our communities. Thus far progress has been slow, but an impact has been made in respect of setting the agenda for these areas.

##### ***Recommendation:***

**Congress should decide on weather or not we support a position to engage in negotiations with the various gangs in the Province. We should also consider our position in respect of co-operation with other anti-gang formations in the Province, who presently fall outside of the structures dealing with these areas.**

#### **11.10.10 RESOLUTION ON METROPOLITAN GOVERNMENT**

Our position in this area has been pronounced and the debate around the finalisation of this area is an ever unfolding one nationally. In this respect the resolution is on track.

#### **11.10.11 STRENGTHENING COSATU AND DEVELOPING A SINGLE IDENTITY**

The unfolding campaigns of COSATU, by its nature has strengthened COSATU and contributed to developing an identity of COSATU and asserting its hegemony over society. The key areas that we should be focusing on, to build on the present gains, is to ensure maximum participation of all of the campaigns and areas that COSATU identifies and pursues. The manifestation of this concept in something tangible, should be discussed.

##### ***Recommendation:***

That COSATU commissions a poster that captures the essence of our role and contribution in the development of SA in the pre and post apartheid era.

#### **11.11 DEMARCATON**

The weakness of COSATU to intervene in affiliate activities, where these are not welcomed, has been clearly illustrated by the question of demarcation. Even where such matters has been referred to both the COSATU and affiliate head offices, no resolutions were forthcoming in the main, due to strong vested interests on the side of the affiliates. The ability of COSATU to implement its National Congress Resolution would continue to be frustrated in the absence of an implementation model.

##### ***Recommendation:***

The following should serve as the implementation model for disputes around demarcation. Where a dispute on demarcation arises the aggrieved Union should lodge a complaint with the Provincial office of COSATU. The Regional Secretary should then compile all of the relevant information related to the matter and table a recommendation to the Regional Executive Committee. The Regional Executive Committee will arbitrate on the matter and its decision must be implemented. Should an affiliate be unhappy with the decision it will lodge an appeal with the COSATU National Office Bearers through its own head office. Such appeal must be lodged, within 14 days of the decision. The REC will apply the Congress criteria in arriving at its decision.

## **11.12 DEVELOPMENT OF A WESTERN CAPE ELECTION PLATFORM**

The development of an election platform could become a central area to ensuring victory for the ANC, in the Western Cape. And whilst a whole range of areas should be considered, special reference should be made, and due regard taken of the following areas. Presently the ANC maintains similar levels of support of the NP, around 30% of those polled. This clearly means an improvement in the position of the ANC and ongoing reduction in levels of support for the NP. We need to build on this trend and central to that is a special focus on the following areas:

- The question of class, as at least as an important component as race in the voters minds.
- The measures to maintain our African base
- Broadening the support base amongst coloured workers and the coloured working class generally
- A disaggregation (breaking down) of different elements of the electorate and the definition of particular programs for each. E.g. Farm workers, coloured woman workers, fishing communities etc.

As in our unfolding campaigns in education we have learnt and started to establish the basis of a broad front to support a transformation agenda and this should be broadened to ensure a common approach for election victory for the ANC.

Further to this we believe, that the strengthening of the ANC's organisation, right down to a local level, would go a long way towards re-establishing the ANC as the organisation to be tasked with building a better life for all.

The role of COSATU however, needs to be a lot more carefully defined, as the present analysis done by the ANC, seems to disregard the contribution and possibilities that workers organised in COSATU are capable of. The organisational structure and capacity of COSATU far exceeds that of other organisations within the Province, given our view this could be the comparative advantage, that could tilt the election results in favour of the Alliance.

The ANC in the Province will be pursuing plans to develop particular areas for a Western Cape election platform that would build on a National one. This presents an important opportunity for COSATU to develop a "contract with the Cape" as a key election approach that could extend into the heart of coloured working class areas.

The formulation of the elements of such a "contract with the Cape" could follow a route similar to that of the Freedom Charter and whilst it may reaffirm a number of the areas covered in the RDP, the process could represent an important buy-in. This would be especially opportune at this juncture given the failings of the NP in their 4 yrs in Parliament.

### ***Recommendations:***

That the notion of a "contract with the Cape" has the basis of a joint election platform with the ANC be endorsed. The Committee of Provincial Secretaries of Affiliates flesh out such a proposal for endorsement by the REC. Special provision must be made for an implementation mechanism to ensure that elements of such an agreement are achieved.

## **11.13 COSATU LOCALS**

COSATU Locals historically have been an important structure for the implementation and running of many of the Unions campaigns. Given our broad socio-political agenda, it becomes even more imperative at this juncture to ensure the setting up and effective functioning of these structures. Experience has however shown us that this can only be achieved with the full participation of all of the affiliates.

### **INTRODUCTION**

September Congress of COSATU held in 1997, resolved that COSATU industrial locals would have to be re-launched along the lines of the Regional Executive Committee of COSATU. The LOBs will be elected by the affiliate locals at a constitutional meeting of affiliate local representatives joint shop steward council. Direct representation of affiliate locals will make up the Local Executive Committee (LECs) of COSATU. The LECs like the REC will meet as defined in the Constitution.

This process must be completed by September 1998. The local office-bearer meeting held on 10 June 1998, has for the first time dealt with this matter of the setting up of the LECs. Clear time-frames have been set to achieve this objective, a detailed account you will find enclosed.

### **FUNCTIONALITY OF LOCALS**

To date our attempts were to keep the locals in its present form functional. After the setting up of new locals and the reviving of 18 Locals between September and November 1997, a two-day Office- Bearers Training programme was held between 25 - 26 November 1997. This was followed up with a Local Office- bearers forum meeting which was held 16 February 1998.

The locals who were present at this workshop of 25 - 26 November 1998 were the following.

Bellville, Beaufort West, Cape Town Central, Villiersdorp, Oudtshoorn, Robertson, Worcester, Simons Town Dock, George, Maitland, Atlantis, Cape Town Dock, Plettenberg Bay and Atlantis.

#### Local Office-Bearers Forum planning session held 16 February 1998

\* The purpose of this LOBF planning session was firstly to take a report on the progress of local programmes as set out in November, and to consolidate the regional programme for all locals.

The following Locals were present at this meeting:

\* Cape Town Central, Villiersdorp, Atlantis, Beaufort West, Oudtshoorn, George, Bredasdorp, Mbekweni, Bellville, Cape Town Dock, Simons Town, Khayelitsha, Elsies River, Southern Suburbs, Robertson and Maitland.

The workshop concluded on the following:

- that a draft Local programme be completed by end February
- that Locals who have not been established or revived do so by end March
- that a detailed programme be submitted on :
  - \* April Recruitment Campaign
  - \* **building the Local and the alliance structures**
  - \* **submit a plan for May Day activities and budgets**
  - \* submit the educational needs for Local empowerment

Reports on the above were received from only Atlantis, Oudtshoorn, Beaufort West, Bredasdorp and Villiersdorp. In spite of developing reporting format and consistent telephonic follow up on Locals no progress has been made in this regard

Beaufort West, Bellville, Atlantis, Cape Town Central, Elsies River, Bredasdorp, Southern Suburbs, Paarl, Khayelitsha, Villiersdorp, Robertson, Outshoorn, Mitchell's Plain and Swellendam

### Local Office-Bearers Forum planning session held on 19 June 1998

A second such planning session was arranged for 19 June 1998 with the aim to assess the problems around the non-implementation of programmes as set out in the last two events and plan afresh.

The following locals were present :

Beaufort West, Bellville, Atlantis, Cape Town Central, Elsies River, Bredasdorp, Southern Suburbs, Paarl, Khayelitsha, Villiersdorp, Robertson, Outshoorn, Mitchell's Plain and Swellendam.

### **DECISIONS**

The progress on locals will be reported on after dealing with the processes set in place to re-launch the locals.

#### 1. Re-launch of Locals / LEC (17 - 23 August)

1.1 The Local Executive Committees (LEC) as per constitutional amendment will consist of shop stewards elected from affiliate LOCALS. This process must be concluded by September. It is only the industrial and rural locals that will be required to follow this procedure. All affiliates have been informed of this and were requested to identify and submit the names of the shop stewards who will be eligible for election onto the LEC. The cut-off date for affiliates to complete this process has been set for August 1998.

1.2 It is required from all locals to monitor the affiliates in ensuring that the time-frames are stuck to and to be informed of any blockages to the office.

1.3 Locals should have met by 2 July to report on LOBF meeting and plan meetings with affiliate locals and workplaces

1.4 Between the 2 - 17 July Locals should do the following: set up meetings with respective affiliates locals and at factories after which set and plan the launch of the LEC by 20 July - 7 August, by 19 August locals should submit reports on the process to the office.

2. Setting up of Gender committees at Local level (9 August)

2.1 The setting up of the local gender committees has been considered as a priority. Locals should use the build up period towards the 9 August activity as a means to kick-start the process. 9 August celebration is a government project. Local activities will be organised in Beaufort West, Oudshoorn, George, Worcester, Vredenberg, Wynberg, Retreat, Mitchell's Plain, Khayelitsha, Guguletu, Nyanga, Bellville, Cape Town Central and Atlantis. A budget of R15 000 per District has been allocated. Locals should ensure that the alliance partners are rallied around the organising of these events. It is important to ensure the correct politics are central to all events.

2.2 All locals should attempt to set up gender committees by 9 August.

3. Campaign issues

3.1 To be formalised 13 - 19 August 1998

"Scrap the national debt for affordable service delivery" The overall theme engendered the campaign areas we considered as important in COSATU:

- quality public education
- affordable public health and quality social services
- end to privatisation of public services
- free up land of development
- child labour and street children
- anti-crime campaign

3.2 Locals are expected to focus on the education crisis as the campaign has been already developed at regional level. The build up towards developing the campaign should have the following features:

- meeting with relevant organisations and CB organisations
- meet with teachers, students and parents
- consider appropriate forms of actions for mass mobilisation
- consider meeting with regional department officials
- ensure joint shop steward driven activities

3.3 As a first activity locals should run a workshop on the National Debt question with the view to broaden the understanding of the problem. Fairshare has been identified as a possible organisation which could assist in this regard.

3.4 The regional office will make materials available and bring locals in contact with Fairshare.

#### 4. Educational Event (10 - 16 August)

These workshops should be set up between 10 - 16 August 1998

##### 4.1 The following educational events will thereafter follow:

- 1999 Election
- COSATU Congress resolution on election
- **Regional election strategy**
- ANC election strategy
- Voter education

#### 5. Programme of Action

##### 5.1 A three month programme of action should be put in place by 17 - 23 August 1998

##### 5.2 At the next LOBF meeting we will attempt to regularise all Local meetings to happen at the same time

##### 5.3 All report should reach this office by 19 August

#### 6. Local Office - Bearers Forum

The next meeting for the local office-bearers has been scheduled for 27 August 1998

#### 7. Summary of dates :

2 July	All locals should have met to discuss report
2 - 17 July	Meetings scheduled with affiliate locals and workplaces
20 July	All locals to meet and assess progress and report to Regional Office
20 - 7 August	Planing the launch of LECs
9 August	Launch of gender committees
10 - 16 August	Education event on the National Debt Issues
17 - 23 August	Launch of LECs
13 - 19 August	Developing of Local campaign
19 August	Local reports submitted to Regional Office
17 - 23 August	August : Programme of Action
27 August	Next LOBF meeting

#### 8. PROGRESS REPORT ON THE INDUSTRIAL LOCALS

LOCALS VISITED	STATE OF LOCAL
CERES	The executive meet regularly but when calling general meetings the

	attendance of shop stewards are poor
WORCESTER	The Local was re-launched in October 1997, but to date the Local has not been able to make any significant progress
GEORGE	Since the last report to the REC on said local, significant development has occurred and the local up and functioning again
CAPE TOWN DOCK	Since the chairperson was appointed to full time shop steward status Local executive meetings ceased to happen. Communication between the Waterfront section and the dock is a real problem
SIMONS TOWN	The Local is progressing well. The executive meet regularly and two successful general meetings had been held. The local did not attend the 19 June Local Office-Bearers Forum meeting.
VILLIERSDORP	The Local has been very active and has been able to pull off successful events. An activity programme is in place.
BEAUFORT WEST	The Local was established at the time when the workers forum in Beaufort West started to recruit COSATU members. The Local ANC support for the WF had complicated matters and had caused strain relations between COSATU and the ANC. We are planning to have a meeting with both parties to sort out this matter. The local PM for Beaufort West has been consulted on this matter. In spite of all this the Local is progressing well.
OUDTSHOORN	It is only a handful of executive members that are keeping the flames burning in the Local. A very successful general meeting was held on 17 March 1998 which Connie September addressed. The local has an active programme
VREDENDAL	The Local is progressing well. A successful general meeting was held on 19 March at which Connie September addressed. Since then the local has not responded to central activities of the region
MBEKWENI PAARL	The launch of this Local has been scheduled for 8 July 1998.
SWELLENDAM	This is one of the Locals that were launch in February. Their executive committee is functioning well and their participation in the recruitment campaign has shown that progress has been made in its development. Respond well to central programmes.
CAPE TOWN CENTRAL	The Local has been struggling to get a programme in place. Progress has been made recently in getting the local in working order.
SALDANHA	Local attempted a relaunch on 21 March 1998 which Jackie Breda attended. Further attempts to launch the Local is on the cards.
BELLVILLE	The local has not been meeting since February 1998 and is currently leaderless.
ELSIES RIVER	The local is active and are regularly involved planning setting up of public meetings around crime and violence in the Elsies River area. The local is launching on 24/7.
KHAYELITSHA	The Local after numerous attempt launched the structure on 16 April 1998. A schedule of meetings for executive and general meetings have been drawn up.

MONTAGUE GARDENS	A meeting was held on 22 April 1998 with the view to prepare for the recruitment in that area and to consider the relaunch of the Local.
MAITLAND	The Local needs to be revived.
BREDASDORP	The Local has not been launched yet but is however active.
ROBERTSON	The local is active but has not been able to locate itself within the industrial areas.
MOSSEL BAY	The Mossgas Local who assumes leadership in Mossel Bay has caused a tension between workers working at Mossgas and other workers. This area needs a visit soon.
WELLINGTON	The Local has not been launched yet.
FRANSCH HOEK	The Local has not been launched yet.
MALMUS BURY	The local was recently launched
PORTERVILLE	The local was recently launched
ATLANTIS	One of the more active local of the federation
CLENWILLIAM	The local is functional and held their own May Day event.

## 9. PROGRESS REPORT ON RESIDENTIAL LOCALS

LOCAL	PROGRESS
Athone	has as yet not been able to convene a meeting
Delft	will be meeting on 23 May
Kensington	has as yet not been able to convene a meeting
Blue Downs	has as yet not been able to convene a meeting
Mitchell's Plain	Two meetings have been held on 17 April & 16 May 1998. Launching date has not been set
Southern Suburbs	The Local was launched on 16 May 1998
Ravensmead	One meeting has been convened
Bishop Lavis	has as yet not been able to convene a meeting
Langa	has as yet not been able to convene a meeting
Nyanga	has as yet not been able to convene a meeting
Belhar	has as yet not been able to convene a meeting
Guguletu	has as yet not been able to convene a meeting
Kraaifontein	has as yet not been able to convene a meeting
Bonteheuwel	has as yet not been able to convene a meeting
Hanover Park	has as yet not been able to convene a meeting
Phillippi	has as yet not been able to convene a meeting

## 10. FIELD PROGRAMME TOWARDS THE LEC LAUNCH

The Metro based locals have not really been able to respond to programmes set out since the relaunched of these structures. Three are many factors which gave rise to this which will not service any purpose to highlight it at this stage. What is however required is our direct intervention. To this end the following programme will be embarked upon in the hope to get the LEC's off the ground. The rural locals will similarly be serviced but not with the same tenacity.

Paramount to this approach is the co-operation of affiliate structures and particularly locals and organisers. It will be incumbent upon the regional secretaries to ensure that this does however carry the approval of their structures as this was communicated to them previously.

## PHASE ONE

### 10.1 CLUSTERING LOCALS

The clustering of locals over a geographical spread will form the basis for engagement with affiliate locals. The geographical spread will not cover all affiliates 100% but should be considered as a start to realign COSATU Locals in respond to the affiliate local or branch demarcations. We will in the interim cluster locals in three broad areas for the purpose of engagement with affiliate locals.

#### WHO WILL ATTEND THESE CLUSTER MEETINGS

- Chairperson and Secretary of Affiliate Locals, Branch or Sectors
- All organisers and full-time shop stewards servicing the designated cluster areas

#### PURPOSE OF MEETING

The purpose of having these meetings will be to draw the worker leadership in to reinforce the importance of this process:

- ◆ to provide impetus on the approach
- ◆ provide information on shop stewards and logistical support
- ◆ adopt a programme towards the launch of LECs and sanction the allocation of organiser to locals.

The following dates and venues have been set for the cluster meetings :

#### 10.2 Cluster One

Cape Town Central / Woodstock / Salt River  
Cape Town Docks / Waterfront  
Maitland / Koeberg / Ndabeni Voortrekker road  
Montague Gardens

Meeting on 14 July 1998 at the COSATU Regional at 6 p.m.

#### 10.3 Cluster Two

Mitchell's Plain  
Southern Suburbs  
Khayelitsha  
Phillippi  
Cape Flats  
Simons Town

Meeting on 15 July 1998 at COSATU Regional Office at 6pm

10.4 Cluster Three  
Elsies River  
Bellville  
Epping  
Kraaifontein

Meeting, 16 July 1998 at Numsa Office in Kasselsvlei Road Bellville South at 6pm

## PHASE TWO

10.5 It is hoped that the process of electing the workplace delegates to the LECs from each affiliate covering the demarcated COSATU locals as listed below will be completed by end July 1998. A joint shop steward council will be convened to elect the LOBs and formalise the LECs of COSATU in the respective locals.

The affiliate locals, branches or sectors should complete this process of electing the workplace delegates by end July 1998.

### A. JOINT SHOP STEWARD COUNCIL

This process should be completed by September 1998.

#### A. 1. Cluster One

First week of August 1998, meeting scheduled for 6pm

Cape Town Central	Woodstock	Salt River	4 / 8	Sactwu Hall
Cape Town Docks	Waterfront		5 / 8	Sactwu Hall
Maitland	Koeberg / Ndabeni	Voortrekker road	6 / 8	Maitland Town Hall
Montague Gardens			5 / 8	

#### A. 2 Cluster Two

Second week of August 1998, meetings scheduled for 6 p.m.

Mitchell's Plain CBD and residential stewards	11 / 8	Lentegeur Civic
Southern Suburbs residential stewards	12 / 8	
Mowbray, Claremont, Wynberg	13 / 8	Claremont Civic
Grassy Park, Retreat, Diepriver, Ottery	11 / 8	Retreat Civic

Muizenberg, Simons Town	12 8	Muizenberg Civic
Khayelitsha	13 8	
Phillippi	12 8	
Cape Flats	13 8	Athlone civic

### A. 3 Cluster Three

Third week of August 1998. meetings scheduled for 6 p.m.

Elsies River	23 7	Elsies River Library
Bellville	18 8	Bellville South Civic
Epping 1.2.3.	19 8	
Kuils River, Black Heath, Easter River	20 8	
Kraaifontein	19 8	

JULY 1998

MON	TUES	WED	THUR	FRI
13.	14. Cluster 1 6pm at COSATU Regional office	15. Cluster 2 6pm at COSATU Regional office	16 Cluster 3 6pm at Numsa Bellville branch office	17
20	21. Affiliates	22. complete	23. workplace	24
28	29. elections	30		

### 11. RECOMMENDATIONS

The following recommendations are attempts to help consolidation the functions of the COSATU locals:

1. That affiliates at least adopt two COSATU locals and ensure that their regional organiser is allocated responsibility to take care of these locals.
2. COSATU Local Office-Bearers  
That affiliates negotiate 12 days per annum time -off for COSATU local office-bearers to deal with development of locals.
3. That 3 hours per month time-off be negotiated for shop stewards to attend COSATU local meetings.

*E.O Report Dated 30 June 1998*

### **11.13 AUTUMN OFFENSIVE**

A detailed report on the Autumn Offensive was tabled at the Regional Executive Committee, due to the length of the report it has not been included for Congress.

All of the Unions, with the exception of POPCRU and SACTWU who had been both inconsistent and ineffective in their participation in the campaign. It is the view of the Office Bearers that the planning and execution was as effective as it could be, with the gaping absence of many of the affiliates. We also feel that this is due, in the main, to questions of management within the respective Unions.

***Recommendations:***

Affiliates should at this Congress, state for the record, in the presence of a broad range of their worker leaders, whether they have taken up the campaign within their organisations. An affiliate by affiliate response should be given. As this question of management is central to the effective execution of future campaigns.

### **11.14 PUBLIC SECTOR FORUM**

The Public Sector Forum, seeks to develop a program of action for the effective transformation of the public sector, within the hostile political environment of the Western Province. This has been an extremely difficult process, with delegates either absenting themselves from meetings, not arriving on time, or not having executed tasks agreed upon at previous meetings. Essentially the broad thrust of these deliberations are designed to define key principles of transformation for the public sector in this Province. This would relate both to service delivery and conditions of employment. So clearly a matter that affects both public sector workers and COSATU members, and the working class at large.

***Recommendation:***

Public Sector Unions, should either commit themselves to co-operating, or call an end to the project now. COSATU broadly, should pronounce itself on these developments.

### **11.15 WORKPLACE CHALLENGE**

The Workplace Challenge represents an important opportunity for COSATU affiliates to play a key role in determining industry policy, for a whole range of sectors. This does mean that our role becomes much more than just a defensive one, at plant level, but means that we can play a crucial role in determining the environment within which companies operate. It also opens up a range of opportunities for setting up bargaining forums, at sector wide areas. One of the problems has been, that other than for FAWU there has been a lack of involvement. This area however, mainly affects manufacture and processing industries and to some extent the agricultural industry.

***Recommendation:***

A workshop should be convened on the principle and operations of the workplace challenge program and each Union, to release an organiser who could become a specialist in this area. This re-orientation is essential if the Labour movement is to fulfil its role and move from a purely defensive strategy to an offensive strategy, in defending and creating employment in key sectors of the economy. This process has been endorsed by Labour nationally at Nedlac and funding could be made available. Co-ordination to be defined.

**11.16 WINELAND CONFERENCE**

A conference is being convened in the broad Winelands area, that would include all of the role players. Key convenors of this conference are ANC, MP's in the national Parliament. It is recommended that COSATU participates, as this presents an important opportunity to set conditions across a geographic sector that would cover the most marginalised workers on the farms.

***Recommendations:***

COSATU should at such a conference push for the establishment of a bargaining council that could determine a minimum floor of conditions of employment. These could include the effective application of a range of national legislation, from the basic conditions of employment to the security of tenure at FAWU and SAAPWU to play a central role. Co-ordination to be defined

**11.17 MERGER TALKS WITH NON-COSATU UNIONS**

The Western Cape has a proliferation of smaller Unions, who are not affiliated to COSATU. Whilst these Unions were put under some pressure, through the Autumn Offensive, for their non-COSATU status, we need to follow up in this area. These companies that form the backbone of such Unions, should be identified and systematically targeted, for recruitment into COSATU affiliates. Whilst there is an appreciation for the fact that our Unions are National Centres, space should be created for negotiations around merges at a Provincial level, that could expedite their inclusion.

***Recommendation:***

That COSATU Office Bearers are empowered to negotiate framework agreements with these new Unions, that would be subject to endorsement by the Affiliate National Offices.

**11.18 RELATIONSHIP NGO's**

The environment for NGO's has changed significantly, meaning that we are able to influence their agenda to a much greater degree, given funding and a number of other requirements. The political environment has also meant, a much greater convergence of ideas around the key issues facing the Labour Movement, as they seek to position themselves within an ever changing global environment.

***Recommendation:***

We should establish much greater links with progressive NGO's to ensure assistance in the development of policy in key areas. A forum to be convened by the COSATU Office Bearers with the progressive NGO's

### **11.19 OFFICE BEARER'S TIME-OFF**

**The campaign to ensure time-off for COSATU Office Bearers has been initiated through meetings with all the relevant employers. While progress has been made in certain areas, the discussions has been met with reluctance from employers generally. At ADE and I&J matters have in fact reached a situation, where no further progress appears possible**

***Recommendation:***

That COSATU in the Province embarks on a campaign that ensures the recognition of our requirements and leads to the release of elected office bearers to participate in pursuing the objectives of their constituency.

### **11.20 INSTITUTIONAL STRUCTURES**

To a large extent, many of the institutional structures such as the Department of Labour, the UIF and Workmans Compensation still make workers wait a long time for their benefits. A program needs to be put in place that ensures a more speedy delivery of these services. An example of these practices is the fact that these institutions do not focus on their core activities. Most notably is the Department of Labour whose Director spends more time involved in issues to address gansterism than in ensuring a more effective service. The practised must change.

***Recommendation***

That four shop stewards in different Unions have a months time off negotiated for them to enable them to infiltrate, examine and make recommendations, to ensure a more effective service to workers.

## **12. Finances**

A finance report will be tabled by the Treasurer for adoption.

## **13. Any Other Business**

At the adoption of the agenda, points should be identified for discussion in Congress which is not covered anywhere else in the report. Should the agenda be adopted without any specific additions, there will not be an opportunity to raise any other business.

## **14. Closure**

SINGING OF THE ANTHEM

## INCOME FROM NOVEMBER 1997 TO JUNE 1998

INCOME : **R208572.49**

<b>Balance b/f</b>	<b>R19945.77</b>
<b>Affiliates</b>	<b>R18742.05</b>
<b>Head Office</b>	<b>R134901.62</b>
<b>Ditsela</b>	<b>R6362.75</b>
<b>Old Mutual</b>	<b>R750.00</b>
<b>Villiers Dorp(civic centre)</b>	<b>R180.00</b>
<b>Metro Rail</b>	<b>R10814.00</b>
<b>Balance for recruiting locals</b>	<b>R1766.30</b>
<b>Cancelled Cheques</b>	<b>R4246.00</b>
<b>Nedkor</b>	<b>R10.000.00</b>
<b>Paarl Municipality</b>	<b>R165.00</b>
<b>Deposit</b>	<b>R280.00</b>

EXPENDITURE : **R202655.59**

<b>Petty Cash</b>	<b>R1832.93</b>
<b>Campaigns</b>	<b>R19364.00</b>
<b>Regional Congress</b>	<b>R54466.88</b>
<b>L.O.E.</b>	<b>R6146.32</b>
<b>Travel Expenses</b>	<b>R4435.00</b>
<b>L.O.B. W/Shop</b>	<b>R15539.45</b>
<b>Furniture</b>	<b>R11000.00</b>
<b>L.R.A. Workshop</b>	<b>R350.00</b>
<b>Electricity for office</b>	<b>R1620.41</b>
<b>Gender</b>	<b>R7885.44</b>
<b>Ditsela Workshop</b>	<b>R7354.75</b>
<b>Autumn Offensive</b>	<b>R7293.40</b>
<b>May Day</b>	<b>R44078.00</b>
<b>J.S.S.C.</b>	<b>R12492.35</b>
<b>General Expenses</b>	<b>R864.63</b>
<b>Reimbursement</b>	<b>R2374.49</b>
<b>Public Sector meeting</b>	<b>R317.50</b>

<b>ANC elections</b>	<b>R898.00</b>
<b>S/S training</b>	<b>R175.00</b>
<b>Launch of locals</b>	<b>R465.00</b>
<b>REC</b>	<b>R2934.76</b>
<b>Education Summit</b>	<b>R750.00</b>
<b>Bank Facilities</b>	<b>R17.28</b>

## NOTES TO THE FINANCIAL STATEMENT

<b>1.PETTY CASH</b>		<b>R1832.93</b>
DEC 1997	R500.00	
FEB 1998	R332.57	
<b>MARCH 1998</b>	<b>R104.00</b>	
<b>APRIL 1998</b>	<b>R396.36</b>	
<b>JUNE 1998</b>	<b>R500.00</b>	
<b>2.REGIONAL CONGRESS</b>		
Venue	R11595.00	<b>R54466.88</b>
Food	R33000.00	
Accomodation	R5621.88	
Sound System	R2000.00	
Binding of documents	R1100.00	
Printing of caps	R1000.00	
Performance by COSATO(musical group)	R150.00	
<b>3.L.O.E.(LOST WAGES)</b>		<b>R6146.32</b>
R.Pieterse	R2719.41	
J.Breda	R1345.06	
G.Stevens	R2076.85	
<b>4.TRAVEL EXPENSES</b>		<b>R4435.00</b>
Connie September to rural areas	R1000.00	
Delegates from rural areas for L.O.B.	R1535.00	
W/Shop 24-26 Nov 1997	R908.00	
Gloudia Stevens : travel from Durban to C.T. 9.08/97		
<b>5.CAMPAIGNS</b>		<b>R19364.00</b>
Teachers Campaign	R8145.00	
P.W.Botha Campaign	R405.00	
Train Campaign	R10712.00	
<b>6.L.O B.W/SHOP</b>		<b>R1 5539.45</b>
Accomodation	R7000.00	
Conference Facilities	R1355.00	
Meeting on Robben Island	R6099.00	
Stationery for w/shop	R1085.45	
Travel for delegates from Rural areas to C.T-24-26 Nov 1997	R900.00	
<b>7.FURNITURE</b>		<b>R11000.00</b>
Purchase of furniture from ANC	R11000.00	
<b>8.L.R.A. W/SHOP</b>		<b>R350.00</b>

Transport from Riversdale to George	R350.00	
<b>9.ELECTRICITY FOR OFFICE</b>		<b>R1620.41</b>
DEC 1997	R926.48	
June 1998	R693.93	
<b>10.GENDER</b>		<b>R7885.44</b>
Transport	R1779.10	
Food	R1651.50	
Cancellelation of Gender w/shop	R4434.84	
<b>11.DITSELA WORKSHOP</b>		<b>R7354.75</b>
Food for delegates -10-13 Feb 1998	R3579.00	
Food for delegates -16-20 Feb 1998	R3775.75	
<b>12.AUTUMN OFFENSIVE</b>		<b>R7293.40</b>
Visitation by Vice President Connie	R3000.00	
September to rural areas		
Petrol money for R.Pieterse for recruitment in Grabou	R600.00	
Toilet hire for launch in Grabou	R1265.40	
Banner for launch	R750.00	
Printing for launch	R1418.00	
Transport for R.Pieterse	R260.00	
<b>13.MAY DAY</b>		<b>R44078.00</b>
Electricity	R300.00	
Stage	R4000.00	
Refuse Bins	R2268.00	
Busses	R17700.00	
Locals	R5080.00	
First Aid	R500.00	
Music	R6630.00	
Printing	R950.00	
Sound Sysyem	R4000.00	
Food for choir	R120.00	
Venue	R1765.00	
Deposit for Maynardville for May Day	R765.00	
<b>14. J.S.S.C.</b>		<b>R12492.35</b>
Venue and catering	R1692.35	
Transport	R10800.00	
<b>15.GENERAL EXPENSES</b>		<b>R864.63</b>
Post Box	R110.00	
Stationery	R454.63	
Payment for student	R300.00	

<b>16.REIMBURSEMENTS</b>		<b>R2374.49</b>
A.Ehrenreich(paid electricity)	R884.49	
A.Dietrich(traveling expenses for	R1310.00	
L.O.B. w/shop		
C.Issel(money paid into region account)	R180.00	
<b>17.PUBLIC SECTOR</b>		<b>R317.50</b>
Food	R317.50	
<b>18.A.N.C ELECTIONS</b>		<b>R898.00</b>
Printing	R898.00	
<b>19.S/S/TRAINING</b>		<b>R175.00</b>
Copying	R175.00	
<b>20.LAUNCH OF LOCALS</b>		<b>R465.00</b>
Hall	R165.00	
Sound	R300.00	
<b>21.REC</b>		<b>R2934.76</b>
Transport	R1146.00	
Food	R1112.50	
Accomodation for rural delegates	R676.26	
<b>22. EDUCATION SUMMIT</b>		<b>R750.00</b>
Meeting (Education summit)		
<b>23.BANK FACILITIES</b>		<b>R17.28</b>
Bank Charges	R10.00	
Stop Orders	R7.28	

## PROGRAMME OF ACTION

COSATU CENTRAL COMMITTEE      25 June 1998

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1. On 22-25 June 1998 COSATU held its inaugural Central Committee. This took place against the backdrop of :
  - Continuing job losses, rising poverty, inequality and unemployment;
  - The rise in crime, particularly against women and children;
  - Turmoil in the markets, rampant financial speculation, and rocketing interest rates;
  - Intensified attempts to undermine the role of the democratic state in social transformation, provision of basic social services, and involvement in the productive sector of the economy;
  - Upcoming General Elections
2. After four days of intense deliberation, COSATU has adopted a comprehensive socio-economic policy which, if implemented, would put our country firmly on the road to sustainable economic growth and a better life for all. As a result of frank and open discussion by COSATU affiliates, and a willingness by the 500 delegates to persuade and listen to each other, the Federation emerges more united on socio-economic and political issues than ever before. This programme reflects the product of that united perspective.
3. The mood of the delegates was one of determination not to allow the forces of the past to hold us to ransom, or to derail the process of social transformation. As a result, the Central Committee agreed on a wide range of policies designed to address this social and economic crisis, as well as the need for a decisive ANC victory in the next elections; and on the need for a programme of action to take us forward.
4. This Central Committee commits COSATU's 1.8 million members to embark on the following programme of mass action in support of five inter-related campaigns. The success of this programme will require co-operation and determination by all progressive forces in the country, including the government. It is for this reason that we need to raise these campaigns in the alliance, with government, as well as mobilise all those committed to transformation, to ensure effective implementation of these policies and campaigns:

### I. CAMPAIGN FOR JOBS AT A LIVING WAGE, AND AGAINST POVERTY AND INEQUALITY

*There is a crisis of job loss and unemployment. Despite growth, unemployment is not being reduced. Big business is intensifying retrenchments, casualisation, and contracting out, in the search for ever-higher profits, and at the expense of working people and our*

country. Massive profits, instead of being reinvested are being diverted to financial speculation, or taken out of South Africa. Instead of creating new employment, employers are destroying existing jobs. Growing pressure is being placed on government to cut back the public sector, slash spending, and reduce its involvement in employment creation. Tariffs are being reduced faster than GATT/WTO requirements, destroying jobs, and undermining our manufacturing base.

*The jobs crisis is intensifying poverty and inequality, the primary victims being the unemployed, and working poor. This all takes place in the run up to the jobs summit, and urgent action is needed IN DEFENSE OF OUR JOBS AND FOR JOB CREATION. This Central Committee therefore calls for:*

1. **A Moratorium on Retrenchments**- we cannot afford to destroy jobs during a national crisis of unemployment and poverty. There needs to be a national agreement to do everything possible to save existing jobs. This means
  - a commitment by employers in all sectors to avoid retrenchments.
  - the convening of summits, such as the gold summit, in different sectors, to agree on measures to save, and create jobs. This should complement a national agreement on the matter at the Jobs Summit.
  - Legal measures must be introduced to make retrenchments impossible without negotiations. An urgent amendment to the LRA must be passed to this effect
2. **Investment in jobs**- business has totally failed to invest in employment, despite the introduction of conservative economic policies they demanded in the first instance. Therefore we call for a package of measures to be introduced during this first term of government, to channel investment into job creation. This includes:
  - financial regulation to stop disinvestment by business;
  - introduction of taxes to penalise speculators, and reward labour intensive investment;
  - legislation of prescribed assets requiring financial institutions, including retirement funds, to invest a portion of their funds in employment creating ventures and social infrastructure;
  - active intervention by government to channel public and private sector investment, through all its agencies, including public utilities, the Industrial Development Corporation; and Development Bank;
  - a deliberate policy to reduce interest rates, and the introduction of differential interest rates, to encourage investment in development.
3. **Active state role in employment creation**- we call for the government to embark on a deliberate and co-ordinated programme, with clear time-frames and targets, aimed at creating a specified number of jobs within an agreed period.
  - Hundreds of thousand of direct jobs should be created by a programme of mass housing. We call for a public housing parastatal to be created to provide affordable rental housing for working people. Other innovative solutions, such as the organisation of housing brigades, to build houses on a collective basis, should be promoted.
  - Public works programmes must be implemented.

- The public sector needs to be expanded in areas where there is a critical shortage in service delivery. We reject and will campaign vigorously against attempts to arbitrarily cut back the public service.
- All areas of government policy need to be audited for their employment creating (or job destruction effects) and adapted accordingly. This includes
  - Adjustment of trade and tariff policy to require the employment effects of all trade agreements to be assessed; and tariff barriers, where necessary, should be reintroduced to protect our jobs;
  - procurement policy must have employment creation as a central condition;
  - and job destroying monetary and fiscal policies must be abandoned.

4. *Jobs at a living wage- lowering labour standards, and creating badly paid temporary jobs, in the place of decent-paying full time jobs, as is being demanded by business, is a recipe for even greater poverty and inequality. So called 'labour market flexibility' is just a disguise for greater exploitation and undermining of worker rights. We reject the argument that worker rights prevents employment creation. Management and the high-paid consume far too much of the country's resources, and it is at this level that 'rigidity' needs to be addressed.*

- We will campaign for the closing of the apartheid wage gap between the top and bottom in all our industry negotiations, as well as through inclusion of measures to close this gap in the Employment Equity Bill.
- We will continue to campaign for a basic minimum wage, together with a package of minimum benefits, to be introduced in all sectors of the economy, to be set by collective bargaining; or by the state, where collective bargaining has not yet been established.

Further, we will frustrate the attempts which are being made, particularly by business, to undermine the constitutionally-entrenched rights of workers. We will campaign against:

- attempts to introduce a dual labour market, by denying young workers the right to minimum protections negotiated by unions;
- attempts to amend the LRA to prevent negotiated industrial agreements from protecting all workers, organised and unorganised, in the affected sector;
- any attempt, in whatever guise, to introduce zones where workers have inferior rights to workers in other parts of the country.

• We will continue our campaign to ensure that all the agreements which were negotiated in the Alliance on the Basic Conditions of Employment Act are introduced into parliament in the form of agreed amendments during this session

5. *Support for the unemployed- in the short to medium term many unemployed people will continue to need assistance. A number of support measures must be urgently introduced to prevent unemployed people from becoming destitute, and assisting in integrating them into the productive economy. Such measures should be seen as complementary to employment, since the most effective way to support the unemployed is through sustainable employment creation. These measures include:*

- Extension of unemployment insurance to those who have been unable to find work, or the introduction of a basic income grant to those living in poverty;

- Introduction of special rates and concessions for the unemployed in all areas of society, whether transport, public amenities etc and to encourage the private sector to do likewise;
- Introduction of Social Plan measures to assist those who have been retrenched as a result of crises in particular sectors;
- Training measures and support measures for the setting up of co-operatives and self-employment.
- Land reform, support measures for women and youth, and food security measures to deal with the crisis of poverty, particularly in the rural areas.

6. **Employment Charter**- Commitments on all the job-related areas outlined above must be enshrined in a National Employment Charter, whose principles must be agreed at the Jobs Summit. The details of the Charter should be finalised at Nedlac.

## II CAMPAIGN FOR BIG BUSINESS TO INVEST IN SOUTH AFRICA

*Through their actions, big business are systematically undermining attempts to reconstruct our country. In particular, their*

- *massive disinvestment from the country,*
- *rampant speculation, and undermining of the currency,*
- *refusal to pay taxes, white collar corruption and defiance of labour laws*
- *refusal to invest in our people, despite their claim to be concerned about the low levels of education and training*
- *opposition to all attempts at transformation,*
- *constant pressure on government to abandon the RDP, and introduce conservative economic policies, which in the end stifle economic growth and cause stagnation.... have all raised questions in the mind of the majority as to where the loyalties of South African business lie. It is clear that unless relentless pressure is placed on them, they will continue to pursue destructive strategies, regardless of the cost to our country.*

*Further, workers, as major policy holders in Old Mutual and Sanlam, reject the unilateral decision by the Mutuals to strip policy holders of the right to collectively control these institutions, and to shift control of major assets to international investors.*

*In addition, the banks have handled the issue of interest rates with total disregard for the interests of consumers and the country. They seem only interested in their super-profits.*

Therefore, this Central Committee commits itself to

- Campaign against Demutualisation and use of workers money to promote it;
- Campaign against attempts by employer to raid pension surpluses;
- Campaign to force business to pay their fair share of taxes, and adhere to the country's laws;
- Campaign against disinvestment;
- Campaign for: the introduction of capital controls;
- Campaign for regulation of the financial sector;

- Campaign for investment in our people ;
- Campaign against excessive profit making of banks;
- Democratisation of economic and workplace decision-making

We call on all South Africans, including emerging black business, to support this campaign to put South Africa first.

### III CAMPAIGN FOR THE STATE TO ACTIVELY PROMOTE RECONSTRUCTION AND DEVELOPMENT

- The introduction of inappropriate fiscal and monetary policies, in the form of GEAR, has drastically limited, and undermined the role of the democratic state in driving social transformation. The Central Committee believes that these policies, which have been forced on the country for ideological reasons, must be abandoned before we reach a point of no return, and create irreparable damage to the transformation process.
- The Central Committee believes that only an activist, interventionist state will be able to effectively lead the process of development. To this end, COSATU will campaign against all attempts to undermine this role, and will actively campaign for the introduction of measures to empower our democratic government to fulfil its historic mission.
- COSATU will mobilise in favour of measures being taken by government to transform society in critical areas including national health; water; and labour. Further we will support campaigns to remove those few aspects of the constitution blocking transformation, and transform remaining centres of apartheid power, such as the judiciary the army and others.
- We will campaign for the reduction of our national debt, and release of resources, in particular through the introduction of a Pay as You Go system for public sector pension funds, which will slash the debt, and release billions of rand for development.
- We will campaign for a peoples budget which is tailored to meet the needs of our country, not obsessed with one target- the fiscal deficit. Attention must be focussed on directing expenditure to reduce the social deficit. To this end a band should be introduced, to allow for flexibility in deficit and revenue targets. COSATU will demand the renegotiation of the parameters of medium term budget framework, to release the necessary resources for delivery, as well as the involvement of parliament and Nedlac in formulating the budget. We will campaign for a progressive tax regime, which ensures that corporations and the wealthy pay their share towards reconstruction of the country. We further support the proposal by the Deputy President for the introduction of a Solidarity Tax.
- We will campaign for the transformation of the Reserve Bank, which is an unaccountable institution pursuing monetary policy which is choking the economy.
- *Strategic role of the public sector in the economy and social delivery:* COSATU will campaign against privatisation, and attempts to move towards privatisation of strategic state assets, which are responsible for delivering basic services, or are key to the state's ability to intervene in the economy. Where there are breaches in the NFA, Ministers should be called to account for their failure to honour agreements reached. In particular COSATU will campaign against attempts to move towards privatisation of Eskom, elements of Transport, and delivery of municipal services.

- We will campaign for the state to increase its capacity to intervene in the economy, through the setting up of its own institutions, including in the financial sector, a housing parastatal, as well as intervening in other strategic areas such as mineral rights.
- We will campaign against attempts to cut back the public sector, which threatens to cause collapse of our public services in key areas. A national framework agreement for restructuring the public sector must be negotiated, which identifies areas of service delivery where personnel need to be expanded, and areas of bureaucracy which need to be reduced.
- We will campaign for the provision of public services in areas such as transport, infrastructure, and housing.
- We will campaign for the introduction of a comprehensive social security system, and social wage. This will need to strike a balance between contributory funds (social insurance) and social measures funded from the fiscus.

## CAMPAIGN FOR INTERNATIONAL ECONOMIC JUSTICE

The Central Committee resolves to:

- Continue COSATU's campaign to support workers and peoples fighting national tyranny, in Indonesia, Nigeria and elsewhere. We also resolve to intensify support for workers struggles in Southern Africa.
- Campaign against the Multilateral Agreement on Investment (MAI), which is a proposed charter by the G8 countries, negotiated in conditions of virtual secrecy, with devastating consequences for developing countries. If the MAI is agreed it will strip the sovereign rights of national governments to shape policies in such areas as fiscal, trade, procurement, labour market and other areas.
- Campaign for the restructuring of international financial institutions, including the IMF and World Bank, whose neo-liberal programmes are causing chaos and untold hardships around the world. This campaign will seek both to make these institutions accountable, abandon their failed structural adjustment programmes, as well as call for the introduction of international capital controls, and measures to deal with financial speculation.
- Campaign for the renegotiation and rescheduling of international debt, as well as writing off the debt of the poorest nations.
- Campaign for the transformation of the international ~~trade~~ regime, including the restructuring and democratisation of the World Trade Organisation, to ensure fair representation of the interests of developing nations; the involvement of trade unions and civil society in shaping a fair trade regime; and the protection of human and labour rights in trade agreements, through the introduction of the social clause.
- Resist attempts by the industrialised countries to dump nuclear and chemical waste in Southern Africa; and ensure safety in our nuclear plants.
- This alternative platform for international economic justice should be taken to the forthcoming Non Aligned Movement Summit to be held in South Africa in September, as well as other international fora.
- We call on the international trade union movement to unite with us around this programme.

## V. ELECTIONS CAMPAIGN

The Central Committee resolves to mobilise all workers in support of a decisive ANC victory in the 1999 elections. *The details of this Campaign are outlined in a separate resolution adopted by the CC.*

## PROGRAMME OF ACTION

*The Central Committee hereby resolves to embark on a process of comprehensive and sustained engagement with all sectors of our society in pursuit of the above campaigns. We note that many sectors of society share similar concerns, including the Alliance, churches, the NGO Coalition and other mass formations in campaigns for economic and social justice, and campaigns against poverty and inequality. The government has also committed itself to these campaigns. The vast majority of South Africans share the concerns which have been expressed by the COSATU Central Committee delegates.*

*Further, we believe that recent research for the government on poverty and inequality, as well as investigations by international agencies such as the UNDP, confirm our views on the nature and extent of the problem, as well as the danger of applying inappropriate solutions. We will make this information available in our campaigns, to counter the misinformation being spread every day, particularly in the business media, by those promoting the agenda of globalisation and financial interests.*

*COSATU will take forward these policy proposals and campaigns into all important policy forums of government and the Alliance. In particular we will advance these perspectives in the forthcoming Alliance Summit, at which we hope to reach agreement with our Alliance partners on a number of the issues. This will lay the basis for a united Alliance platform both in the Jobs Summit, and the 1999 elections.*

The Central Committee resolves to engage the masses of our people in several phases of broad-ranging actions in support of these campaigns, rather than a one-off event. The first phase of these actions will be in the three months between the beginning of July and the middle of October. The COSATU Central Executive Committee will meet on the 13-15 October 1998 to evaluate the campaigns, and determine what further actions should be embarked on during the second phase. The third phase of action will take place in the run-up to the 1999 elections, when we will continue to popularise the demands of COSATU (and the broader Alliance) for transformation, in our campaigns amongst workers.

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### First Phase July – October 1998

The first phase of action will include the following:

- COSATU Regional Congresses, during 11-12 July, to take forward the decisions of the Central Committee
- A series of shop steward councils and workers forums, in all regions of South Africa, to popularise and discuss these campaigns;
- All COSATU affiliates should also hold sectoral councils and forums;
- Meetings with our Alliance partners, MDM formations, community structures and churches, to explain the decisions taken by this Central Committee, and to discuss possible joint actions;

### **Campaign for jobs**

- In the weeks leading up to the Jobs Summit, marches of the employed and unemployed for job creation and in defense of our jobs. These marches in different regions will collect demands of the employed and the unemployed. On the day of the Summit, a massive national march will be organised in the region where the Summit is being held, to present these demands to the Summit.

### **Campaign on business**

- Marches on Old Mutual and Sanlam to oppose the unilateral demutualisation process they have embarked on, and their use of workers money to fund it;
- Action against the Banks and the SA Reserve Bank to protest against their irresponsible handling of interest rates and monetary policy, excessive profiteering, and abuse of consumers;
- This will be in addition to meetings to be held with these institutions.

### **Campaign for transformation**

- Action to oppose the Eskom Bill, in particular proposals for corporatisation and taxation, and to defend the public provision of affordable electricity to all. Similarly, action will be embarked on against the privatisation of municipal services, and other areas of unilateral privatisation;
- Action to oppose the proposed deregulation of the liquid fuels sector, and its implications for an effective state-led energy programme, as well as massive job loss;
- Mobilisation of mass support for the government's programme to make health care accessible, on the day of the court action by the pharmaceutical companies. Who are opposing measures to make medicines affordable;
- Similarly, mobilisation of our members on the day of the SARFU court appeal, in support of the demand for the transformation of the judiciary, and other unreformed apartheid dinosaurs;

### **Campaign for international economic justice**

- Engagement of fraternal organisations and governments in the run-up to the Non Aligned Movement Summit in September, and mobilisation of demonstrations of public support for our demands for international economic justice;
- Organisation of a rally to welcome Comrade Fidel Castro as the honorary patron and life-long advocate of the campaign for economic justice, together with our President.

### **Solidarity**

In line with this programme, we commit ourselves to mobilise our members in solidarity with struggles being waged by various affiliates, including in the current round of collective bargaining, around jobs, closing the apartheid wage gap, and other related issues.

## COSATU DECLARATION ON THE 1999 GENERAL ELECTIONS

We, delegates to this inaugural COSATU Central Committee, gathered on 22-25<sup>th</sup> June 1998 at the Randburg Towers Hotel in Johannesburg, having rigorously analysed and debated the current political and socio-economic situation in our country, hereby declare our overwhelming support for the ANC in the forthcoming general elections in 1999 in line with our 6<sup>th</sup> National Congress resolution.

### ***Election Platform***

As delegates to this important Central Committee, we therefore resolve that the following principles should underpin the development of an Election Platform:

1. That the RDP continues to form a fundamental basis for our Election Platform;
2. The Resolutions of this Central Committee should constitute the core areas of the platform. In particular, the following core areas should constitute the Election Platform:
  - The need for an activist, interventionist, developmental and democratic state that is biased towards the working class and the poor;
  - The need for new political and economic institutions and the transformation of the current one so that they can enable the democratic state carry out a transformative agenda;
  - The need for agreement on social and macro-economic policies that will deepen, consolidate and advance social and economic transformation in favour of the working class and the rural poor;
  - The need for agreement on the mechanism appropriate for the achievement of the social and macro-economic policies
3. In addition, the Election Platform should seek to defend, consolidate and advance the gains made in implementing the RDP such as access to **health care, water delivery, electricity supply and worker rights**, while at the same time prioritising the following areas in which there was little or no success in taking the RDP forward:
  - Democratisation and transformation of the state
  - Job creation
  - Housing delivery
  - Public transport
  - Social security net
  - Attacking poverty
  - Land reform
  - Education transformation

### ***Election Campaign***

The Central Committee endorses the proposals made in the Secretariat Report with regard to COSATU's approach to campaigning at provincial and national level. Through our participation in an the election campaign that mobilises all our people behind the ANC, we want to ensure that the following five political, socio-economic and organisational objectives are achieved:

- 1.1 The overwhelming majority of our people vote for the ANC which will result in a decisive victory for the ANC in all the nine provinces;
- 1.2 This successful contestation of elections and the consequent election victory constitute a key vehicle through which the ANC-led Alliance and the people of South Africa, particularly the working class and the rural poor, can pursue their goal of transformation at a political and socio-economic level;
- 1.3 Strengthen the Alliance and build a popular movement for transformation through a clear political programme of action that includes, amongst others, recruitment, organisational renewal, effective servicing of membership, accelerated cadreship development and improving internal communication;
- 1.4 Communicating with and listening to the masses based on simple but clear messages on an on-going basis;
- 1.5 Building the capacity of the Alliance to exercise overall political leadership of the process of governance through strengthening links between the Alliance and government, ANC and government, as well as between the people and government.

In particular, with the campaign process, we need to do the following:

- The establishment of Election Units at national, provincial and local levels headed by COSATU leaders and release of personnel by affiliates to co-ordinate the campaign;
- The need to use current ANC MPs, MPLs and Councillors in the campaign as part of going back to their constituency to report back on the progress and difficulties that the ANC encountered in implementing the RDP;
- That SACTWU, SAMWU, NEHAWU, NUMSA, FAWU and SADTU should lead our election offensive in the Western Cape;
- That NEHAWU, SACTWU, SAMWU, NUMSA, SADTU, SACCAWU and POPCRU should lead the process of steer KwaZulu-Natal back into the hands of the ANC-led Alliance;
- That NUM, SAMWU, POPCRU and SADTU should lead our campaign in Northern Cape, while the offensive against the UDM in Umtata will be led by NEHAWU, SADTU, SAPSA and SAMWU;
- In all the above instances we should work very closely with the ANC, SACP and SANCO structures.

### **On the Election Message and broader communication strategy.**

We need to develop a comprehensive communication and a clear election message. Amongst other things, our message should be aimed at advancing:

- Our commitment to a better life for all
- Popularisation of successes
- Acknowledgement of failures

In terms of our Communication strategy, we should look at effective use of the following:

- National TV/Radio, community radios, leaflets, posters, people's forums, rallies, door-to-door and workplace-to-workplace campaigning.

In terms of voter mobilisation,

- The key task is to maximise voter turn-out particularly those who support the ANC. We need to reach all eligible voters at least three times;
- We should report and listen to the grassroots
- We should intensify ID voter registration and education
- We should ensure heightened media distribution so that we get people to go and vote on Election Day;

**Targetted areas to ensure a decisive ANC victory:**

- Consolidation of our support in 5 provinces in which the ANC holds a clear majority;
- The need to ensure that we increase support in Gauteng and Northern Cape as provinces in which we have a marginal majority;
- Special focus in KwaZulu-Natal and Western Cape, with a massive offensive that will ensure that these provinces are won by the ANC;

***Funding the Election Campaign***

The Central Committee agrees with the levy as proposed by the Secretariat in principle. As to how this levy will be collected should left to individual unions. The legal implications of a levy need to be taken into consideration. It might well be that it may take a long time before a lot of legal and political obstacles are removed for its implementation. In anticipation of possible problems with regard to the above, we propose either a flat rate amount or proportional contribution based on an amount of R1 per member or combine both a flat rate and a levy.

Whatever funding mechanism is adopted by the Central Committee, it is important to ensure that achieves the following objectives:

- It should be immediately implementable, so that there is no delay in kick-starting the campaign;
- It raise sufficient financial resources to can enable us to mount the type of campaign that will lead to a decisive victory for the ANC;
- It should also help us to get our members to understand why supporting the ANC financially and through the ballot is the right thing to do in this given moment in workers' struggle;

***List process***

The Central Committee endorses the November 1997 CEC decision that COSATU will not put its own list of candidates. Comrades deployed to government should do so on an ANC ticket. However, we need a mechanism that would start from local to national level, through the ANC structures and the Alliance, to ensure that working class cadres across the Alliance and worker leaders in particular, are not marginalised in the process. The principle of recall needs to be accompanied by clear guidelines to ensure that all the employees are accountable to the ANC in particular and the Alliance in general. This should be done through the Alliance structure that has the necessary political authority to deal with deployments and the list process.

## ***A new approach to governance post-1999***

The alliance must take collective political responsibility for developing policies, actual deployment of cadres in strategic areas of governance to drive the process of transformation and the defence of the gains that we have made and will continue to make. Unlike in 1994, it must be clear that ours is a governing Alliance in the real sense of the word. All comrades must therefore consider themselves as deployed by the Alliance in the broad political sense. We propose the establishment of the Alliance Political Council as a structure that should have oversight on all issues of governance such as redeployment of cadres, code of conduct for deployed cadres. The Alliance Political Council to exercise final political authority on issues relating to the overall transformation of the state and the economy. This structure should be established at national, provincial and local levels.

# **BROAD SOCIAL AND MACRO-ECONOMIC POLICY- final draft resolution 23/6/98**

## **1 Vision**

### **1.1 Socialism**

Our Economic Policy must be guided by our political vision of socialism. The programme we articulate should be socialist-oriented and should define economic policy in terms of meeting the needs of citizens and further the culture of solidarity, community and social responsibility, open up the space for economic democracy and redistribute wealth, income, assets, opportunities and power.

Key strategic sectors must remain, or be placed in public hands. **These sectors include:**

1. Water
2. Education
3. Housing
4. Municipal services
5. Health
6. Energy
7. Communications
8. Land

We envisage an economy composed of the public service, a state sector, and a social sector. Property relations must be transformed in a way which favours the poor and the working class. We are therefore proposing a significant public and social ownership in the economy as distinct from private ownership.

### **1.2 Transforming of four sectors**

Industrial development, redistribution and economic democracy should be implemented through specified transformation in different sectors of the economy. These sectors are:

- 1.2.1 The public service
- 1.2.2 The state sector
- 1.2.3 The social sector and
- 1.2.4 The private sector

### **1.3 The activist, developmental state**

The state should be biased towards the working class and the poor. The state should act as a key economic agent. The state is the biggest employer, consumer and investor in the economy. Through fiscal and monetary policies and composition of its budget, it exerts a tremendous influence on the economy. An active,

interventionist state is necessary to achieve our goals of economic development – in other words, to overcome poverty and redistribute power, wealth, income and economic opportunity from a small minority to the majority of the citizens. The state must progressively limit the power of capital

## 1.4 Link to the RDP

The RDP remains the cornerstone policy of COSATU. In many respects, the vision outlined in this document is a restatement of the fundamentals of the RDP. However, the RDP requires an additional set of concrete economic policies for implementing its vision. We seek to build the on RDP by outlining a coherent set of economic tools and strategies for achieving our vision.

## 1.5 Reclaiming Redistribution

The aim of economic development should be to overcome poverty, and inequality. The fundamental goal of economic policy should be redistribution and generating economic growth. Redistributive policies should focus on four goals:

- 1.5.1 **Increase productive activity** in the real economy, producing more wealth, creating more and better jobs and increasing the range and variety of economic opportunities and support structures for the citizens of South Africa.
- 1.5.2 **Meet the needs of all citizens** of the country – the need for work and income, for health, shelter, infrastructure, transport, education, decent childcare and provision for old age, as well as a high quality of community life.
- 1.5.3 **Economic democracy** (redistribution of power) – meaning the participation of the working class in determining the conditions of their economic activity and general priorities of economic policy.
- 1.5.4 **Redistribution** of economic resources through the payment of a living wage and improving the skills of workers, and increasing taxation on the wealthy and corporations to fund redistribution.

The focus of our economic policies should therefore be on:

- Industrial development in South Africa and the Region
- Public service delivery and
- Economic democracy and
- Redistribution

## 2. Broad Macro-Economic Approach

- 2.1 There are a number of key areas of macroeconomic policies which should support our vision and broader employment-creation strategy, these are listed below:
  - 2.1.1 Ensure that the parameters of fiscal policy are consistent with employment creation and retention strategies. Avoid imposing rigid and rapid deficit

reduction targets which limit public expenditure and infrastructural development

- 2.1.2 Maintain and expand demand for domestically produced goods and services
- 2.1.3 Meet increased demand through an expansion of the productive capacity of the economy, which in turn would generate new jobs.
- 2.1.4 Stimulate demand by lowering interest rates, pursuing redistributive fiscal policies, and developing effective strategies to boost exports.
- 2.1.5 Create an environment conducive to boosting productive capacity of the economy. Increase state-led investment to ensure that increased demand can be met through domestic production, and not through greater levels of imported goods.

# MONETARY POLICY

## Vision

1. Monetary policy is an important instrument in driving economic policies and delivery of social services. GEAR and government's practices focusing on phasing out exchange control, high interest rates, preserving the value of the rand, and defending foreign exchange reserves will undermine productive economic activity, and make our economy vulnerable to speculators. There is therefore a need for monetary and interest rate policies to be urgently refocused in a manner that promotes the primary objectives of the RDP. Restrictive monetary policies need to be reversed in order to stimulate economic activity.
2. The state must play an active role in encouraging investment to achieve the objective of employment growth. Policies should be put in place to limit the mobility of capital and reduce the volatility in the economy due to rapid short-term capital investment.

## Policy Proposals

### 1. Interest Rates

- 1.1 The federation reaffirms its rejection of GEAR and government's macro-economic practises which entail:
  - 1.1.1 High interest rates;
  - 1.1.2 Advance a one-sided approach to cutting down inflation;
  - 1.1.3 Advance the mythical notion that the lack of investment in South Africa is the result of non-saving.
- 1.2 Interest rates should be substantially reduced. This will increase the purchasing power of consumers, facilitate the shift of capital from financial markets into productive investments, and substantially reduce the burden of public debt.
  - 1.3.1 Alternative ways of addressing inflation need to be pursued through NEDLAC, and at a sectoral level. COSATU must advance a policy of differentiated rates so that projects benefiting the people and labour -intensive industrial development, are not prejudiced or made impossible by the policy of high interest rates.
  - 1.3.2 The government and its institutions are to look at a broader approach to fight inflation and desist from using the blunt instrument of high interest rate to fight inflation. Such measures should include a broader approach to fight inflation without compromising collective bargaining; price controls; subsidies on basic needs; and industrial policy to stimulate the productive capacity of the economy.

### 2. Exchange Controls

- 2.1 Serious consideration should be given to the impact which the removal of exchange controls has on outflows of resources abroad
- 2.2 The state should retain and introduce adequate measures to ensure that domestic assets are deployed in the national interest.
  - 2.3 Mechanisms should be introduced to regulate capital movements, and to penalise speculative capital.
  - 2.4 COSATU must link up with fraternal organisations around the issue of an equitable world monetary system

### **3 Regulation of Financial Sector**

- 3.1 We note that a significant element causing the recent Asian currency crisis was the deregulation and liberalisation of the financial sector in those societies.
- 3.2 The financial sector should be restructured to facilitate the cheap financing of investment. The current statutory and regulatory requirements governing asset deployment of financial institutions should therefore be revisited.
- 3.3 The policy goal should be the deployment of assets in South Africa and not to move assets offshore.
- 3.4 We oppose the proposal of the Financial Services Board (*in 1996*) to permit movement of assets worth more than R50 billion out of the country.
- 3.5 The Financial Services Board needs to be restructured and its deliberations made more transparent. Labour should be fully represented on the Board.
- 3.6 The high costs of financial intermediation have to be reduced as they increase the cost of economic activity, result in job losses, and impede housing development.
- 3.7 Regulations must be introduced to stem capital flight.

### **4. The South African Reserve Bank**

- 4.1 The constitution should be amended to explicitly commit the Reserve Bank, in implementation of its policies, to development and employment creation.
- 4.2 The Reserve Bank's policies should encourage cheaper credit for targeted sectors.
- 4.3 The Reserve Bank Board must be restructured and democratised to include civil society representatives, including labour.
- 4.4 In addition, parliament should have an oversight over the broad objectives of the Reserve Bank policies. The legislation should further be amended to ensure that parliament is in a position to play an effective oversight role over the Reserve Banks broad policies.
- 4.5 The legislation and section of the constitution governing the Reserve Bank should be amended in order to put in place effective mechanisms which will see to it that the Reserve Bank acts in consultation with the Minister of Finance in determining monetary policy (including targeted inflation and interest rates).
- 4.6 It should be clearly stated that the purpose of such consultation and oversight role should be to ensure that the monetary policy is in line with and assists in advancing overall economic and development policy.

# FISCAL POLICY

## Vision, Alternative Framework and Policy

### 1. Set an appropriate deficit

- 1.1 The government should avoid binding itself to specified deficit targets without first assessing their impact on service delivery, on the ability of the state to extend services to communities previously denied them, and on the institutional capacity of the state. We reject the obsession around the deficit reduction.
- 1.2 Reducing the deficit too quickly causes deflationary pressure on the economy and slows down economic growth and job creation. Low economic growth in turn discourages investment.
- 1.3 The achievement and setting of deficit targets should be annually reviewed.
- 1.4 The need to overcome the legacy of apartheid requires the expansion of state services and their improved quality, as well as substantial state investment in people and social and productive infrastructure. In other words, the state must increase its expenditure levels. The inherited apartheid budget which serviced a minority of the population cannot define the parameters of a budget which must serve the interests of all people, with priority given to the working class.
- 1.5 The deficit should be set within a flexible band. During times of high unemployment, and a large social deficit, the fiscal deficit necessarily will be higher than at times of high job growth and reduced social deficit.
- 1.6 Until agreement has been reached on the above, an immediate moratorium should be placed on further reductions in the budget deficit, with effect from the 1999/2000 budget. The MTEF parameters must also be changed accordingly.

### 2. Increase targeted social expenditure for the poor/ Redistributive policy

- 2.1 It is imperative during the reconstruction phase for the Government to increase Government spending.
- 2.2 Much of the existing budget expenditure should be redirected towards the required services and infrastructure.
- 2.3 For such Government spending to be beneficially targeted priority areas should be identified based on the following criteria-
  - People development
  - Crowding in of investment
  - Possible income generation (direct and indirect)
  - Access to basic facilities and needs.
  - Redistribution of wealth and income

The following areas, therefore, should be prioritised:

- Housing
- Health

- Education
- Energy
- Public Transport
- Telecommunication
- Social Security

2.4 Embark on a massive housing programme to address the inherited backlog, over the next 3-5 years, focussing especially on building rental accommodation on well-located land.

2.5 A comprehensive social security net needs to be set up, including:

- Expand quality health care for all, including the unemployed. A system of national health care should be put in place by no later than the end of 1999.
- Measures for food security, including comprehensive feeding schemes

### 3. Expand tax revenue

3.1 Demands for a reduction in corporate taxes are based on the false assumption that South African companies actually pay high rates of tax.

3.2 South Africa's tax revenue as a proportion of national income is lower than comparable countries internationally. A study of relative tax levels in 70 industrialised and developing countries suggests that South Africa's tax should be increased from 25,7% of national income to 31% - an extra R25 billion at 1996 prices.

3.3 This means that South Africa's poor are paying higher effective tax rates than other sectors of the population, and that the lower and middle income groups bear a disproportionate share of the tax burden.

3.4 The revenue target should be set within a flexible band. During the period of reconstruction and development, higher revenues are required from corporations and wealthy individuals. To this end government should introduce a solidarity tax.

3.5 All citizens should be registered for tax purposes.

3.6 In line with government's proposal, all SMME's which receive public contracts must be registered with the Receiver of Revenue.

#### 4.1 Introduce a progressive tax policy

4.1.1 A new tax regime needs to provide an incentive to development, productive investment, and employment creation. Further, the tax structure should be used to promote the social sector.

4.1.2 COSATU believes that the tax system is still highly inequitable.

4.1.3 There is a need to reverse the declining contribution made by corporate taxes to tax revenue.

4.1.4 COSATU calls for a thorough ongoing review of the taxation system based on the following principles:

- 4.1.5 All taxes should be progressive (low for the poor, high for the rich),
- 4.1.6 Sufficient resources should be made available to ensure the efficient collection of taxes.
- 4.1.7 The effective rate of corporate taxation needs to be increased through increasing the Secondary Tax on Companies and closing the loopholes in corporate tax.
- 4.1.8 Increase the top tax rate for the super-rich.
- 4.1.9 A capital gains tax should be considered to deal with individuals who are able to amass a large tax-free source of wealth. Some minimum threshold should be set whereafter a capital gains tax should be applicable. Careful consideration should be given to ensuring that the capital gains tax is structured to limit opportunities for tax avoidance.
- 4.1.10 A land tax should be introduced to bolster a programme of comprehensive land reform
- 4.1.11 A special excise tax should be introduced on luxury goods. This should exclude basic electronic and white goods (fridges, stoves, etc.). As electrification proceeds, more poor families will require such basic commodities.
- 4.1.12 We propose that the Department of Finance identify a list of such luxury goods, for submission to NEDLAC for discussion and negotiations.

## 4.2 Scrap consumer tax on basic requirements

- 4.2.1 No VAT should be payable on all basic foods, medicines, water, domestic electricity and education. This will offer effective, easily administered relief to the unemployed and to low and middle-income earners
- 4.2.2 A varied rate should also be introduced, including a higher rate on luxury goods and a lower rate on household necessities.

## 4.3 Tax and Pensions/Provident Funds and Mutuals

- 4.3.1 There should be equal tax treatment of provident and pension funds.
- 4.3.2 The Smith Commission's pension enhancement proposal for low income earners who participate in provident funds should be implemented so as to encourage savings and counteract the regressive effect of taxation on the earnings of the retirement industry.
- 4.3.3 On retirement, low-paid workers should be exempted from taxation on payout (those receiving lump sums in the region of R 100 000 or less). This should be subject to a ceiling to be negotiated. Those retrenched involuntarily should be exempted from taxation on retirement.
- 4.3.4 Savings can be encouraged through a National Provident and Pension Fund. Before this happens, workers should be able to transfer their funds between different sectors
- 4.4.5 COSATU should develop a national trustee module to be carried out by Ditsela and Naledi.

4.4.6 As pension and provident funds payments are understood to be employees' deferred wages, employers should not have the right of access to pension and provident fund surpluses. Legislation should be amended to give effect to this.

4.4.7 The decision by Sanlam and Old Mutual to demutualise is an arrogant effort to escape policy-holder involvement in decision making. It strips policy holders of potential control over the mutual societies they built up and now opens the companies to normal share market transactions. COSATU should oppose the demutualisation programme of Old Mutual and Sanlam, though our own campaign, our work at an Alliance level, and in our work in parliament. COSATU will oppose current legislation providing for demutualisation. Legislation should be prepared to ensure a more favourable dispensation for Mutuals, to ensure legislative changes to their corporate governance, to give policy-holders, including group policy-holders, real control; and to effect higher taxes on former Mutuals who transform to normal publicly listed companies on the Stock Exchange. COSATU should campaign to ensure that the economic power of the Mutuals is harnessed to the benefit of South Africans, not as a vehicle for the enrichment of a few.

## 5. Reduce the Government Debt Burden

### 5.1 Internal Debt

5.1.1 The size of South Africa's debt is being used to frustrate the programme of transformation. The extent of the debt has been artificially inflated. However, concrete steps can be taken to drastically reduce the debt burden.

5.1.2 Government's debt increased from R80 billion in 1989 to R337,6 billion in March 1998 which is 55% of the GDP. Two thirds of this debt was deliberately created in the 1990's and used by the NP's cruel government to finance the end of the apartheid government including paying out golden hand shakes to its generals.

5.1.3 Out of a total of R205 billion in government spending in the 1998/9 national budget, some R43 billion will be interest payments to service the debt. This should be compared to R88 billion to be spent for all social services.

5.1.4 A staggering 95,6% of this debt is made up of internal debt with foreign debt, at 4,4%. The internal debt is made up of the following:

- Public Investment Commissioners (mainly from public sector pension funds but includes parastatals) = 40,0%
- Reserve Bank = 4.1%
- Banks = 7.3%
- Insurers = 16.3%
- Private and Pension Funds = 4.2%
- Others (holdings by house holds, private business, charities) = 28,1

5.1.5 The current "fully funded" pension system means that the following contributions are made to the public sector pension fund each year:

- Government's contribution as an employer = R9 billion
- Public employees contribution = R4 billion
- **Interest payment on pension fund debt = R18 billion**
- Total payment into the fund = R31 billion

- 5.1.6 40% of government's debt of R337,6 billion consists of the public service pension fund debt, on which costly interest payments have to be made
- 5.1.7 It is estimated that pay-outs from the fund each year amount to R13 billion. This means that an additional R18 billion rands is paid into the fund as part of the "fully funded" pension system.
- 5.1.8 A pay-as-you-go system should be introduced in the public service pension fund, thereby freeing R150 billion in interest bearing debt. This would release roughly R18 billion a year which in turn will reduce the deficit by 76%. This additional money can be used for investment and to strengthen the government's capacity.
- 5.1.9 Movement to the pay as you go public sector pension fund needs to happen as a matter of urgency. A final decision on this matter needs to be taken before the end of 1998.
- 5.1.10 High interest rates are not only hurting workers, consumers, and smaller job-creating firms but also increase the government debt. Moving to a Pay as You Go pension fund will reduce pressure on interest rates. Other measures should also be taken to reduce interest rates, including though acting against bank collusion.
- 5.1.11 The government should look critically at the internal debt repayment in terms of the period and interest rates and re-evaluate those that were used to destroy underprivileged communities. Government should investigate other sources of borrowing that would not lead to an escalation of interest rates and should also explore creating its own institutions of borrowing

## 5.2 External Debt

- 5.2.1 "The odious debt" (foreign debt *which makes up 4.4% of the total debt*) incurred by the previous government has to be reviewed. Government should provide information on who the foreign debt is owed to, and for what purpose the money was borrowed.
- 5.2.2 This foreign debt should be scrapped.
- 5.2.3 COSATU should actively support the international campaign against foreign debt, and the scrapping of debt owed by the poorest nations.

## 6. Budget Process

- 6.1 Part of the historic commitment of the liberation movement that "The people shall govern" means that parliament – as elected representatives of the people – should be empowered to play an effective oversight role with regards to the budget.
- 6.2 Therefore, legislation empowering parliament to amend money bills such as the budget, should grant significant powers to parliament to increase and decrease individual department's budget votes, to introduce expenditure items into the budget and to effect changes to Bill's imposing taxes, levy's and duties.

- 6.3 In addition to the parliament's oversight role with regard to the budget, it is important that there be broader participation in the process of drawing up the budget. Such participation could be facilitated through discussion on the proposed budget.
- 6.4 The trade union movement must participate from the beginning of the 18 month budget cycle. Alliance mechanisms must be developed to guide the budget process.
- 6.5 The Medium Term Expenditure Framework (MTEF), its parameters and its underlying economic assumptions must be renegotiated in parliament and at NEDLAC. There is no contradiction between such an increased consultative process and parliament having ultimate oversight over the entire process.
- 6.6 An expenditure programme should be fixed in the MTEF and irrespective of fluctuations in the GDP level, these expenditure levels should be pursued. GDP fluctuations should be absorbed by varying the deficit and revenue levels within the identified bands
- 6.7 In terms of allocation of revenue to the provinces, reference to the debt should be removed from Section 214(2)(b) of the Constitution, since this should not be given priority over other national obligations.

# TRADE AND INDUSTRIAL POLICY

## 1. Vision

1.1 For COSATU, industrial policy is not confined to promoting exports. Such a policy will have limited success. We reject GEAR and free market purity as being inappropriate to address the socio-economic and political ills of South Africa. Market forces on their own will not build efficient and dynamic industries and they will not maximise the national social and economic interests. Instead, we propose the creation of an activist, developmental and interventionist state for carrying out the task of social and economic transformation. This state must be biased to, and seek to advance the interests of, the working class in policy formulation and implementation. The democratic state must recognise the inherent historical imbalances in social and economic power relations and must therefore pursue a sustained programme to shift the balance of power in favour of the working class and the rural poor, who constitute the main motive forces for fundamental transformation. An interventionist policy should build efficient and dynamic industries without ignoring the need to address national social and economic interests. An interventionist approach could, for example, employ taxation sticks and incentive carrots to encourage industries to invest in education and training. The industrial policy that the new democratic state pursues must integrate Southern Africa as an integral part of our reconstruction and development strategy. Furthermore, it is recognised that over the years the mining industry has declined relative to manufacturing and services. It however remains vital, together with other sectors, for the South African economy and will remain so for years to come. Our trade and industrial policy must thus have a long-term social plan approach that anticipates the gradual downscaling of mining and manufacturing as well as other sectors of the economy.

1.2 The fundamental objective of industrial policy should be a significant increase in the number of quality and sustainable jobs and full employment. Other objectives should include the following:

- To lower the costs of production of basic goods and services to meet redistribution needs through increased efficiency, particularly through new investment, skills, technology, management systems, and in work organisation.
- Industry must produce high quality basic goods and services at prices that are affordable to everyone.
- We need to develop and sustain domestic consumption, with an emphasis on consuming products with high local content.
- Industry must be capable of paying a living wage to workers and have an equitable wage structure that seeks to narrow the wage gap.
- Industry must contribute to the development of human resources of our society.

- Our objective in regard to trade should be policies that ensure that trade contributes to full employment and fair labour standards in all countries
- Industry must ensure it implements environmentally sustainable policies including healthy and safe working and living conditions.
- Since South African industry will have to function in a world wide economy, our objective in relation to the world economy should be that our costs and prices should compare favourably with world costs and prices, but to do so without cutting labour standards.
- We need a general rise in productivity that will narrow the adverse price, quality and technology gap between products manufactured on world markets and those manufactured in South Africa. We need also to develop our economy's capacity to benefitiate and process new materials through manufactured processes. These policies will create a wider capacity for the successful production for domestic markets and export of manufactured products and benefitiated products.

1.3 To achieve these objectives, we should negotiate and campaign at national, regional, industry and company level around the following:

- Restructuring of the economy and industries. Particular attention should be paid to:
- Labour intensive production.
- Maximising the potential for benefitiation of our natural resources.
- Ensuring sustainable growth.
- Stopping the outflow of capital
- The allocation of investment funds by government, the financial system and companies.
- The use of technology and the increased use of Research and Development.
- An appropriate tariff and trade policy.
- The setting up of a publically funded National Restructuring Fund (which should be a tripartite body) to finance the introduction of new technology and work organisation, in instances where companies are able to show expanded output and creation of new jobs.
- The passing of legislation to break-up conglomerates and monopolies where necessary in order to ensure economic efficiency and growth and to reduce their economic power.

*Sources: NUMSA, NUM, SACTWU, SADTU, Social Equity, Economic Policy Conference 1992, September Commission, Labour Job Summit document, Parliamentary submission on industrial policy 1998.*

## Policy Proposals

### 1. Job creation

#### 1.1 In defence of jobs:

We need to put strategies in place that protect and restructure existing industries while laying the groundwork for new areas of employment, which includes a social plan.

- ! 2 We need to maximise the impact of those sectors which are job creating, including the service sector. Industries which can serve as an engine for job creation in South Africa must be identified, and such an analysis must extend beyond identifying labour intensive industries. In addition, the down-stream and up-stream linkages (e.g. between companies which supply components to the sector or distribute the product manufactured) must be identified and actively promoted.
- 1.3 Supply-side incentives should be explicitly linked to job creation. Such job creation should be new jobs, in compliance with minimum labour standards, and not just transfer of employment from existing workplaces. Supply side measures which are currently in place (e.g. those linked to export promotion or technological innovation), should be evaluated and implemented taking into account their employment-generating effects. Punitive supply-side measures can also be introduced, for example tax disincentives to job shedding.
- 1.4 The state should use a fiscal strategy that introduces and promotes productive development projects.

*Source: Labour submission to Job Summit, FAWU, SACTWU, SADTU.*

## **2. Export Processing Zones (EPZs), Spatial Development Initiatives (SDIs) and Industrial Development Zones (IDZs)**

- 2.1 COSATU remains opposed to EPZs as they downgrade labour standards. We should vigorously oppose attempts by business and government to establish EPZs.
- 2.2 With regard to existing investment incentive schemes such as tax holidays and proposed schemes such as the Industrial Development Zones, mechanisms must be put into place to ensure that new investments do not have the effect of displacing the jobs of currently employed people without creating additional jobs. If the effect of these schemes is merely to displace those presently in employment as enterprises are unable to compete with new, subsidised (the effect of not having to pay tax) enterprises, then there will be no positive net job creation, only an unnecessary decline in tax revenue and increased pressure on the budget deficit. In instances where IDZ or spatial development initiatives encourage capital intensive projects, this should only be permitted on the basis of clearly specified projections of up-stream and down-stream job creation and measures to realise these projections. Monitoring mechanisms must be put into place to see to it that these projections are indeed met. Mechanisms must also be put in place to ensure that SDI's and IDZ's do not simply become EPZ's with a different name.
- 2.3 In engaging those who propagate the concept, the following principles should underpin our engagement:
  - Community participation in the project development and trade union representation on the management boards of these areas.

- Capacity building as it relates to human resource development and training programmes
- Diversification of investment to avoid possible failures
- Backward and forward linkages to stimulate local and regional industries to such zones.
- Guaranteed labour standards and full compliance with ILO standards, the extension of Bargaining Council agreements to these areas, and no exemptions to labour laws. Workers should be mobilised to ensure that these standards are actually met.
- RDP-based development.
- Department of Trade and Industry proposals that Industrial Development Zones focus primarily on export promotion should be reconsidered. There may be numerous benefits which would flow from focussing aspects of IDZ activity on the expansion of production for the domestic and broader Southern African market
- SDI's and IDZ's should not be used by industries/companies to merely relocate.

These points should be negotiated at NEDLAC.

Further discussions on these issues will be taken up in structures of the federation, particularly in a meeting of the regions.

*Source: NUMSA, FAWU, SACTWU, TGWU, Parliamentary submission on industrial policy 1998, Labour submission to Job Summit*

#### **4. Black Business and Small, Medium, and Micro Enterprises (SMME's)**

- 4.1 Employers are hell-bent on implementing business ventures under the pretext of the empowerment of previously disadvantaged groups.
- 4.2 SMME's can play a crucial role in the social and economic development of the country if they operate correctly.
- 4.3 A "National Policy Approach" should be developed in order to ensure that we have a coherent approach to SMME's. In developing this policy, our support for SMME's should be based on the following: creation of jobs; economic empowerment for the participants; and fostering of good labour practices in the SMME sector.
- 4.4 In this context, we will not support SMME development in relation to subcontracting activities for the following reasons.
  - Such activities do not generally create new jobs, but rather displace existing unionised labour with jobs that offer lower labour standards;
  - Where the sub-contracted activity is linked especially to a particular company, the sub-contractor is often highly dependent on the particular enterprise, which limits the depth of the economic activity;
  - It creates a conflict in the workplace.

- 4.5 Our approach should be to prioritise SMME development in workers' community or workplace context, to try to identify new products or services that are not currently being provided.
- 4.6 Government should provide incentives to SMMEs but not at the expense of workers. Instead it should be linked to compliance with labour standards and tax requirements.
- 4.7 SMMEs should be used as a tool for collective empowerment instead of self-enrichment.
- 4.8 To campaign that any special affirmative action for black business must be linked to respect for workers rights.
- 4.9 COSATU should meet with black business organisations to discuss the implementation of fair and progressive labour practices and policies.
- 4.10 Government must ensure anti-discrimination measures amongst financial institutions to facilitate easy access to credit for the SMMEs market. Where such anti-discrimination measures do not generate enough credit to SMMEs, government must provide easy access to financial support.
- 4.11 There is a need for NGOs and other financial intermediaries to increase their capacity since it is currently insufficient to meet the needs of the SMME market. Here government needs to play an active role.
- 4.11 The resolution on campaigns should deal with a campaign regarding the credit bureau.

*Sources: SACTWU, SASBO, NUMSA, FAWU, NUM.*

## 5. Cluster studies

- 5.1 A process with potential for union influence is the cluster study/development process.
- 5.2 Cluster studies should be needs driven and linked to RDP initiatives, for example, housing delivery programme (finished product determine the establishment of clusters).
- 5.3 We reject the notion of export-driven studies at the expense of developing the domestic market.
- 5.4 All affiliates must make it a priority to participate proactively in this process.
- 5.5 Our participation in the cluster studies should be to defend the interest of workers, and secure workplace transformation.
- 5.6 Affiliates in a sector should meet with the DTI sectoral bureau for that sector, to discuss plans and processes for sectoral industrial strategy.
- 5.7 Through such involvement, the industrial policy team can start to think about an 'industry plan' for its sectors or subsectors.
- 5.8 Such an industry plan should include a component on a strategic trade policy (including appropriate tariff policies) to foster sectoral growth.
- 5.9 COSATU should secure funding (from IDC, DTI, Fund for Research into Industrial Development, Growth, and Equity (FRIDGE)) for training and capacity building for union representatives participating in these structures.

5.10 COSATU and affiliates should develop report-back and mandating mechanisms throughout these processes.

*Sources: September Commission, NUMSA, FAWU, SACTWU.*

## 6. Pricing of raw materials

6.1 The high price of raw materials is a major restriction on the ability of higher value added industries to become internationally competitive, e.g. Iscor's steel.

6.2 Government can change this both through its ownership (through IDC) and policy approaches such as:

- Import/export controls on strategic materials (energy, steel etc ),
- Costs and efficiency of transport (rail, road and shipping policy) and communications,
- The use of environmental and design regulations,
- Exploration permits and mineral and energy policy,

6.3 Infrastructure development will have a major positive impact on both basic living conditions and foreign exchange earning industries, particularly tourism.

6.4 Government's interventions should be biased towards meeting of the basic needs of our people.

*Source: NUMSA*

## 7. Local content

7.1 We reject the current relaxation of the local content provision as it has led to the collapse of a number of industries.

7.2 An industrial policy must have a local content provision in the final product.

*Source: NUMSA*

## 8. Investment

### 8.1 Investment code

**Note: the whole of 8.1 is an old resolution, and needs to be audited/ updated to current conditions-eg cf 8.1.12**

8.1.1 An Investment Code should be implemented which requires prospective investors to:

- Invest in boosting the productive capacity of the economy.
- Invest in labour intensive sectors that create jobs.
- Emphasise training and skill development.
- Abide by all ILO conventions on minimum standards.
- Abide by social and labour laws and regulations and the constitution and all existing legislation of South Africa as a minimum, and actively implement

improvements to these. Where companies operate in decentralised areas, they will need to abide by national social and labour standards.

- Disclose information.
- Facilitate transnational contact between shop stewards

#### 8.1.2 Employment creation:

- Companies will endeavour to increase employment opportunities as a priority in harmony with national social development policies. They will use technologies which generate employment, both directly and indirectly.

8.1.3 There is also a need for foreign companies producing goods in South Africa to be jointly owned by South Africans and/or government, to ensure the distribution of profits within the country.

*Sources: NUMSA and Economic Policy Conference 1992, FAWU, SACTWU.*

## 8.2 General Investment Policy

8.2.1 Some key policies which can boost productive investment and encourage employment creation are:

- Expanding the production of infrastructure and public investment in the economy.
- Lowering interest rates, which can have a substantial impact on investment in an economy.
- Create a stable economic environment. This must not, however, require pursuing highly restrictive macro-economic policies or a repressive labour relations regime.
- Give women access to financial resources. Develop small-scale lending programmes to ensure that women can access financial resources.
- Establish capital controls. Discourage unproductive, speculative investment and limit damaging capital outflows. Use measures such as exchange controls, taxes on speculative investments, and short-term capital gains taxes.
- Focus on parastatals as key investors.
- Financing and credit relationships between finance and industry must be reformed with an aim to building relationships which promote job creation. Directed credit and differential interest rates could be used to help foster such changes.
- Prescribed assets and control over pension funds and the financial sector. Implement a policy of prescribed assets to channel investment funds into job-creating opportunities. Local investment socio-economic upliftment programmes should be prescribed through 10% of retirement funds.
- There should be increased investment in research and development, co-ordinated with research institutions.

- COSATU should lobby government to conduct an in-depth investigation of the financial sector and how to ensure channelling of financial resources into industrial development
- Mechanisms must be put in place to ensure that investments flowing from industrial participation (counter-trade) schemes, linked to armaments procurement, be channelled into labour intensive, job creation activities which also encourage skills transfers and general socio-economic upliftment. Participatory procedures need to be put in place to ensure labour's participation in such industrial participation schemes

*Source: Labour Job Summit document, NUMSA. Parliamentary submission on industrial policy 1998, September Commission, SACTWU.*

### **8.3 Multilateral Agreement on Investments (MAI)**

- 8.3.1 *The Multilateral Agreement on Investments (MAI), which originated in the Organisation of Economic Development (OECD) and may soon be part of the agenda of the World Trade Organisation (WTO), is designed to further strengthen the power of transnational corporations throughout the world. It poses a grave threat to the ability of nation-states to serve their citizens, and can further relegate the status of developing countries to that of "wholly owned subsidiaries" of the TNC's.*
- 8.3.2 *MAI represents a single most serious threat to the sovereignty of independent nations. Its provisions amount to an international bill of rights for multinational corporations.*
- 8.3.3 *COSATU should join the growing international campaign against the MAI*
- 8.3.4 *Government should be urged to use its upcoming chairpersonship of the Non-Aligned movement (NAM) to mobilise further opposition to the MAI, and to support the view that an entirely new investor agreement be negotiated, with full participation from developing countries and civil society and based on respect for fundamental worker rights, and the sovereign right of parliament to pursue national development goals..*

*Source: Resolutions Committee, SACTWU.*

### **8.4 Role of IDC**

- 8.4.1 Job creation should be the primary mandate of the IDC.
- 8.4.2 The IDC needs to be re-oriented from its focus on capital intensive mega-projects to incorporate labour intensive projects as well
- 8.4.3 In addition to the allocation of funds from the investment portfolio of the IDC, the full pre-tax profit of the IDC should be applied to job creation ventures.
- 8.4.4 Private sector investments in partnership with the IDC should be required to invest in job-creating investments.

*Sources: Social Equity, NUMSA*

## 9. Competition Policy

9.1 There is a need for far reaching changes to the corporate structure in South Africa

9.2 Competition policy needs to form part of a broader industrial strategy

9.3 Competition Policy should be informed by the following objectives:

- To reduce concentrations of power which enable a handful of individuals to wield undue influence.
- To see to it that workers' interests are taken into account, in particular potential for job loss must be an important criteria in the regulation of mergers and acquisitions
- To ensure "fair" pricing, in particular for basic goods
- To move towards worker ownership and control.
- To enable the state to intervene decisively in regulating enterprise structure and conduct in the public interest, and
- To facilitate, as part of a coherent industrial strategy, the production of surplus and its distribution in such a way that the economy develops and grows.

9.4 Any competition policy should not lead to job losses, down-grading of labour standards and deterioration of social welfare.

9.5 We support the forced unbundling of apartheid-era conglomerates where this is in the public interest on the basis of their over-concentration of particular markets. Further the potential should exist for forced divestiture to be triggered as soon as large firms abuse their dominance against their workers or consumers.

9.6 We support the inclusion of a regulated Ministerial discretion in regulating mergers in the public interest in order to avoid job loss and to protect domestic industry from predatory activity by Multi National Corporations operating in the global economy.

*Sources: Social Equity, NUMSA, Labour submission on Competition Policy, April 1998 CEC, SACTWU.*

## 10. State procurement policy

101 State Procurement Policy needs to comply with the following conditions:

- The policies must not be used to keep firms alive which fail to meet minimum standards. These standards should stipulate the participation of labour in the decision phase;
- Policies must be transparent so that corruption can be eliminated,
- Establishing competitive relations between firms may not be the most effective policy;
- Decisions should not be made simply on the basis of the goods or services supplied, but also the production process etc.; production of labour intensive goods should be prioritised e.g. through prioritising labour intensive production.
- Centralised purchasing can only be relaxed after basic standards have been achieved;

- The establishment of national markets should not be jeopardised by misguided regional, local or agency devolution,
- Assistance should be provided for new or innovative firms which are considering tendering;
- Preference should be granted to those companies which are expanding production for both the domestic and export market.
- Purchasing policy should be tied to research and development efforts.
- Procurement policies must have provision for local content.
- Counter trade agreements must not violate the provisions of industrial policy
- Trade agreements, bilateral agreements, ministerial declarations, and/or protocols must not negate the provisions of the industrial policy.

10.2 A Workers Rights Index should be developed, and companies tendering for public and private contracts should be required to report on compliance with the standards in the index. These standards should include the following core areas:

- No employment of scab labour during legal strikes
- Participation in centralised bargaining institutions where these exist
- Contribution of a minimum of 4% of payroll towards training programmes agreed to with the trade union movement.
- Implementation of a 40 hour working week.

10.3 The WTO is currently discussing neutralising these procedures as instruments for fostering domestic industry. The government should remain a non-signatory to the WTO's Procurement Policy so as to avoid parastatals e.g. Eskom, Telkom, purchasing equipment abroad.

10.4 COSATU should lobby government to take a stronger stand against the WTO Procurement Policy at WTO debates. The government should ensure that there is tighter coordination on these matters with the third world countries (developing and underdeveloped) to build a uniform stance against these unfair provisions pushed by some of the powerful developed countries.

10.5 The government should also reject the OECD's proposed Multi-lateral Agreement on Investment (MAI) so as to encourage expansion of domestic production and to avoid obligations where government and parastatals will be required to purchase equipment from abroad. Further, on the basis of procurement policies and in the furtherance of other objectives, government should campaign against the proposed MAI and the proposed US Growth and Opportunity Bill in line with a policy of working towards a transformed WTO and other multi-lateral global institutions

*Sources: NUMSA, NEHAWU, NUM, Social Equity, September Commission, Parliamentary submission on industrial policy 1998.*

## 11 Tariff reduction and trade barriers

- 11.1 Tariff reduction without supporting policies in affected sectors leads to job losses
- 11.2 An immediate moratorium on any further reductions should be imposed, particularly for those sectors that are geared towards the support of the RDP.
- 11.3 Tariffs should not be reduced at a rate faster than that required by our obligations to the World Trade Organisation; We object to government's tariff reduction faster than its own obligations in terms of GATT.
- 11.4 Where South Africa has lowered individual tariff rates to below GATT commitments and these have resulted in job losses, these must be increased up to the GATT binding rate.
- 11.5 Tariff reduction should be preceded by active industrial policies to promote efficiency;
- 11.6 An audit of the effects of tariff reductions on particular sectors or industries must be carried out under a tripartite forum funded by the IDC. This forum would also make proposals to renegotiate the agreement with the WTO as well as assess the impacts of foreign policy on trade agreements.
- 11.7 The Social Plan with its social adjustment packages should be implemented at sectoral level, especially in those industries facing tariff reductions and downscaling. Concrete social adjustment programmes to transfer workers into new jobs must be introduced if tariff reduction leads to retrenchments;
- 11.8 Government should use tariffs strategically to protect jobs and promote industrial development.
- 11.9 The current EU and SADC negotiations on tariffs for sensitive industries exclude labour representatives. COSATU strongly condemns this, and the revision of mandates without any discussion with affected workers. COSATU calls for an immediate review of these negotiations to ensure no job losses in South Africa. Trade union representation in the negotiations with SADC and the EU is required, particularly from affected sectors.
- 11.10 COSATU should network with progressive movements to ensure international solidarity action and campaign against trade relations unfavourable to the poor countries.

*Sources: NUMSA, FAWU, Social Equity, SACTWU, Labour submission to Job Summit*

## **12 Customs and Excise**

- 12.1 We are experiencing job losses through illegal goods entering our markets and the dumping of goods on our markets.
- 12.2 Finances should be made available or in the next budget to increase staffing and systems to collect more taxes and prevent illegal goods entering the country.
- 12.2 Customs and excise institutions are still managed by corrupt officials from the old guard. They need to be transformed, including:
  - 12.2.1 Changes to reflect the population, composition, to increase the efficiency of the system and to conform to the needs of our economy.

- 12.2.2 Increasing the resources at ports of entry, computerising all ports of entry, and ensuring that information is provided on a timely basis;
- 12.2.3 Establishing the norm of a minimum of 5% of all consignments being checked and specifically applying this target to each employment-sensitive sector;
- 12.2.4 Providing for product-dedicated ports of entry;
- 12.2.5 Beefing up the invoice analysis auditing programme;
- 12.2.6 Providing effective control over exports of goods subject to incentives;
- 12.2.7 Setting up resourced border posts with the BLNS (Botswana, Lesotho, Namibia, Swaziland) countries and airport inspection posts;
- 12.2.8 Increasing the number of inspectorate posts and the rate of container inspections;
- 12.2.9 Increasing the quantum and flexibility of remuneration packages for technically skilled customs staff;
- 12.2.10 Rotating customs staff between different posts;
- 12.2.11 Utilising private sector technical assistance for customs related activities;
- 12.2.12 Increasing and publicising rewards for information leading to successful prosecutions;
- 12.2.13 Raiding the warehouses of suspects and publicising the names of companies found guilty of fraudulent customs and clearance transactions;
- 12.2.14 The replacement of corrupt officials, who should be charged with the crime which they have committed; and a monitoring structure with labour representatives must be established;
- 12.2.15 Structures in government e.g. Board of Tariffs and Trade must be strengthened and restructured to be tripartite in character, to ensure proper monitoring of dumping and effective action to ensure that it does not take place.
- 12.2.16 To ensure that integration in SADC has a pre-requisite that effective customs controls be placed on all external borders and ports of entry.

*Sources: NUMSA, SACTWU, CWTU, NUM, Social Equity.*

### **13. Trade**

- 13.1 An active trade policy should specifically target incentives, and supply-side measures, e.g. skills training to those industries that create jobs directly, or either up-or-down stream of the targeted industry.
- 13.2 Both import substitution and export promotion should be pursued. Production for the export market often tends to be less labour intensive and therefore in those instances create fewer jobs than production for the domestic market. Import substitution will also stimulate the domestic production of intermediate (inputs used in the production of final goods) and capital goods (machinery) which will also have large employment effects.
- 13.3 Expansion through import-substitution operates through reducing the propensity to import, reducing leakages from the domestic economy. The objective of such an



expansion in an underemployed economy is to reduce the propensity to import competitive goods. Specific strategic sectors must be targeted for a concerted programme of import substitution. The chief criterion in selecting these sectors must be their ability to generate sustainable employment.

- 13.4 Any anti-import substitution bias which may be prevalent in existing industrial policy measures should be worked out of the system. In addition to encouraging domestic production and expanding the domestic market as more people are drawn into employment, a carefully managed import substitution strategy can have the benefit of improving the balance of trade and taking pressure off the balance of payments.
- 13.5 Unfairly subsidised imports into South Africa should be stopped. We should make increased usage of anti-dumping and safeguard duties. It is crucial that safeguard duties take national interests into account. Job losses resulting from a sudden increases in imports should be prioritised when implementing safeguard duties to protect the domestic industry.
- 13.6 Rules of origin provisions should be implemented. In the event of SADC becoming a single market (*SACTWU wants second wording*), which would allow for the free movement of goods across borders, one way to protect South African industries and develop the economies of SADC countries would be to impose rules of origin. This would mean that countries have to prove that the goods they are exporting consist of, for example, 25%, 50% etc. of domestic production.
- 13.7 A social clause should be implemented. This would serve to discourage countries from competing on the basis of labour repression, exploitation and poor or non-existent health and safety standards. A number of SADC countries are already using such strategies to improve competitiveness. Malawi, Mauritius, Mozambique, Namibia and Zimbabwe already host or are in the process of establishing EPZs.
- 13.8 It should be a mandatory pre-requisite that 'employment impact assessments' should be carried out and published before South Africa can bind itself to any trade agreements.
- 13.9 We seek representation for the trade union movement in the international trade negotiations, including direct representation of labour on the negotiating committees concluding bilateral and multilateral trade deals.
- 13.10 Parliament should be given an effective overseeing role on trade negotiations.
- 13.11 The WTO should become a tri-partite structure, and should have compliance with the social clause as one of its requirements for a country. Trade unions internationally should form a common front in dealing with the WTO.

*Sources: Parliamentary submission on industrial policy 1998, Social Equity, Labour submission to Job Summit, SACTWU.*

## **14 Southern African Region**

- 14.1 Growth in South Africa without growth in Southern Africa would be counter productive to all. The poverty in the surrounding countries would rapidly undermine progress in SA whilst at the same time denying our economy a viable market closest to its borders. South Africa's economy and particularly its labour

market are impossible to separate from the Southern African region. South Africa enjoys a substantial trade surplus with the SADC and SACU countries. It is necessary for the region to develop a focus to expand the regional market, and to develop balanced relations within the SADC community and externally. In addition, regional integration should not focus only on economic policy, but should also deal with issues of social development.

- 14.2 In developing sectoral industry policies we should be conscious of the potential for co-operative development, with linked supply chains between countries, and complementing industrial policies.
- 14.3 A regional reconstruction and development plan for southern Africa must be developed through a regional summit of governments and trade unions.
- 14.4 The South African government needs to initiate a process to negotiate a set of minimum standards to be established across the whole region. COSATU should support the struggle for decent labour standards in all countries in the region.
- 14.5 To achieve general growth and development for the whole sub-continent requires mutually beneficial agreements to be reached between the countries concerned. Such co-operation should be underpinned by solidarity between trade unions in the sub-continent.
- 14.6 COSATU should propose a Regional Development Bank.
- 14.7 South Africa needs to play an active part in the development of the Southern African economies through the collective action of public enterprises (e.g. transport, utilities) to increase regional economic growth. COSATU should support a programme of infrastructural development projects, especially those which link two or more countries of the region, such as the Maputo corridor, based on clearly defined criteria.
- 14.8 A regional trade union solidarity fund, with R20 million a year, made available by all governments in Southern Africa, for programmes by the labour movement in the region should be set up.
- 14.9 COSATU affiliates should establish firm links with their counterpart unions in the region, with the aim of analysing the problems in their sectors and developing ideas about how their industries could be developed in a mutually beneficial way across countries. Affiliates should establish cross-regional company Shopsteward councils to build solidarity. COSATU should also assist unions in the region to develop their organisational, research and educational capacities.
- 14.10 COSATU should campaign for a SADC which is based on upward convergence of social and labour standards, and the setting up of a Southern African Development, Labour and Economic Council (SADLEC), with representation by trade unions and community groups. SADLEC should serve as a forum to negotiate the terms of social and economic policies for the integration of the Southern African region.

*Sources: NUMSA, NUM, Economic Policy Conference 1992, Social Equity, September Commission, SACTWU.*

## **15. Institutional transformation**

- 15.1 All industrial policy-related state and parastatal institutions need to be restructured and reoriented. Such restructuring needs to go beyond changes in composition and representivity, and needs to position such institutions as tools in the meeting of the objectives outlined in our vision.
- 15.2 COSATU needs to develop a consistent strategy in relation to the IDC, the DBSA, NPI, the Land Bank and NOSA. The federation should initiate discussions with the relevant ministries (Trade and Industry, Finance, Labour, Agriculture) and the institutions themselves about their restructuring (or in the case of NPI and NOSA, their possible closure) and labour representation on their boards. Each of the boards should contain nominees from labour.
- 15.3 The Board of Directors of the DBSA should include trade union representatives and community representatives.
- 15.4 Researchers should be seconded to the DBSA. joint projects could be explored and the DBSA should be accountable to NEDLAC as well as parliament.
- 15.5 The boards of the IDC and other relevant institutions should be required to publicly report on a six monthly basis on the impact on employment, and the net number of direct jobs created, by its investment and technical assistance policies.
- 15.6 The resourcing of the IDC and DBSA should be guided by their success in fostering labour intensity and employment creation.
- 15.7 CSIR resources as well as public funding for research and development should be directed to labour-absorbing sectors and processes.
- 15.8 Both the national state tender board and particularly the provincial tender boards need to be restructured and an immediate commission of enquiry to investigate contracts that have been awarded. If any government employee is found to be guilty of colluding with parties to get the tender, she/he should be criminally charged. Laws should be passed to enable this to take place. Representation in the provincial tender boards should be based on the same model used in the national State Tender Board.
- 15.9 Institutions such as SBDC, MDC, and SABS should be streamlined to promote the products or programmes which could be developed for the purpose of establishing co-operatives.
- 15.10 The industrial development programme should be such that co-operatives can rise to be efficient and dynamic by world industrial standards.

*Sources: September Commission, NUM, NEHAWU, NUMSA.*

## 16 Capacity building

- 16.1 COSATU must develop greater capacity to co-ordinate policy formation and engagement on industrial development issues. COSATU should concentrate on co-ordinating and building the NEDLAC team in the trade and industry chamber and the parliamentary office's interventions on industrial policy issues, as well as supporting affiliates which are engaged in specific Campaigns over industrial development issues.

- 16.2 Resources must be made available at NEDLAC to develop the capacity of labour to engage more effectively in industrial policy development in the Trade and Industry Chamber, including through the employment of labour researchers in this area.
- 16.3 Every affiliate should establish its own industrial policy department or team, to develop industrial policy, participate in COSATU industrial policy processes, and engage with employers, NEDLAC and government. COSATU and affiliates should develop industrial policy teams to drive the development of policy in each sector. This would require demarcation of various sectors, and co-operation between relevant affiliates, e.g. in the energy sector. These sectoral teams should cover industrial development both in the public and private sectors.
- 16.4 NALEDI should establish an industrial development research capacity. This could provide research and policy support to COSATU and affiliates. In addition, we recommend that NALEDI convene an industrial policy reference group consisting of trade unionists – from affiliates and COSATU involved in industrial policy, to collectively develop strategies and Guide research. COSATU should consider a longer-term research project, housed in NALEDI, to assess industrial development strategies, based on an evaluation of international comparative experience, with a view to developing a vision for long-term industrial development in South Africa. In particular, NALEDI should be commissioned to undertake research on SDIs and IDZs which will feed into the federation's discussions on the issue.

*Sources: September Commission*

## 17. Fisheries

- 17.4 COSATU accepts the new Marine Living Resources Act which offers the potential for meaningful restructuring of the industry.
- 17.5 COSATU will work with the Alliance and other progressive forces to ensure that access to, and the allocation of marine resources are in line with the RDP and addresses the historical imbalances of the past.
- 17.6 The restructuring of the industry must also, in the main, promote our strategy of SMEs for employment creation and economic growth. Employment creation should be biased towards the previously disadvantaged. Accordingly, COSATU rejects the co-option of black business as a means of safeguarding their quota allocations.
- 17.7 COSATU rejects the introduction of access rights to marine resources to European countries in the SA-EU negotiations even before the restructuring of the industry has taken place in South Africa.
- 17.8 COSATU demands an improvement in the working conditions of, particularly, the harvesting workers on the boats.
- 17.9 Small-scale traditional and artisanal fisheries should be developed for reasons of equity and sustainability of resource use and to create local employment. Certain proportions of national quotas for given fish species, in particular those relevant to onshore fisheries, should be reserved for small-scale community fisheries.

*Source: FAWU*

## 18. Food Security

18.1 COSATU should establish a task-team to develop a food security policy proposal that is in line with the broad principles as contained in the RDP and in line with the vision of "a better life for all". This task team should include the following issues as a basis for inquiry.

18.1.1 To develop a macro-economic strategy that is compatible to, and seeks to achieve the RDP goals. Among others, these would include the enhancement of food security, breaking through the trap of poverty instilled by apartheid, linking growth and human development, and contributing to the development of sustainable livelihoods for the masses. Furthermore, we recognise that food security is a multifaceted goal, which would require related achievements such as the provision of housing and sustainable employment creation.

18.1.2 To call for the government to apply a fiscal strategy to the question of food security, instead of the narrow monetarist approach promoted by GEAR which we reject. This would include applying progressive taxation and allowing for a greater budget deficit. Furthermore, to scrap the apartheid debt in order to increase social expenditure or government spending on social issues like health and education, and projects like feeding schemes and food stamps.

**18.1.3 To call on the government to develop a coherent industrial policy, instead of applying ad-hoc measures, geared towards infrastructural and other development projects that will be job creating and consequently help eradicate poverty and enhance food security.**

18.1.4 To call for a moratorium on tariff reductions. The government should not reduce tariffs and remove subsidies faster than even the WTO provisions require as this leads to job losses which simply entrenches the poverty cycle. Furthermore, the very role of multilateral institutions (such as the World Bank, the IMF and the WTO) in the South African economy should be critically evaluated.

18.1.5 That Cosatu develops a wage policy and national minimum wage that will ensure increased disposable income of those working in order for those to have increased access to goods and other consumer spending and thereby increase domestic demand.

18.1.6 Cosatu should call for lowering of the food prices and VAT exemptions on basic food items, for rural development, for the introduction of SMMEs, thereby making food affordable.

18.1.7 To develop infrastructure (including transportation system) in order to make food accessible to those who cannot afford it at present, including the farthest rural areas, in order to make food available and accessible.

18.1.8 That for those state assets earmarked for restructuring, a mechanism must be put in place to ensure mass-based collective social ownership of these

assets. This would contribute to poverty eradication and enhancing food security, instead of it resulting in ownership patterns remaining unchanged

18.1.9 That because it is argued that South African development be accompanied by the simultaneous development of the region (i e SADC) and the continent, food security and poverty eradication in SADC should be subject to policy development that seeks to address the discrimination inherent in north-south trade relations.

18.2 This food security policy proposal shall contain as its other central theme the establishment of a social security net that ensures that no one goes hungry and will revive schemes such as feeding schemes.

18.3 That the living wage demand and campaign serve as the basis for an approach to food security issues that will ensure that the buying power of disposable/real wage on food products is increased.

18.4 Legislation should be put in place to ensure that companies are forced to donate perishable and other food items instead of dumping these as part of their strategy to restore the price of these products.

18.5 COSATU should meaningfully engage the Tripartite Alliance and attempt to secure an Alliance policy position on food security. COSATU should also engage other organs of civil society that broadly belong to the democratic movement.

18.6 COSATU should embark on a campaign (in line with the World Food Summit in Rome) to mobilise broad social support in forcing the government to take into account policy proposals before the ultimate cabinet approval of food security policy which must address poverty.

*Source: FAWU*

## 19. Energy Sector

19.1 *Energy sector policy should be consistent with overall industrial and development policy.* The development of our energy policy should be transparent and allow for the involvement of all stakeholders. Our energy policy should include the development of the Southern African energy grid as Southern Africa has plenty of natural energy resources which is not being utilised effectively. (NUM). *COSATU should engage the White Paper on Energy published by the Department of Minerals and Energy Affairs. In particular, attention should be paid to its vision to restructure the electricity distribution industry, deregulate the liquid fuel industry, and nuclear energy.*

### 19.2 RESTRUCTURING OF THE ELECTRICITY SUPPLY INDUSTRY

*The role and structure of Eskom should be tailored to advancing the aim of universal access to affordable electricity both for households and industry, within an overall policy of cross-subsidisation from rich to poor. In order to advance this aim legislation should clearly outline that Eskom is owned and controlled by the state and that in its external and internal programmes Eskom should be accountable to government's broader RDP objectives.*

*(secretariat)*

19.2.1 THE Bill that has gone through Parliament has clarified the ownership of Eskom i.e Eskom being state owned. The Central Committee should endorse this position.

19.2.2 However, a programme of action should be developed to resist the corporatisation of Eskom through

- Incorporation in terms of the Companies Act 1973
- Eskom being made a tax and dividend paying Company

19.2.3 Our emphasis should be on making Eskom report in terms of Public Entities Reporting Act.

19.2.4 We are opposed to Eskom paying taxes and dividends

19.2.5 Eskom should be given clear targets and be benchmarked against clear performance targets set

19.2.6 The whole Electricity Supply Industry should be under a single Governance Structure. This Governance Structure should have a small management team to provide technical back-up.

19.2.7 The Industry should be structured into two public utilities established in terms of Acts of Parliament.

19.2.7.1 Eskom to remain responsible for all Generation and Transmission.

19.2.7.2 A National Distributor should be established consolidating all Electricity Distribution. This national distribution, for efficient distribution of Electricity, can set up subsidiary regional Electricity Distributors and District Electricity Distributors

19.2.8 The biggest consumers of electricity must pay more per unit and the poor less, with special consumption rates for the unemployed, pensioners, old age homes, public schools, creches, clinics, hospitals and rural schools.

19.2.7.1 Services should be extended to rural areas and squatter camps

19.2.7.2 Masakhane must be intensified to ensure that, amongst other things, there is increased payment for services. People need to be educated about the importance of electricity.)

### **19.3 Liquid Fuels Industry**

19.3.1 Studies have shown that deregulation leads to job losses, particularly of petrol attendants. This would be particularly serious in the context of high levels of unemployment and jobless growth.

19.3.2 COSATU reaffirms its opposition to the deregulation of the fuel industry, and argues for reregulation in order to give effect to our objectives.

*(secretariat)*

### **19.4 NUCLEAR ENERGY**

19.4.1 Our energy policy should *exclude* nuclear energy as an energy resource.

19.4.2 More research should be done into alternative energy resources, including environmentally friendly Coal Generation of Power, so that we can improve our competitive advantage in an area that South Africa is a leader already.

- 19.4.3 All attempts to dump nuclear and chemical waste from industrial countries in Southern Africa should be resisted.
- 19.4.4 All future dumping of nuclear waste at Vaalputs should be stopped pending a clear strategy to deal with waste management.
- 19.4.5 In addition, attention should be paid to Nuclear Safety and Nuclear Radiation in Koeberg Power Station, Pelindaba and NUFCOR.

**(NUM)**

## **20. Social plan for the mining sector**

- 20.1 The mining industry employs 552 000 people (with up to 5 million dependents), contributes 8% to the GDP and over 50% to our foreign exchange earnings (including processed minerals). The rate of job loss in this industry must therefore be viewed as a *national crisis*.
- 20.2 While we pursue the further growth and development of our manufacturing and services sectors, that has to occur within the context of the *managed* downscaling of certain sectors of the mining industry.
- 20.3 Such a managed process requires a dedicated statutory downscaling commission with sufficient powers to ensure:
  - 20.3.1 minimal job losses
  - 20.3.2 that unavoidable job losses are cushioned through social rehabilitation or the social plan, which includes counselling and retraining
  - 20.3.3 that healthy mines build up social plan reserves long before they become marginal
  - 20.3.4 targeted state assistance to marginal mines to preserve jobs as long as it is economically and socially feasible
  - 20.3.5 a balance between new technology and labour intensive mining
  - 20.3.6 beneficiation of minerals, to create further demand and new jobs
  - 20.3.7 strong coordination between attempts to stimulate growth in manufacturing on the one hand, and the need to find alternative employment for appropriately retrained and reskilled ex-mineworkers in mining towns and rural areas

*Source: NUM*

## **21. Technology**

Technology and technological innovation that does not displace labour or inhibit job creation requires technology policy that is informed by the following objectives :

- building complimentary links with southern Africa and other developing countries;
- a participatory process of policy formulation and innovation;
- defining a developmental role for the state regarding “new frontier” technologies;
- ensuring that technology is used to skill and empower workers.

To ensure job creation and maintenance unions have to engage with technology at the level of policy development. This includes :

- *Worker and community participation in the National System of Innovation*, envisaged in the White paper on Science and Technology, through participation and links with universities, local research and development (R&D) centres, NGO's and the factory floor.
- *The role of the state* has to include facilitation of worker involvement in science and technology development, and also direct intervention to develop certain sectors like micro-electronics, and increased finance for R&D. Procurement policy should be used to influence innovation in labour intensive technology.
- *Optimal utilisation and development of technology* has to happen through increased numeracy and literacy skills, as part of an integrated education and training policy thrust that links scientific, mathematical and computer skills education.
- Employers must be required to negotiate with the union at least six months in advance of the introduction of any new technology. In particular, employers must be required to negotiate with the union regarding any changes in numbers and the location of jobs, as well as any forms of work reorganisation
- Government must develop policies to ensure that South Africa becomes a developer of new technologies rather than merely a consumer of technologies developed elsewhere. This is particularly important to ensure that new technologies provide for social needs delivery and that they are appropriate to our context as an African developing country.
- Government must ensure that international agreements, particularly those concerning intellectual property rights, are negotiated to ensure equity for developing countries like South Africa, rather than merely to serve the interests of globalisation.
- Affirmative action policies must explicitly include measures to ensure the redress of historic imbalances of access to and usage of new technologies which are based on race, gender, disability or class.
- Employers must be required to ensure that new technologies are combined with appropriate human resource policies and the training of workers so that skills are upgraded.
- Government's information and communications technology industrial strategy must ensure that such technologies are developed to provide for social needs delivery and to create jobs.
- Employers must be required to provide the union with access rights to their information and communications technology networks and infrastructure to facilitate communication with shop stewards and membership.
- Technological agreements must include the transfer of skills.

*Source: Labour proposals on Jobs Summit, COSATU IT Unit, NUMSA.*

# LABOUR MARKET POLICY

## Vision

We believe that Labour Market Policy should:

- 1.1 Redress the legacy of labour market segmentation and discrimination based on class, gender, race and age, with the aim of improved quality and security of present jobs, and equal access to new jobs.
- 1.2 Facilitate workplace democracy through enhanced worker control over decision-making.
- 1.3 Close the apartheid wage gap between the top and the bottom in the workplace.
- 1.4 Train and develop the workforce.
- 1.5 Through NEDLAC guide the impact of Public Works Programmes to ensure training in communities and job creation.
- 1.6 Create decent *and sustainable* jobs for all at a living wage and train workers to be more productive.
- 1.7 To reverse the current exploitation in employing workers on a casual, temporary or fixed term contract basis.

## Our main arguments in support of our vision

### 1 The legacy of apartheid

The legacy of the apartheid era has produced a set of labour market institutions which have fundamental weaknesses. The two most severe problems are:

- The inability to create conditions of full-employment;
- The large number of jobs which fail to pay a living wage.

### 2 South African Labour Market is Flexible already

- 2.1 The supposed need for greater labour market flexibility is based on a presumption that the labour market actually suffers from inflexibilities with respect to wages and employment.
- 2.2 In fact, the labour market, as it currently exists, is remarkably flexible in terms of wages and employment as demonstrated by the International Labour Organisation (ILO) study of the South African labour market. The amount of institutional protection workers have in South Africa is very small; retrenchments are not difficult; there is an increasing trend towards casual and atypical employment; and most wages are determined at plant or enterprise level.

3. Address poverty [and food security [FAWU]] - pay a living wage

- 3.1 It is evident from the available data that both low wages and unemployment contribute to poverty in South Africa. The poor in South Africa consist of both the unemployed poor and the working poor.
- 3.2 Policies aimed at reforming the labour market and creating new job opportunities must take this dual source of poverty into account. Jobs must be created and economic opportunities expanded. Wage flexibility as a means of poverty alleviation – and particularly if new jobs are seen as the central mechanism of redistribution – simply means exchanging one source of poverty (low wages) for another (unemployment).
- 3.3 Creating new employment opportunities along with higher wages requires a long-run strategy and depends on the successful accumulation of productive investment in sectors of the economy which produce jobs, and on the structural transformation of the apartheid-era labour market.

#### 4 Labour Productivity is on the rise

- 4.1 We are confronted with arguments everyday - in workplaces and in the media - that workers' productivity needs to increase in order for our industries to become competitive. In fact, labour productivity has been rising and unit labour costs have been declining since 1992.
- 4.2 Strong union presence, worker rights and labour standards compel management to seek productivity improvement through increasing management effectiveness, innovation, increased investment in training and skills and worker participation.
- 4.3 Our view is supported by the ILO's argument for the importance of "dynamic efficiency". For example, where there are few costs or limitations on management use of overtime, there is little incentive for managers to engage in serious forward planning and production scheduling, or to make efficient use of available people. We reject strategies for improving competitiveness through undermining worker rights and labour standards, fragmenting the labour market or reducing wages.
- 4.4 Workers and trade unions cannot be held to be the chief obstacles to productivity improvement. It is management, government (through the supply of services, infrastructure and industrial policy), and low capacity utilisation which are responsible for most productivity problems which exist. We believe that increasing the competitiveness of the South African economy requires a strategic approach to entering rapidly changing world markets; public investment in cheap and efficient infrastructure, communities, people and skills; and a comprehensive restructuring of the management structure and how production is organised.
- 4.5 At a broader level, a different approach to promoting productivity as part of a broader strategy of redistribution and employment creation is clearly required. Labour has proposed (in 'Social Equity') the need to negotiate a National Productivity Framework in order to achieve this objective.

#### 5 Wage policy and apartheid wage gap

- 5.1 A defining characteristic of incomes in South Africa is the wage gap between blue collar and low-paid workers on the one hand, and management and high-paid

employees on the other. The gap between the salaries of management and other highly-paid staff, and the wages of the bulk of union members, is extremely high by world standards. This is the legacy of the apartheid wage structure.

- 5.2 Labour costs include the total wage bill, including the remuneration of management. Managerial, professional, supervisory and skilled positions account for some 45% of the wage bill, although they constitute only 23% of the total workforce in manufacturing.
- 5.3 Supporting evidence for the high cost of management in South Africa is provided by the 1996 World Competitiveness Report. South Africa is ranked 41 out of 49 countries in terms of management efficiency, but 6th in terms of the remuneration of top management. The high cost of South African managers is very clear when it is contrasted with the low productivity of the enterprises they manage.
- 5.4 A significant reduction of the management wage bill would contribute substantially to the reduction of labour costs. However, the management/worker ratio is increasing. Management functions should be devolved to the shopfloor, and a portion of management salaries that are saved should be redistributed to shopfloor workers.
- 5.5 There is no evidence that wage increases won by union members are the main source of inflation. To the extent that rising incomes generate inflationary pressure, this can as plausibly be explained by high and rising management incomes. Redistributing part of these incomes to workers will tend to increase demand for local goods and reduce poverty.
- 5.6 The above arguments makes it clear we see no reason for unions to moderate their wage demands or accept higher levels of wage flexibility. Indeed, union demands should stimulate management to seek ways to reduce the cost of management and improve production processes.
- 5.7 Union wage policies should be based on the following:
  - 5.7.1 Increases in basic wages should not be linked to productivity increases since the major portion of productivity improvements are the responsibility of management. At the same time, as producers and stakeholders, workers should share the benefits of productivity improvement, either through wage increases or through gainsharing agreements. The trade union movement should pursue a strategy of wage solidarity which seeks to increase most the wages of the lowest paid. Unions should oppose "labour market flexibility" which seeks to increase wage flexibility (e.g. undermining centralised bargaining, increasing Casualisation). Centralised bargaining should be strengthened.
  - 5.7.2 We reject business' proposals on Labour Market Policy and those aspects of governments proposals which advance:
    - 5.7.3.1 The lowering of labour standards
    - 5.7.3.2 Job losses
    - 5.7.3.4 Flexibility
    - 5.7.3.5 Wage moderation

Source: *September Commission and NUMSA*

## Policy Proposals

### 1. Implement Basic Conditions Act

1.1 Call for the urgent implementation of the Basic Conditions of Employment Act, in order for the first time to extend basic protections to all South Africa's workers. The implementation of the legislation is an important aspect of the transformation of the inherited apartheid labour market. The Act should not permit downward variation of standards.

1.2 Note aspect of Ntsika report on small business that states that there is no special dispensation for small business in other countries. Also based on this report push for an effective programme promoting full compliance to the basic conditions and other legislation by all employers including so called emerging businesses.

1.3 Approach Alliance structures to agree on an approach to further pro-labour amendments which could be made to the Basic Conditions of Employment Act, as per the earlier agreement. In particular, the implementation of mechanisms for paid maternity leave and improved regulation of variations.

1.4 The Basic Conditions of Employment Act has many provisions that will affect women workers negatively such as:

- 1.4.1 Downward Variation which will allow companies to attack maternity and child care rights.
- 1.4.2 Responsibility leave is only three days and includes compassionate leave and excludes casuals
- 1.4.3 It provides for sick leave to be reduced to 75% in exchange for an unpaid day off.
- 1.4.4 Companies will use these provisions by reducing sick leave and maternity leave.
- 1.4.5 COSATU must reject the variation model of the BCEA and campaign for all rights to be extended to casual and temporary workers.

*Source: CWIU*

### 2 Employment Equity Bill: Closing the Apartheid wage gap

- 1.1 COSATU should launch a campaign to close the apartheid wage gap to a ratio of at least 1:8 over an agreed period. This should include a framework which sets targets for wage equity in the private and public sectors.
- 1.2 The Employment Equity Act should be broadened to include mechanisms for monitoring of the closing of the wage gap in each company, and between all levels of the workforce including top management.
- 1.3 The top 58 companies should publicly agree to release information on the pay of their individual executive directors, particularly their CEO's. This should include salary or director's fees, pension, bonus, perquisites and share options. Information

on the minimum wage payable to workers in their companies should also be made available. In addition the publication of this information should be a reporting requirement for all listed companies on the JSE.

- 1.4 Further, the top 58 companies should commit themselves to reducing the wage gap (including all fringe benefits and options) in the companies to no more than 1.8. This means that the earnings of the highest paid person should not be more than eight times that of the lowest paid person. Even such a wage gap will be unacceptably high but would constitute an important first step in our country towards a shared future.

*Source: COSATU Policy Conference May 1997, Social Equity*

## 2. Outsourcing

- 2.1 Outsourcing should not downgrade conditions of employment of workers in the same industry.
- 2.2 The employers should be compelled to consult with registered unions either prior to the decision being made, to initiate any feasibility study of the area being considered for outsourcing or alternatively give at least six months notice prior to outsourcing. - whichever of the above affords the longer notice period.
- 2.3 There should be full disclosure of information.
- 2.4 The state should set an example and abide by agreements on outsourcing to ensure maintenance of agreed upon labour standards. [SADTU]
- 2.5 Where outsourcing has taken place, outsourced companies should be covered by same collective bargaining agreement as in the core operations

*Source: NUMSA*

## 3. Labour Brokers and Independent Contractors

- 3.1 Labour brokering and independent contracting should be regulated, and workers in these sectors should enjoy the full rights and benefits of full-time workers.
- 3.2 Separate national registers of labour brokers and the temporary workers they employ must be established.
- 3.3 Compliance with existing regulations must be monitored with the assistance of the national registers, including ensuring companies only use such registered labour brokers.
- 3.4 Unregistered labour brokers should be prosecuted and heavy fines imposed on them.
- 3.5 That in the long-term, labour brokers be banned as they do not create jobs but make profit from the extreme exploitation of workers by individuals representing their own interests instead of the goals of socio-economic transformation. [FAWU]

*Source: NUMSA*

## 4 Wages

- 4.1 COSATU should campaign for minimum wage settings for the vulnerable and less organised sectors of the economy using bargained wage levels as yardsticks. This should also take into account the existing inequities, disparities in incomes and the struggle for a living wage.
- 4.2 The minimum wage is defined as "a regulated monetary wage at national / sectoral level taking into account the cost of living which must be regularly reviewed". It could include [take the form of] a social wage incorporating health care, transport, pensions, etc
- 4.3 Wages should be separated from productivity incentives
- 4.4 Blanket exemptions should not be permitted where exemptions apply they must be based on the merits of individual companies. Criteria on exemptions should be developed at the national industry level and be implemented at the sectoral level.
- 4.5 COSATU should revive the Campaigns Committee and focus on, among others, the strengthening of centralised bargaining, highlighting the Living Wage campaign, and ensure that affiliates develop common demands.
- 4.6 Government must set up and abide by minimum wage agreements arrived at during collective bargaining. [SADTU]
- 4.6 Government must monitor and prosecute those who disregard the agreed minimum wages.
- 4.7 COSATU should work towards an increase in the employment of women in all areas of work and especially in higher paid job categories. This requires a conscious attempt to integrate gender aspects in COSATU affiliate wage policies by linking the demand of equal wages for equal work and equal wages for work of equal value to the living wage campaign. This will ensure that affiliates take up the struggle against the oppression and exploitation of women, ensuring that this is not regarded as a "women's" issue but a problem of every member of the union.

Source: *Living Wage Conference 1996, NUMSA, Policy Conference May 1997*

- 4.8 The minimum living wage must be determined at national industry level.

Source: *Living Wage Conference*

## 5. ***Training and skills development: Implementing the new education and training system***

### 1. **Implementing the National Qualifications Framework (NQF)**

For qualifications to achieve the transformative objectives of the NQF, COSATU unions must ensure a commitment from government and employers to -

- Agree to the speedy and effective implementation of the Skills Development Bill
- Provision of paid education and training leave (PETL)
- Learner guidance, counselling and support

- Development of quality education, training and development practitioners (ETDP)
- Quality assessment, including recognition for prior learning (RPL)
- Large scale delivery of education and training

To this end we must ensure the following:-

2. Access

- 2.1 All workers should have access to education and training, including Adult Basic Education and Training (ABET), further and higher education and training.
- 2.2 We re-emphasise our call for South Africa to endorse the ILO Convention 140 which entitles all workers to paid education and training leave.
- 2.3 Employers pay for this education and training:-
  - The levy in terms of the Skills Development Bill is one mechanism.
  - We must ensure that the levy is reviewed annually to incrementally achieve at least a 4% levy
  - Other funding mechanisms to be agreed between unions and employers
- 2.4 The way learning programmes are designed, e.g. modular -based, with flexible and multiple entry and exit points, must facilitate access.
- 2.5 We reject the approach taken by some employers to achieve higher levels of education through retrenching workers without ABE and will use all avenues to stop this.
- 2.6 Childcare facilities and grants/financial support for the duration of learning must be provided.

3. Recognition of workers skills and knowledge

- 3.1 Education and training should relate to learning and career paths for workers
- 3.2 Workers should get recognition for the skills and knowledge they have acquired (through formal and non-formal learning, trade union experience, etc) through recognition for prior learning
- 3.3 The methods of assessment (such as interviews, demonstrations, portfolios) used for RPL and other education and training should be fair, transparent, in the language of the workers choice and be negotiated between unions and management. RPL must be treated as a process and not an event.

- 3.4 The RPL process must be jointly administered by management and unions. Both parties must be trained as assessors, including for RPL purposes.
- 3.5 Workers must have the right to have access to opportunities to be assessed for RPL. This access must be voluntary for workers, and no worker can be down graded as a result of RPL.

3.6 Work must be re-organised to ensure that skills and knowledge acquired are used in the workplace, however, even when skills are not applied, workers must be paid for skills acquired.

3.7 Workers skills and knowledge should also be recognised through the grading system.

3.8 The grading system should include skills as a factor, but not be limited to skills.

#### 4. Organisational capacity and co-ordination

- 4.1 Continued effectiveness and influential participation in the transformation of education and training at all levels - national, provincial, industry/sector, company/workplace - by COSATU is crucial.
- 4.2 Cosatu must play a more active role in facilitating the sharing of experiences of affiliates; development of implementation guidelines and ensuring a co-ordinated approach to transformation of education and training at all levels.
- 4.3 Efforts to ensure more effective engagement on these issues by unions at all levels, including capacity building must be intensified.
- 4.4 While COSATU and some affiliates have made progress in negotiating a framework for education and training, grading and wages, this lacks a gender perspective. Cosatu must more seriously address a gender perspective on these issues or women will find themselves at the bottom of the heap. COSATU and affiliates should critically assess these agreements and monitor their implementation to ensure delivery. [SADTU]

4.5 The above items should be taken up in all bargaining forums.

*Source: NUMSA, NUM, Social Equity, Secretariat Report 1997 Congress, CWIU*

- 5.1 The employer in the public sector should consult with labour unions in the public sector around worker education and development programmes and budgets. [SADTU]

#### 6. Scab Labour

- 6.1 COSATU should campaign for the prohibition of scab labour in legislation.
- 6.2 Call on the government to put an end to the use of scab labour through:
  - 6.2.1 Requiring companies which tender for government contracts to sign an anti-scab code.
  - 6.2.2 Requiring companies receiving any government incentives, such as export and regional economic development incentives, to sign an anti-scab clause.
  - 6.2.3 Agreeing not to use scab labour in areas of the public sector and parastatals, where workers are striking legally.
- 6.3 Campaign in all industries for an end to scab labour by putting a demand to employers in all bargaining forums.
- 6.4 Essential and Maintenance services should be broadly defined so as to minimise the use of scab labour.
- 6.5 Link any discussion on productivity at plant level with a demand for an end to scab labour.

*Source: SACTWU, Living Wage Conference 1996*

- 7. Demands to improve minimum LRA provisions and Proposed Amendments
- 7.1 Affiliates must fight for provisions that are better than minimum provisions which are reflected in the LRA; and in that regard ensure that they include demands on the following provisions:
  - 7.1.1 The duty to bargain;
  - 7.1.2 The right to strike over individual dismissals;
  - 7.1.3 The right to strike;
  - 7.1.4 Exclude the right to lock-out;
  - 7.1.5 An improved severance package – of no less than four (4) weeks per year of service – for retrenched workers;
  - 7.1.6 When challenging the unfairness of retrenchment, affiliates must demand compensation for the loss of future earnings and personal belongings.
- 7.2 COSATU must embark on a campaign, through collective bargaining, to fight for the above issues to be agreed by employers in the different industries.
- 7.3 The Central Committee mandates the EXCO to initiate comprehensive discussion on the closed shop and study its implications at all levels.
- 7.4 In order to address the problem of free-riders, affiliates should trigger the agency shop as stipulated in the new LRA where unions are in majority.
- 7.5 COSATU must pursue the fight for the duty to bargain as an amendment to the LRA.
- 7.6 Section 197 of the LRA should be amended to ensure that the transfer of employment or retention of conditions of employment be made obligatory on both the old and new employers
- 7.7.1 The protections for workers against retrenchment should be strengthened through amendments in the LRA. These amendments should:

- Require the clause on dismissals for operational requirements to apply only when a company has no alternative, rather than for any 'objective reason'. Therefore retrenchments to simply increase the rate of profit of a company or to lower costs to increase market share, is not acceptable. The grounds for retrenchments should be defined as narrowly as possible. The current LRA is deficient in this area. This should allow unions to challenge the reasons for retrenchment, not only the procedure, or
- Permit collective bargaining agreements to address issues of retrenchments (reasons and procedure) as matters of interest, hence permitting the right to strike on retrenchment.

Hence, a union will be able to elect whether to deal with retrenchment issues as a matter of right or as a matter of interest. [SACTWU]

7.8 The clause of the LRA dealing with contracts of workers whose companies are sold, should be amended to give workers the right to severance pay even when their companies are sold, since the current wording is open to abuse by unscrupulous employers. [SACTWU]

*Source: CWIU*

#### 7.6 CCMA

- 7.6.1 We should encourage people sympathetic to labour to staff the CCMA, but at the same time we must not cripple the labour movement.
- 7.6.2 CCMA Commissioners must not include company industrial consultants – whether presently practising or not.
- 7.6.3 COSATU should campaign to improve the service which the CCMA renders to users.
- 7.6.4 No lawyers to act at CCMA conciliation or arbitration.
- 7.6.5 We must ensure that the salaries of top management of CCMA should not be of a 'gravy train' size.
- 7.6.6 Ensure that the appointment and reappointment of Commissioners should continue to be based on our consultations with affiliates and regions concerned. [SACTWU]
- 7.6.7 Unions should use the statutory system of industrial dispute resolution. COSATU fought for a statutory system and must strengthen and improve it. Collective agreements should be reviewed to further the above. [SACTWU/SACCAWU]

#### 7.7 Essential & Maintenance Services

- 7.7.1 The committee that will deal with the essential services must have a working class bias.

#### 7.8 Exemptions

7.8.1 A definition of small, medium and micro enterprises needs to be developed at national level as a framework to guide sectoral debates. Such definition should take into account issues such as turn-over, numbers of people employed, etc.

#### 7.9 Extension of Agreements to non-parties

COSATU reaffirms that it will reject completely, and resist any effort to change the provisions of the LRA which automatically extends agreements to non-parties.

#### 8. Recognition Agreements

- 8.1 All existing recognition agreements must be reviewed in line with the minimum conditions as specified in the new LRA.
- 8.2 COSATU should assist in this process.

*Source: COSATU Living Wage Conference and CWIU*

#### 9. Amendments to the Labour Relations Act of 1995

1. The Act needs to make the same provisions, which prohibits an attorney from presenting parties at CCMA arbitration where the issue in dispute is dismissals for misconduct, directly applicable to Bargaining Councils.

Motivation: Currently the Act permits Bargaining Councils the right to determine who may represent parties in these arbitration, and formulate their own procedure in their Constitution and dispute procedures.

2. The CCMA must be a tribunal of record and must keep a record of all arbitration proceedings.

Motivation: The record would be available to the parties to allow the parties to analyse the record and evaluate whether one may confidently review the awards.

#### 3. ***The Act should make provision for voluntary conciliation under the CCMA after a period of six weeks into any protected strike.***

Motivations: Strikes are costly to both the workers and the employer and protected strikes may not be limited in duration by law. The Act permits the employer to dismiss workers for operational requirements during the course of the strike after consultation. To prevent this situation arising the parties should be permitted access to the CCMA, as an independent body, thereby providing the possibility for an independent party to attempt to settle the dispute.

4. The Act must provide that employees in workplace may embark on a protected strike in support of their demand to establish an agency shop agreement or closed shop agreement

Motivation: A correct interpretation of the Act is that these are interest disputes and one would be entitled to strike over such an issue, it is nevertheless suggested that the Act is unclear in this regard.

5. The Act should state that trade union officials and shaft/shopstewards [NUM] representing their members at the Labour Court may, upon an order by the Labour Court, recover disbursement from the other party.

Motivation: The Act does not expressly allow trade union representatives at Labour Court who are officials of a trade union to collect costs or disbursement at the Labour Court. It is unlikely that under the present Act trade union representatives, who are officials of the trade union, may recover any costs.

This is necessary to ensure that the costs involved in representation of our members at the Labour Court is reduced.

6. The Act should make specific provision entitling workers to strike or refer a dispute over unilateral variation of terms and conditions of employment to the Labour Court for adjudication.

6.1 At conciliation the conciliator must order the employer to revert to the status quo ante the variation.

Motivation: The Act is not clear about how parties may deal with the issue of unilateral variation if the CCMA fails to resolve the matter at conciliation. The fact that the issue is provided for in section 64 of the act (which section deals with strikes) indicates that the parties may strike over the issue. This is not clear however. The CCMA should not have any discretion but to order the employer to revert to the status quo prior to the variation.

7. The Act must provide that after a period of 6 weeks any CCMA or Bargaining Council arbitration award, which was opposed, may be executed as if it is a Labour Court order provided that any party may apply to the Labour Court to set aside or review that award in terms of section 145 on the basis that the CCMA proceedings were defective in that the defect involves corruption.

Motivation: CCMA awards need to be given some other binding force and to prevent costly and difficult applications to enforce each and every CCMA award

8. The provision in the Act which provide for protected secondary strikes should be improved. The proposal is set out below:

A secondary strike will be protected if:-

- (i) *The primary strike is protected, and*
- (ii) *Reasonable notice has been given prior the secondary strike, and*
- (iii) *The purpose of the secondary strike is not to seek to made any demands in their own interest, and*
- (iv) *There is a sufficient community of interest between the secondary strikers and primarily strikers.*

Motivation: The Act places a severe restriction upon secondary strikes and requires (in terms of section 66 of the Act) that the secondary strike be reasonable in relation to its effect upon *the business of the primary employer*

Trade unions are and will continue to be frustrated by the onerous requirements of “secondary strikes” which hinder the use of secondary strikes to defend and advance worker interests in our less organised sectors,

The Labour Laws of Spain, Italy and France have moved some way towards recognising the legitimacy of sympathetic solidarity strikes.

9. Section 198 of the LRA which regulates labour brokers and independent contractors must be amended to facilitate strict regulation.

[Proposed by NUMSA]

## 10. Collective Bargaining Strategy and Centralised Bargaining

Whilst Congress has decided on the question of moving towards a Collective Bargaining Strategy. This matter should be opened up for debate in the Central Committee and at our next Congress.

## 12. Affirmative Action, Sexual division of labour and Women's Empowerment

- 12.1 There is a need for extensive challenge of the sexual division of labour and stereotypes that limit women's access to certain positions in the economy [SACCAWU].
- 12.2 There is a need to encourage employment of women in our sectors and abolish gender bias in promotion and recruitment procedures (e.g. bias in advertisements).

- 12.3 Employers should implement affirmative action programmes to redress the sexual division of labour by employing females in typical male jobs.
- 12.4 Education and training in companies should target women and ABET should be run during working hours with paid education leave.
- 12.5 Affiliates should demand representation on company recruitment and promotion committees to ensure that such affirmative action which addresses the sexual division of labour [SACCAWU] is taken into account by employers.
- 12.6 Workplace affirmative action is not sufficient to substantially alter women's place in the labour market. Only broader access to education, skills and career paths will do this. COSATU and affiliates should draw up a programme of negotiation at bargaining council level, in industry training boards and with training institutions, for increased industry-wide access for women to all training institutions and careers, and affirmative action for women applicants to industry training programmes and institutions.
- 12.7 COSATU should commission NALEDI to conduct research into the position of women in the workplace and in the labour market to inform and implement affirmative action strategies. Research results to be disseminated to affiliates and other interest groups. [NUM]
- 12.8 Job-creation schemes should prioritise the employment of women. An implementation plan needs to be developed to address the situation urgently. Such a plan must include support systems. [NUM]
- 12.9 The state and employers should assist with the establishment of childcare facilities to facilitate the full participation of women in the workplace and ensure parental rights agreements.
- 12.10 Labour market discrimination begins before women actually enter the labour market, in the family and at school. COSATU could encourage members to help their children think beyond "traditional" gender roles in the labour market. SADTU should encourage its members to challenge the way schools discriminate against female students, and to encourage their students' not to be constrained by gender expectations in their choices of subjects and careers.
- 12.11 Support implementation of CEDAW, Beijing Platform of Action and the Women's Charter for effective equality.
- 12.12 Participate in the process towards the formation of a movement for the emancipation of women, with a strong connections to organised workers and the working class in general. [SACTWU]
- 12.13 Sexual harassment must be outlawed.
- 12.14 *The NEDLAC adopted code on sexual harassment to be attached to the LRA must be widely circulated to members. Members should be educated on the content of the code. Affiliates should put in place effective mechanisms to help women workers to use the provisions of the code. This Code should be made applicable to the Federation and its affiliates. [SACTWU]*

Source: NUMSA, Living Wage Conference 1996

## 13. Health, Safety and Environment

- 13.1 Workers continue to have differential rights in health and safety. While all workers other than miners are covered by the Occupational Health and Safety Act (OHSA), inadequate implementation and enforcement of the Act limits the benefits to many of these workers (e.g. contract workers, fishing, forestry and agricultural workers).
- 13.2 This would require a radical overhaul of the legislation as was suggested at COSATU's HSE Conference:
  - 13.2.1 The new Mines Health and Safety Act integrated collective bargaining and health and safety. The new LRA gives trade union representatives the right to monitor an employer's compliance with legislation concerning terms and conditions of employment which would include health and safety and compensation laws. Unions must utilise this right with regard to health and safety.
  - 13.2.2 COSATU must be represented in all forums dealing with health, safety and environment. This must include improved rights for representatives, such as full-time safety stewards.
- 13.3 Restructure and improve Compensation of Occupational Injuries & Diseases Act (COIDA) and the Occupational Health and Safety Act and other HSE legislation (e.g. Occupational Diseases Mines and Works Act); This should include:
  - 13.3.1 Development of guidelines, codes of practice on safety committee, training, workplace healthcare, risk assessment etc,
  - 13.3.2 Extension of compensation to cover all workers, including domestic workers.
  - 13.3.3 Revision of formulae for compensation levels,
  - 13.3.4 Improvement of basic rights of workers and unions,
  - 13.3.5 Streamlining of the inquiry system,
  - 13.3.6 Enforcement of legislation,
  - 13.3.7 Single Legislation on Health & Safety across industries and single co-ordination at ministerial level.
  - 13.3.8 Ratification and adherence of legislation in line with ILO conventions, FAO, UN environment programme, BAMAKO convention.
  - 13.3.9 An investigation by the Department of labour into the health and safety of South Africa's workers.
  - 13.3.10 Amendments to COIDA to provide for compensation to be paid to all workers who suffered permanent disability in excess of 30% before June 1977 and who due to the racist legislation did not receive compensations.
  - 13.3.11 An amendment to COIDA to provide for a scaling-up or top-up of compensation benefits to be paid to low wage earners.
  - 13.3.12 Redefinition of permanent disability to read as follows "permanent disability in relation to an employee, means the permanent inability of such an employee as a result of an accident or occupational disease for which compensation is payable to perform the work in which s/he was employed

at the time of such accident or the commencement of such occupational disease, or to resume work at a rate of earning not less than that which s/he was receiving at the time of such accident or the commencement of such occupational disease.

13.3.13 Monthly pensions paid to permanently disabled workers and dependants of deceased workers should be adjusted to accommodate for the inflation rate and related decrease in their purchasing power

13.4 The basis of the compensation system is the trade-off between a worker's right to compensation for work-related injuries and illness, irrespective of fault, against their forfeiting this right to sue the employer for damages in the civil courts. However this removal of a worker's right to civil actions should now be viewed against the new Constitution. The bar on civil actions would not violate the Constitution, provided that the range and level of statutory compensation benefits as a whole are comparable to those that workers would be entitled to under the civil law. COSATU must ensure that the benefits received by workers are indeed comparable.

13.5 Accidents and disease remain under-reported. Workers remain unaware of their rights under the Act. Workers and trade unions must report accidents and submit compensation claims.

13.6 Despite COSATU's position that benefits need to be increased, this has not been achieved. Changes need to be made to the manner in which permanent disability is calculated. [The present system has not been changed since 1941]. The committee of inquiry set up to investigate the formation of a national health and safety council found that 'it is less generous in its assessment of disability than .... private insurers and pension funds'. Loss of earning capacity or employment are not considered. There is no payment for pain and suffering.

13.7 *COSATU should target the month of October in each year for a focused campaign on issues related to health, safety, environment and aid. The main purpose of the campaign should be to highlight issues related to this section of the resolution.*

*Source: Secretariat report to the 1997 Congress Health, Safety & Environment Conference 1995, NUMSA*

13.8 There must be full disclosure of information (right to know) from all sources (management, government, etc).

13.9 Doctors and experts must report occupational diseases to unions and safety committee – not only to management and chief inspectors.

13.10 Medical and environment surveillance programs, the process and people who carry it out must be acceptable to workers as well as management.

13.11 Rights to refuse unsafe and unhealthy work must be strengthened in the Act (and procedures to be developed).

13.12 There must be joint agreement by unions and management on the employment of experts before and when accidents are to be investigated, i.e. the right to independent experts.

13.13 There must be automatic prosecutions and heavier penalties for negligence by bosses. Investigate and improve enforcement, administrative sanctions, and

penalties under COIDA. Additional Compensation should not depend on workers lodging claims, and an inspectorate should be instituted if negligence is established.

13.14 There must be job security, retraining and re-deployment of workers with permanent disabilities.

13.15 Establish rehabilitation centres throughout Southern Africa.

13.16 Rebates of bosses from compensation fund must be channelled to the rehabilitation programme.

13.17 COSATU must work towards the restructuring and reorientation of NOSA.

13.18 Carry out training and employment of more inspectors.

13.19 COSATU must revive the health and safety working committee as a matter of urgency. The Committee should advise the COSATU EXCO on occupational health and safety matters.

1. As soon as the committee is established it should work on the following issues:

- To develop guidelines for the training of health and safety representatives and health and safety committees;
- To develop guidelines for the training for the general membership on health and safety;
- To develop guidelines for the establishment of shopfloor representation on occupational health and safety;
- To assist in the preparation of a submission for the amendment of the Occupational Health and Safety Act and all other related legislation;
- To develop a strategy for the establishment of a single compensation system;

2 The Committee should also consolidate the gains made by the affiliates on the area of occupational health and safety.

2.1 COSATU should establish a data base for accident statistics, occupational diseases and causative factors of accidents and occupational diseases.

3 The committee should develop the research strategy on occupational health and safety for the federation.

4 Globalisation has serious effects on occupational health and safety therefore the committee should advise COSATU on strategies as to how to counteract these effects.

5 The CEC should discuss the implementation of this resolution.

[proposed by NUM]

## 14. Environment

14.1 COSATU must develop a broad policy on the environment and sustainable development which strikes a balance between protection of the environment and economic development [NUM]. COSATU must and commission research on:

14.1.1 Coastal management policy

14.1.2 Marine policy

- 14.1.3 Forestry policy
- 14.1.4 Pollution control measures (include, radiation)
- 14.1.5 Zoning
- 14.1.6 Recycling policy
- 14.1.7 Mining dumps
- 14.1.8 Toxic waste
- 14.2 Develop national standards for a code on investment.
- 14.3 Industries/companies must be responsible for the products they make from the manufacturing stage until they become harmless (“cradle to grave” principle).
- 14.4 The principle of “polluter pays” must be adopted.
- 14.5 COSATU affiliates must expose and resist dumping of toxic waste.
- 14.6 COSATU must challenge abuse of recycling principles by companies.
- 14.7 Start and intensify environmental awareness at schools, churches, workplaces and in the community at large.
- 14.8 Direct the cleaning campaign towards employment creation through the recycling of materials like paper, tins, aluminium, steel, iron, copper, etc.
- 14.9 Youth and women, in particular, as they form a higher percentage of the unemployed, should be fully trained to play an important role in the recycling process.
- 14.10 Our training and education institutions should promote the recycling process as an important light industry.
- 14.11 Government should provide financial assistance towards the establishment of the light industry.
- 14.12 Developed countries must take responsibility for the environmental degradation that they have caused in the developing world and be prevented from creating environmental degradation in the future (e.g. Rio Tinto) [NUM]
- 14.13 We note the following problems with regard to the Draft White Paper on Environment Management:
  - The draft White Paper did not adequately take on board the CONNEP (Consultative National Environment Policy) process, including the draft Green Paper and earlier discussion documents. The Draft White Paper fails to indicate clearly how government intends addressing sustainable development and facilitating an environmental management policy system.
  - The attempt in the Draft White Paper to make definition more concise has led to in some cases a weakening and confusion of principles. For example the “Preventative Principle” has seen the deletion of the strong hierarchy of controls contained in the earlier green Paper. This earlier version placed a clear preference for prevention at the source of a problem rather than resorting to ‘end of pipe solutions’, thus looking to transform activities rather than merely contain them. We note the exclusion of the principle of Women’s Rights which was contained in the Green Paper.
  - The Draft White Paper fails to clearly enunciate how the Department of Environmental Affairs and Tourism (DEAT), perform the function of being the lead agent in environmental protection.

- The DEAT will, according to the Draft White Paper “(undertake) the necessary co-ordination between affected government agencies”. However, it fails to indicate exactly how the envisaged form of co-ordination will differ from existing power to convene the Committee for Environmental Co-ordination.
- The Draft White Paper sees the system of integrated environmental management as being crucial, there is no indication as to who will be responsible for ensuring such management.
- The failure of the Draft White Paper to institutionalise mechanisms for consultation with stakeholders is particularly disappointing. It ignores the high degree of consensus among representatives stakeholders for national, provincial and local advisory forums.
- Lastly, the White Paper fails to clarify what regulatory mechanisms will be put in place.

14.13 COSATU calls for that this issued are resolved. This should be integrated in our submission on the final White Paper and the Bill. The DEAT has recently published a White Paper and Bill on Environmental Management.

FAWU proposes

#### **FAWU'S PROPOSAL TO THE COSATU CENTRAL COMMITTEE FOR A RESOLUTION ON THE ENVIRONMENTAL MANAGEMENT BILL**

- Cosatu should participate in the formulation of the Environmental Management Bill so that it can empower communities and other affected parties (including workers) to voice their concerns regarding the environment in which they live and work. We furthermore believe that through such a process, disasters such as that associated with the Asbestos Production Facilities in the 1970s and 1980s can be avoided. Through its prescriptions, this Bill will help achieve key goals of the RDP such as assisting the creation of sustainable livelihoods.
- We support the initiative by the Department of Environmental Affairs and Tourism to include labour in the decision making structures proposed by the Bill.
- We also support the commitment made by the state to assist those who are unable to afford legal assistance in the event of a claim made against a proposed or existing development.
- However, Cosatu also believes that the Bill has a few limitations that need to be addressed through the legislative process. In this regard, two primary concerns are noted:
  1. The cumbersome relationship between the legislative and regulatory structures proposed by the Bill.
  2. The ambiguity surrounding the implementation of National Environmental Strategy & Action Plans (NES&AP).

- We as Cosatu need to conduct further research into the relationship between these National Environmental Strategy & Action Plans and the potential effect of these plans on employment creation and/or retention. This initiative would be further strengthened by integrating the issues raised in the Coastal Management Bill. Together, this would then enable Cosatu to make a significant contribution to the development of a coherent environmental management process for each region in the country.

[NB: FAWU will draft preliminary discussion documents on the above process]

## 15. HIV/AIDS

- 15.1 Worldwide AIDS has become one of the biggest threats and a major social disaster facing the working class. COSATU therefore commits itself to fight this killer disease with the same vigour and determination that saw the defeat of apartheid. There is a dire need for education on AIDS awareness, including:
  - 15.1.1 What is it?
  - 15.1.2 How is it transmitted?
  - 15.1.3 How to avoid it?
  - 15.1.4 Consequences thereof?
- 15.2 Government should intensify its HIV/AIDS awareness programmes, including an intensification of the fight to end discrimination against those who become HIV positive.
- 15.3 Unions must embark on a campaign to compliment government's initiatives.
- 15.3 There should be an intensification of joint programmes with employers to provide information and advise to all workers in all institutions and especially in the rural areas.
- 15.4 There must be time off for education programmes.
- 15.5 Existing resources of NGO's must be used.
- 15.6 Government must provide funds and resources, including the establishment of government hospices and the counselling of care givers.
- 15.7 There must be joint programmes between management and shop stewards or workers.
- 15.8 Unions must campaign for insurance companies to fund education programmes on HIV and AIDS. There should be no discrimination by insurance companies against AIDS sufferers. There should be no undue increase in costs of benefits due to non-discrimination. [NUM]
- 15.9 Organise sex education for all.
- 15.10 Hold consultative meetings with stakeholders on education programmes in schools.
- 15.11 ABET centres must be used to disseminate information.
- 15.12 Government should subsidise the costs of medicines to assist the poor.
- 15.13 Research must be intensified for an HIV/AIDS cure.
- 15.13 Government policy should ensure that medical companies do not profit from AIDS/HIV.

- 15.14 There should be not discrimination against people/workers who have contracted HIV/AIDS.
- 15.15 There should not be HIV/AIDS tests for purposes of employment.
- 15.16 Proper provisions relating to core schemes, medical aid, provident fund and insurance schemes to take care of AIDS sufferers must be established.
- 15.17 Campaign against the discrimination and loss of benefits suffered by HIV workers. This should be negotiated at national level and put to NEDLAC.
- 15.18 We must struggle to see to it that the SADC Code on HIV/AIDS and Employment is implemented in Southern Africa.
- 15.19** Public Works Programmes be prioritised on communities that are hard hit by the AIDS epidemic, as one of the attempts to counteract ravaging of local economies.
- 15.20** Investment arms of trade unions should apportion a specific percentage of their annual income for the AIDS programme to be embarked upon.
- 15.21** Government and private sector must develop, promote and fund comprehensive, all inclusive research into finding a cure for AIDS. [NUM]
- 15.22** Traditional healers must be allowed to participate on an equal basis in the search for a cure for AIDS. [NUM]
- 15.23 Adopt code of good practice and popularise and implement it. Shop stewards must monitor progress of the resolution taken.

*Source: NUMSA and Health, Safety and Environment Conference 1995  
NEHAWU Resolution*

## 16. Child Labour

- 16.1 No person under 16 years should be entitled to work.
- 16.2 COSATU and the Alliance should campaign for laws to protect and eradicate child labour.
- 16.3 Child labour in the entertainment industry must be rigorously controlled through legislation [NUM].
- 16.4 Heavy penalties should be imposed upon any employers who contravene regulations on child labour.
- 16.5 COSATU should mobilise funds for the campaigns to highlight the plight of the children.
- 16.6 COSATU should mobilise/pressurise government to ratify and implement ILO Conventions on child labour.
- 16.7 COSATU must develop a programme to address the question of underaged children employed by unscrupulous employers. Further COSATU should intervene through an amendment to the SA schools Act (SASA) which perpetuates this condition by not making sufficient provision such as building of more school, crèches and recreational facilities to avoid child labour. [SADTU]
- 16.8 That COSATU further refines its policy on child labour and that all affiliates place Children's Day high on their agenda to highlight such issues [SADTU].

*Source: PPWAWU, Living Wage Conference 1996*

## 17. Parental rights

17.1 COSATU and its members shall vigorously campaign for improved parental rights, which shall include:

- 17.1.1 A minimum of 6 months employer paid maternity leave (which shall also include adoptive parents). The UIF should not be used for drawing maternity benefits. A separate fund should be set up for maternity leave paternity leave and parental leave to which employers employees and the state should contribute. [SACCAWU]
- 17.1.2 A minimum of 5 days paternity leave per annum (which shall include adoptive parents).
- 17.1.3 A minimum of 20 days paid childcare leave per annum (which shall also include ante and post natal care). Ante-natal and post-natal care leave is separate from child care leave and therefore we should have 8 days ante-natal leave and 12 days post-natal leave. [SACCAWU]
- 17.1.4 Provision by the employer/state of adequate childcare facilities for the dependent children of working parents.

*Source: Living Wage Conference 1996, September Commission*

## 18. Productivity and Competitiveness

18.1 We need to be productive, but we reject the neo-liberal ideology and proposals for competitiveness.

18.2 We will oppose any attempt to make us compete against our fellow workers.

18.3 Instead of focusing on making different companies competitive, as a union movement we should devise industrial policies that will lead to:

- 18.3.1 The development of our productive capacities
- 18.3.2 Job creation.

*Source: NUMSA*

18.4 A national productivity and equity framework agreement to be negotiated through NEDLAC to cover all industries.

18.5 It should also cover equity issues such as redistribution of productivity benefits and the reorganisation of relations on the shop floor. It should deal with job creation and job security.

18.6 This framework agreement could then be used as the basis, in industry level negotiations, to address concrete targets of productivity improvement.

18.7 The detailed plant level negotiations on the implementation of specific measures to follow should be negotiated between shop steward committees and managers.

- 18.8 Productivity issues should become a matter for collective bargaining, not consultation.
- 18.9 All productivity payments must be separate from the base rate.
- 18.10 All productivity gains must be shared equally. When carrying this out at plant level tax implications must be taken into consideration.

*Source Social Equity, NUMSA Source:*

## 19. Workplace democracy and re-organisation

### 19.1 Goals

COSATU union goals in engaging with company restructuring should be:

- to defend and improve workers' pay, benefits, conditions, job security and other rights
- to preserve and expand the number of jobs
- to strengthen the union
- to overcome the legacy of apartheid in the form of racist practices, the apartheid wage gap, and authoritarian management
- to improve workers' skills, access to training and career paths
- to improve the quality of jobs and the way work is organised
- to ensure that workers, the community and society share the rewards of improved productivity
- to extend democracy and participation in the workplace
- to contribute to improving productivity and quality
- to put pressure on management to improve company performance through devolving decision-making to the shopfloor, improving management performance, investing in innovation, and increasing investment in training and skills.

### 19.2 Principles

The following principles should guide our engagement in work reorganisation:-

- Restructuring must be negotiated with the union
- The union is the sole representative of workers
- Full disclosure of information
- Union capacity
- The union must take care to represent *all* workers

### 19.3 Implementation and building capacity

19.3 Every affiliate should establish an implementing team around workplace change and democracy. The implementing team should target 3-4 workplaces as pilot projects for implementing the union agenda for workplace restructuring and democratisation. The pilot projects can then be evaluated, and policies and strategies can be assessed and developed accordingly.

19.4 The unions should adopt strategies for sharing information, experiences and strategies across COSATU.

19.5 Any policies arising from the numerous challenges and recommendations made in the September Commission (Ch6) and affiliates experience should go to the next Central Committee.

19.6 The union should negotiate time off for shop stewards to receive training, to do any necessary workplace research or investigation, and develop responses and proposals for restructuring. Where necessary, the union should also negotiate for the company to pay for union consultation with experts or union-commissioned research.

19.7 For many years management has unilaterally restructured our workplaces. But the campaign of restructuring by management has intensified as each company strives for competitiveness.

19.8 We should reject new management and production techniques that do not lead to genuine worker participation and democratisation of the workplace.

19.9 Depending on the company's agenda, unions have or have not been involved in the process.

19.10 Big and wealthy companies have tried to implement their restructuring proposals with the blessing of unions.

19.11 It is high time that as unions we should put forward a programme of workplace democratisation, in line with our ideal of workers control. Affiliates must demand that the following issues should be negotiated with unions:

- 19.11.1 Strategic business plans
- 19.11.2 Introduction of new technology which should promote job creation
- 19.11.3 Use of machines and line speed
- 19.11.4 Plant utilisation and layout
- 19.11.5 Benchmarks, targets and production schedules
- 19.11.6 Product development plans
- 19.11.7 Work organisation and work processes
- 19.11.8 Quality assurance programmes
- 19.11.9 Working time and patterns
- 19.11.10 Company and organisational structure
- 19.11.11 Investments in human and capital resources
- 19.11.12 Social responsibility programmes
- 19.11.13 Training and skills formation
- 19.11.14 Grading
- 19.11.15 Person-power planning
- 19.11.16 Affirmative action programmes
- 19.11.17 Productivity and performance assessment
- 19.11.18 Remuneration, bonuses, incentive schemes and wage structure
- 19.11.19 Wealth sharing schemes and dividends policy

19.12 By demanding that the above be negotiated with unions, we are calling for collective bargaining rights to be extended to the areas highlighted above.

19.13 The union must intervene both at shopfloor level and at a macro-level where industrial and macro-economic policies are being made. The survival of companies depends not only on shopfloor restructuring but also on a vibrant and interventionist industrial policy. For example, on policies on the price of raw materials and government support for industrial development.

19.14 At shopfloor level:

- 19.14.1 Employers must negotiate with unions on work re-organisation by giving information, and discussing their strategic plans with unions.
- 19.14.2 COSATU must fight for employment security, job creation and resist lowering of staffing levels through natural attrition.
- 19.14.3 Wages and bonuses must be separate.
- 19.14.4 A company must give 6 months notice of the introduction of new technology. This notice period must be before the decision to purchase the machinery has taken place.

19.9 Affiliates should fight and reject the introduction of teams as conceived of by management, which lead to divisions. Where teams exist, affiliates should intervene to do the following:

- 19.9.1 Work teams have a real say over targets, line speeds etc.
- 19.9.2 Team leaders are democratically elected and rotated
- 19.9.3 Team leaders can't take disciplinary action, this should remain with management
- 19.9.4 The union can take up production issues outside this teamwork
- 19.9.5 The union can meet with its own members
- 19.9.6 Participation in teams is voluntary
- 19.9.7 Shop stewards can address team meetings, and union-related issues can be discussed in green areas/team centres
- 19.9.8 The team does not have to meet its target if one of its members is absent.

19.10 At central level

There is a need for:

- 19.10.1 National frameworks on how to deal with the above issues at plant level
- 19.10.2 Industry-wide model disciplinary code
- 19.10.3 Industry-wide guidelines for hiring, transfer and promotion
- 19.10.4 Guidelines on mergers and transfers
- 19.10.5 Guidelines on partial and total closures.

19.11 That in our fight for the above we must insist on:

- 19.11.1 The right for the union to be directly involved in the negotiations. In multi-union plants and where management argues that we are not representative, we must opt for joint union structures where unions that are active in the plant will be proportionally represented.

19.11.2 Voluntary dispute resolution mechanisms.

19.11.3 The duty of the employer to disclose information.

*Source: NUMSA*

19.12 Worker participation in company level decision-making cannot just be crafted onto a managerial structure which actively resists openness, involvement and joint decision-making.

19.13 Commission research on affiliates' factory experiences including the international experience. Such research must be participatory and include shop stewards from the factories concerned.

19.14 Public sector restructuring must be led by the public sector unions.

*Source: Social Equity and Policy Conference May 1997*

19.15 Dispute resolution mechanisms

19.15.1 Whenever workplace change programmes are negotiated COSATU must insist on dispute resolution mechanisms that will give the space to choose what weapons to use to further COSATU's interests.

19.15.2 Proposals for compulsory arbitration must be rejected. Arbitration must be voluntary and COSATU must reserve its right to take independent action if in dispute on the above issues.

*Source: NUMSA*

19.16 Workplace forums

COSATU remains opposed to workplace forums in terms of the current provisions of the LRA. We reiterate our demand that all workplace forums should be constituted by shop stewards and all issues related to consultation and joint decision-making should be discussed as collective bargaining issues. The unions should be able to attain this through a simple majority in the workplace. Section 81 of the LRA should be amended to give effect to all of the above.

## 20. Hours of Work

20.1 Decreasing the average working hours is seen to have a number of potential benefits, such as giving workers more leisure time, improving the quality of existing jobs, increasing productivity and creating more jobs.

20.2 Potentially negative outcomes could be prevented by carefully designed interventions, including the following:

- Reduction in working hours must be accompanied by supporting measures which prompt firms to expand their workforce. Policies need to provide incentives to increase employment by the same proportion as working hours are reduced.

- Some analysts suggest that the reduction in working hours without loss of pay must be substantial in order to have a significant job creation effect.

20.3 In every possible instance overtime work should be replaced by full-time new employment.

20.4 A 40-hour working week must be introduced for all workers. The Federation will continue to struggle to have this legislated. All affiliates to start co-ordinating their collective bargaining work in this area. (SACTWU]

(It should also be introduced as a requirement for all enterprises benefiting from all types of public incentives, and as a requirement for enterprises benefiting from the state procurement system - move to 10.2 state procurement policy)

20.5 COSATU should campaign and discourage all workers in the short term from performing overtime work, so that in every possible instance full-time employment is created.

20.6 In the long term, COSATU remains committed to the banning of overtime work all together.

20.7 As an immediate ban on overtime working in certain industrial sectors is not possible at this point in time, a co-ordinated approach that will allow affiliates to work towards a complete ban is required.

20.8 It is recognised that it is necessary to campaign for a living wage in order to encourage workers not to work overtime as a means of additional income.

*Source Social Equity, COSATU Living Wage Conference 1996 and Labour Job Summit Document*

## 21. Capacity building

21.1 Carry out research on executive powers of the Health & Safety legislation in other countries.

21.2 Build capacity of worker and union representatives in safety committees through training

21.3 Government and business to provide funding for capacity building in the labour movement for health and safety and environment representatives.

21.4 COSATU must develop a co-ordinated, uniform curriculum for health and safety training

21.5 Conduct massive education to inform and educate workers on the provisions of the Acts.

21.6 COSATU education department to produce a policy booklet on Health, Safety and the Environment.

21.7 All union health and safety representatives must receive extensive training, and COSATU must develop strategies to achieve this

- 21.8 COSATU must encourage the continuation of the process of membership education on the LRA. COSATU education structures must reflect this objective in its annual programme of education.
- 21.9 Affiliates must ensure training of officials on the new LRA.
- 21.10 The employers and government should pay for training of workers on the new LRA.
- 21.11 Members must be educated as to the new LRA procedures in regard to strikes, wild cat strikes, use of scab labour, essential services, etc.
- 21.12 Shop stewards should be given a minimum of 20 paid days training on the LRA. This minimum number of days should not be part of the normal shop stewards leave as regulated by the existing recognition agreements.
- 21.13 Two days paid leave should be granted to all workers to participate in union-run training programmes to familiarise them with the objectives of the LRA and the role of the workplace forums.

*Source: CWIU, NUMSA and Living Wage Conference 1996*

## 22. Internal Organisation

- 22.1 Establish Health & Safety and Environment structures at all levels.
- 22.2 The EXCO must ensure co-ordination of work by creating a separate department and ensuring release of human resources from within the current COSATU departments and projects.
- 22.3 Develop clear guidelines on how union representatives participate in safety committees.
- 22.4 Embark on a co-ordinated campaign to push for the implementation of COSATU's demands on health, safety, and environment.
- 22.5 Campaign for employers to pay for insurance cover where this is necessary.

*Source: Health and Safety Conference 1993*

25 June 1998

## UNION INVESTMENTS

### 1. Vision

- 1.1 Trade union investments should constitute but one of the [a critical] instrument in transforming the current South African capitalist economy into a socialist and worker controlled economy.
- 1.2 Within the above overall strategic objective, union investments will be aimed at the following short to medium term objectives:
  - 1.2.1 Job creation
  - 1.2.2 Benefits to members
  - 1.2.3 Investing in the productive sector of the economy rather than speculative financial investments.
  - 1.2.4 Progressively breaking monopoly capital's control over the economy.
  - 1.2.5 Changing current patterns of ownership, control and corporate governance.
  - 1.2.6 Building social capital and further strengthening and consolidating the social sector.
  - 1.2.7 Developing a model democratic and transformed workplace, securing and advancing a set of rights for workers.
  - 1.2.8 Promote the policies of the Federation.

*Source: Resolutions Committee*

### 2. Policy Proposal

Where union investment companies exist they must be guided by the vision of the Federation and its Code of Investment [We need to establish investment companies] with clear roles, form and functions to handle union investments

*Source: Secretariat Report to 97 Congress, September Commission*

### 3. Strategy

- 3.1 To call for COSATU to invest its resources in socially useful projects that will lead to the rise in the living standards of the deprived communities.
- 3.2 To make sure that the poor and the working class will benefit collectively from such investments by the union.
- 3.3 Guidelines should be drawn around how such socially useful investments can be used [take the form of making money available from our Provident Funds] for, but

not limited to building houses, clinics and other necessary infrastructure. [The majority of Provident Funds money should be invested in government bonds.]? Enabling legislation [to this effect], must be enacted if so required [take place], this should include tax incentives for such investments.

3.4 The role of government in this process is to introduce progressive enabling legislation for workers' control over these funds as well as introduce legislation that forces these funds to be directed towards investing in government bonds.

3.5 The fight for worker control of Provident Funds should continue in order to realise other investment goals by labour.

3.6 COSATU should adopt a clear code of conduct to guide COSATU and its affiliates in their investment strategy. This should be guided by the [take into account the] federation's policy on privatisation.

3.7 An urgent meeting of the leadership of COSATU and affiliates as well their investment companies, should be convened to look at:

3.7.1 The internal operation of investment companies to ascertain whether they follow the Federation's investment code and vision:

3.7.2 Assess the transactions that investment companies are engaged in.

3.7.3 Develop a coherent and cohesive investment strategy including clear co-ordinating mechanism.

*Source: CWIU and 1997 May Policy Conference*

#### 4. Code of Investments

4.1 Union investment companies must abide by [firm] union principles and guidelines reflecting firstly union goals and secondly, financial returns. These guidelines could be reviewed [at] by the relevant structure of the Federation [National Congress].

4.2 Certain guidelines need to be developed to address 'internal' and 'external' issues:

- Internal guidelines relate to overall union goals and codes of conduct
- External guidelines relate to companies controlled by the investment company and a company in which a non-controlling share may be held.

4.3 We must ensure that unions remain worker controlled and are run through member subscriptions and not rely on (suggested by NOBs) financial returns from investments. [suggested addition] This should not preclude the financing of benefits to members in stipulated areas such as strike funds and bursary funds, through financial returns from investments. (NOBs)

4.4 Union officials and office bearers should not in any way gain financially, [for example] through access to cheap shares or directors' fees, and should not result in conflict of interest.

4.5 Investment funds decisions should be taken in a democratic way allowing for [deliberate secrecy, preventing] members' [from] participation.

4.6 Investment companies should not draw on worker retirement funds to finance deals.

4.7 Guidelines should make sure that the priority for union money is to build effective union organisation.

4.8 Workers must be part of the union investment policy development which is intended to act on their behalf. Guidelines should set out the following:

- accountability and information disclosure,
- worker training to understand issues,
- ways to ensure policy principles are determined democratically.
- COSATU and affiliates who intend investing in sectors in which a COSATU affiliate is organising, consultation with the affected affiliate should take place.

*Source: September Commission, Secretariat Report to 97 Congress*

## 5. Separation

5.1 While the investment companies should [not] be legally separated from the unions. Unions should be involved in the overall governance of their respective companies, because [in that]: (Amendment proposed by NUM).

- the 'business is business' approach and the practise of investment companies holds many threats to the unions,
- there is a need to align union investment company strategy with union principles. The greater the gaps that exist between principles and strategy, the more likely that business and other vested interests would be able to undermine union principles.

5.2 Unions (and current union officials) should not be involved in the day-to-day investment activities. Guidelines should lay down strict criteria for the behaviour of union officials and office bearers in relation to investment companies and funds

*Source: Secretariat Report to 97 Congress, September Commission*

## 5. Co-ordinating mechanism

6.1 A process needs to be set in motion to guide, co-ordinate and supervise the work of trade union investment companies owned by COSATU unions all its unions. This process is one that must lead to the maximum benefit of all COSATU members, the working class in general and the country as a whole.

6.2 To this end the trade union investment companies must be seen as vehicles to amass social capital that will be part of the programme to build socialism.

6.3 To ensure these objectives are achieved, a structure must be set up in the Federation to lead these companies in this direction. This trade union investment council would have two representatives from each union and one from each trade union investment company. The trade union investment council would receive reports for each union and its company and give political leadership to the activities of the trade union investment companies.

6.4 The Trade Union Council will be politically accountable to the Federation.

6.5 Where possible all unions and companies will cooperate on investments and ensure all union members benefit from investments made.

6.6 The ultimate aim of the federation and its affiliates will be to have one collectively owned investment company with divisions in each relevant sector of the economy.

6.7 The ultimate responsibility for the functioning of the trade union investment companies and their activities rests with unions and their worker leaders. The appropriate corporate governance and political structures must therefore be created.

6.8 Through the trade union investment council, we should ensure that there is better co-ordination among union investment companies and investment companies of other MDM organisations.

(resolution proposed by NEHAWU and T&GWU)



25 June 1998  
PUBLIC WORKS

## Vision

- 1.1 Other societies devastated by war or economic depression have used public works and related programmes as a short-term measure to bring the unemployed into employment and to develop the economy.
- 1.2 The Reconstruction and Development Programme which the ANC put to the electorate before the 1994 elections calls for a co-ordinated public works programme in order to create jobs. Since the election, we have seen very little evidence of a substantial public works programme that we envisaged.
- 1.3 The state has a major role to play in employment creation through ownership, public sector and policy development such as industrial strategy, training and investment in basic infrastructure.
- 1.4 COSATU should campaign for a viable public works programme that provides for basic infrastructure.
- 1.5 That public works programmes and other developmental projects, be co-ordinated in order to arrive at large-scale job creation in line with the RDP.  
(Fawu)

*Source: May 1997 Policy Conference and Social Equity*

## Policy Proposals

### 1. Start Public Works

- 1.1 We propose an accelerated programme of public works in the provision of electricity, piped water supply, sanitation, child care facilities and health care, clinics **[add and transport infrastructure: Amendment proposed by T&GWU]** to deprived communities. Programmes to provide roads and major dam and canal works, and to address telecommunication inadequacies should be put into place. This entails a major upgrade of urban infrastructure and provision of rural infrastructure.
- 1.2 Such a programme will lead to increased employment in the short term, but crucially, it is a fundamental part of improving the performance of the urban and rural economy. It will have a positive effect on national output, and on productivity levels in the economy.
- 1.4 We are concerned about the high proportion of funding consumed by consultants and specialists in current and past community and public works programmes. We propose that consultants only be used when no reasonable alternative exists, and that all consultant fees be capped, and publicly disclosed.
- 1.4 In establishing these public works programmes, labour standards will not be compromised. (CAWU)

*Source: Social Equity and 1992 Economic Policy Conference*

## **2. Areas of employment**

- 2.1 We propose that the [long-term] (deletion proposed by FAWU) unemployed, women and youth be targeted for employment in these programmes. Special emphasis has to be placed on developing infrastructure in rural areas. Attention should be given to building a training component into such public works programmes, including adult basic education (literacy, numerical and life skills).
- 2.2 That all ILO Conventions on employment be applied. (FAWU)

## **3. Funding**

- 3.1 The key sources of finance are the fiscus (the government must substantially increase its budget for public works) the corporate sector and prescribed investment requirements on the retirement and long-term assurance industry.
- 3.2 The corporate sector must accept the need to contribute to development. They feared a vigorous attack on their wealth before the election, and since this has not happened, they have settled back into complacent arrogance. The asset base of the long term assurers, provident and pension funds, self administered funds and the assets of the Public Investment Commissioners amount to more than R695 billion. These would all need to be harnessed to meet the needs of developing our society
- 3.3 We propose that the public works programme be financed from government, business and labour, in the following manner:

- **Government**

Through a major contribution from the fiscus the government must substantially increase its budget for public works, the corporate sector and prescribed investment requirements on the retirement and long-term assurance industry,

- **Business**

A three year levy of 5% on the pre-tax profit of businesses (business sector), the introduction of a prescribed investment requirement on pension and provident funds,

- **Workers and policy holders**

The life assurance industry and the assets of the Public Investment Commissioners, to invest 5% of funds in special government bonds to finance RDP projects (workers and policy holders).

*Source: Social Equity and the 1992 Economic Policy Conference*

## **4. Infrastructure Investment Plan**

- 4.1 Local governments should draw up Infrastructure Investment Plans as part of their overall Local Economic Development plan. These plans should be linked to urban development plans to avoid fragmentation and lack of co-ordination. Programmes implemented by government departments and provincial governments should be

located within the framework of urban development planning to avoid urban sprawl.

4.2 Infrastructure investment plans should have definite targets and time frames within which to deliver infrastructure, especially to the poor.

*COSATU submission on Local Government discussion document*

## 5. Principles underlying Public Works

5.1 COSATU must develop proposals for public works schemes that are based on the needs of the community.

5.2 These should be negotiated in NEDLAC with the involvement of unions organising the various sectors.

5.3 The unions must be represented on the structures that govern the schemes.

*Source: NUMSA, May 1997 Policy Conference, and 1992 Economic Policy Conference.*

5.4 Labour-based construction methods must be utilised.

5.5 There must be no displacement of workers in existing jobs because of the public works schemes.

5.6 Wages relating to public works schemes should be negotiated by COSATU ~~add "and relevant affiliate"~~

[5.7 [Wages should be set at a level which combines the need for fair labour standards with the requirements of job creation.] ~~(deletion of 5.7: proposed by the CAWU).~~]

*Source: Social Equity*

## SOCIAL SECURITY AND SOCIAL WAGE

### 1. Problem Statement

- 1.1 *South Africa has inherited a fragmented social security system, which was not based on comprehensive coverage for the population as a whole, but started as a social security net for mainly ['whites']. As a result of such discrimination, the amount of welfare going to Africans was considerably restricted. The low spending on African non-pension welfare primarily resulted from the exclusion of Africans from certain non-pension benefits, such as child maintenance grants.*
- 1.2 *Social insurance on the other hand is generally tied to formal sector employment. The coverage of social insurance schemes does not cover more than two thirds of the formal sector. A large sector of those in informal employment, and the unemployed are not covered. Moreover, the level of social insurance benefit is generally considered very inadequate. For example, in the case of the Unemployment Insurance Fund (UIF) an unemployed contributor can claim only 45% of his/her last wage, and then only for a maximum period of six months.*
- 6.1 *Due largely to the lack of adequate social assistance and compulsory social insurance protection, many basic services and benefits are increasingly being provided through private employment related systems. There is also a bias against part-time and temporary workers. With the absence of publicly provided social security and income-earning opportunities, remittances (sharing of wages) within households play a de facto social security role. In particular, remittances play a decisive role in supporting the poorest households.*

### 2. Vision

- 2.1 *The social wage comprises of direct income transfers (such as social security benefits, UIF, old age pensions, and retirement funds); and social subsidisation of the costs of basic needs (such as housing, health, education, electricity, transport) primarily through public provision financed through the fiscus. Although, in general, the social wage needs to be publicly funded, if it is to benefit everyone, some aspects of the system are funded, at least partly, by contributions from only some members of society e.g. employer and worker contributions to retirement funds and UIF. This is known as "social insurance". Social security benefits which are paid entirely from the fiscus (budget) e.g. old age pensions, are known as "social assistance". Some areas of the social wage may be funded by a combination of private contributions, and the fiscus e.g. the national health system*

- 2.2 *COSATU's vision on social security and social wage derives from the overall vision of the Reconstruction and Development Programme. The RDP [advanced the concept*

of 'developmental welfare' which entails the right] advances the need for a comprehensive approach to the meeting of basic needs such as shelter, food, health care, work opportunities, income security and all those aspects that promote the physical, social and emotional wellbeing of all people in our society, with special provision made for those who have been historically disadvantaged.] The RDP provides therefore a holistic and integrated vision for a new system of social security.]

2.3 This vision is further cemented by the new Constitution (1996) which guarantees that: "Everyone has the right to have access to social security, including if they are unable to support themselves and their dependants, appropriate social assistance." The Constitution further extends fundamental rights to housing, education, health care, food and water.

2.4 The state is further obligated under the Constitution to "take reasonable legislative action and other measures, within its available resources, to achieve the progressive realisation of each of these rights.

2.5 To reverse the legacy of apartheid requires a comprehensive social security system in South Africa. Complimenting this should be the expansion of the provision of the range of social services such as housing, transport, water provision, health care, which improves workers' 'social wage'. Social wage benefits include those types of benefits that should be publicly supplied, even if they are currently privately supplied. The introduction of comprehensive Social Security Net by the year 2000 through:

- Restructuring of the current social assistance:
- Overhauling of the current UIF arrangement:
- Introduction of compulsory contributions by all employees and employers to the retirement fund:
- National Health Insurance Scheme for implementation not later than 1999:
- Provision of Nutritional Scheme e.g. Feeding Schemes:
- Intervention by the introduction of Skills Development processes embraced by the South African Qualifications Authority (SAQA), and the expansion of provision of free education:
- Provision of Child Care – the need for a regulatory framework in partnership between government, NGO's, private sector and other organs of civil society.
- Housing provision – the need for establishment of a housing parastatal in 1998:
- Consolidation of water provision:
- The extension of communication infrastructure such as telecommunication and postal services to historically under-served communities;
- Expansion and extension of the electrification programme in line with RDP goals and:
- Other supplementary mechanisms e.g. Social Plan [NEHAWU].

2.6 The development of a comprehensive social security system will have an impact on social development and economic development. First, social security is an important instrument in alleviating poverty. It provides economic security – at least to a certain degree, depending on the level of benefit. It gives individuals and households an income source they can count on. Secondly, social security improves the health status, the nutritional well being, reduces mortality and raises life expectancy. The nutritional and health improvements have a positive impact on overall productivity.

*The provision of income increases the demand on the market and therefore fosters the local economy. Further, a comprehensive social security fosters social integration, and thus contributes towards nation building and cohesion of communities.*

- 2.7 *The envisaged comprehensive social security system should be publicly owned. This suggests rolling back the dominance of the private sector in areas such as health. This should be coupled by rationalisation of pension and provident funds towards a new national fund.*
- 2.8 *The development of the 'Social Welfare White Paper' was [an important milestone and] a step towards achieving this vision. However, the White Paper contains some serious areas of weaknesses where policy is indecisive and lacks a clear vision of the role of government in the provision of social security. Nevertheless it commits government (following COSATU's intervention) to investigate the setting up of a comprehensive social security system. [In general, the White Paper does set out the correct objectives for the provision of social security, but it does not map out clear strategy through which these objectives are to be achieved]*
- 2.9 *Despite the calls for fiscal cut backs, the reality is that poor South Africans cannot afford a real budget cut in social welfare expenditure. In fact, if the social security system is to be made more equitable, more resources are going to be needed in social welfare provision. The pressures to reduce welfare expenditure flow from government's commitment to cut back the budget deficit as a proportion of the GDP. Macroeconomic policy should not undermine and constrain the introduction of a comprehensive social security system nor inhibit government development programmes. Such a policy framework must be changed if it undermines government development programmes and constrains the introduction of a comprehensive social security system*
- 2.10 *COSATU believes that in order to prevent social security and welfare priorities from being hamstrung by rigid budget deficit reduction, quantified commitments or targets should be spelt out in government policy. These should outline clearly the vision for the extension of the social wage and social security net to all South Africans.*

### 3. Policy

#### 3.1 Improve co-ordination in government

- 3.1.1 *It is important that the Department of Welfare interfaces with other government departments in the development and implementation of social welfare policy. It should give recognition to the strong linkages that exist between social welfare and other programmes of government. For example, in addition to the co-ordination with the Department of Public Works on employment creation, there should be co-ordination with the Department of Labour regarding the restructuring of the UIF, training and re-skilling; Department of Education on expansion provision of free education; and with the Department of Trade and Industry on the development of social plans to assist workers in declining industries.*

### ***3.2 Restructure Social Insurance***

*3.2.1 While employers and workers may be required to bear additional costs of social security to reduce pressure on the fiscus, a one sided approach to this could lead to an increase in the non-wage costs of employment (through contributory schemes for health, retirement, unemployment, housing etc.) This may act as a disincentive to increased job creation and result in the adoption of more capital intensive methods of production. It may also create an incentive for employers to seek to reduce their work force through outsourcing. [Most importantly,] Such an approach of privatising the social wage-would also increasingly separate the employed from the unemployed, since having a job would be a condition to access a range of social security and social wage mechanisms. The coverage rates of current social insurance mechanisms are low, for example, only 5 to 10 percent of the unemployed are covered through the UIF, and then only temporarily.*

*3.2.2 Other negative effects of providing social security benefits through the employment relationship could result in some severe distortions or market failures. For example, fast rising medical costs, fuelled by the fact that it is an employment related benefit – has the effect of pricing health care out of reach of the poor.*

*3.2.3 In COSATU's view, [the transfer of] a number of the non-wage costs of employment (such as health care costs) should be transferred to public mechanisms (like the national health scheme). This would amount to the introduction of a social wage – where the state sets up institutions which [provide social security, thereby] effectively subsidise[ing] part of the costs of the labour force. This could assist both as a launching pad in the creation of an effective social wage and security net and in reducing non-wage labour costs.*

### ***3.3 Extend the social security net***

*3.3.1 Re-regulation and consolidation of social insurance cannot be seen as a substitute for an extension of the social security net. Government policy should be clear on the need to extend the social security net beyond those who are in a position to benefit from employment-linked social insurance schemes. A commitment to extend social assistance would entail both (1) the extension of existing forms of social assistance (2) the introduction of new forms of assistance, particularly income support for the unemployed.*

### ***3.4 Unemployment Insurance and Basic Income Grant***

*3.4.1 Need to formulate resolution on our approach to comprehensive and long-term unemployment insurance, its funding, and restructuring of the UIF. Also see previous Congress resolution. Also incorporate the following:*

Given the widespread situation of poverty, and that millions of people have no regular source of income as a result of structural long-term unemployment, urgent attention needs to be given to providing a basic income to those not covered by unemployment insurance, or other forms of social security. According to research conducted for COSATU 13.8 MILLION South Africans live below the poverty line without qualifying for support under the current social security system. The viability and implementation of a comprehensive income grant to those living in poverty and/or long-term unemployment insurance needs to be investigated as a matter of urgency. Research developed for COSATU on this issue needs to be finalised, and processed in discussions in the Alliance, and with the relevant Ministries in Government, and agreement reached on this matter by the end of 1999..

#### **4. National Health System**

##### **4.1 Current Policy Developments**

**4.1.1** [South Africa has a population of over 40 million, 73% of whom are women and children]. Although classified as a middle-income country and spending 8.5% of GDP on health care, South Africa exhibits major disparities and inadequacies. This is the result of former apartheid policies, which ensured racial, class, gender and provincial disparities.

**4.1.2** The majority of the population has inadequate access to basic services including health, clean water and basic sanitation. [Between 35 percent and] Up to 55 percent of the population live in poverty. All these factors combined have adverse effects on the health of our society, particularly historically marginalised communities.

**4.1.3** Severe distortions and a general collapse in service marked the public health system. One of the distortions was that it was hospital-based with an emphasis on expensive curative tertiary care. The primary health sector which focuses on preventing diseases, and community based medicine was generally undeveloped.

**4.1.4** Compounding this is the imbalance between the public and private health sectors. At present about 60 per cent of all health spending is in the private health sector, which serves only 23 percent of the population. Most health personnel except nurses work in the private sector (e.g. 60 percent of doctors and 93 percent of dentists).

**4.1.5** The Ministry of Health has embarked on a programme to transform and improve the health system in South Africa. A set of policy and legislative initiatives has been undertaken. These include:

- ***The Medicines and Related Substances Control Amendment Act.*** Given the excessively high cost of medicines in South Africa combined with poverty levels and a highly skewed distribution of wealth COSATU supported the central objectives of the Act which are to increase the affordability of essential drugs to all citizens; to promote good practice in the prescription and dispensing of drugs, and to develop the domestic pharmaceutical industry through increasing local production of essential drugs.
- ***The Medical, Dental and Supplementary Health Services Profession Amendment Act.*** The Act's innovations are to provide for the restructuring of

*the institutions which govern the medical profession, and the re-regulation of the registration and training of health practitioners. In the main, the Act facilitates the introduction of vocational training and community service for medical students. While we supported the system of vocational training, COSATU proposed that government should go further and introduce a proper system of community service. Vocational training will mean that doctors will be deployed in accredited hospitals and health institutions, whereas community service will be driven not by accreditation but by the needs of the community wherever they may be. It is our belief that all professionals who receive state subsidised training – including health professionals, lawyers, engineers and accountants – should be required to contribute in a direct and meaningful way to the developmental needs of our country. COSATU should open discussions with government and the student movement (SASCO in particular) on how to extend community service to all graduates.*

- *[The Pharmacy Amendment Act: In terms of this Act, non-pharmacists will be allowed to own outlets licensed to sell medicines under the supervision of qualified pharmacists. The primary objectives of the Bill which COSATU supported are to increase the availability of medicines in outlying areas through allowing the increased penetration of medical supplies into these areas, and to provide protection to consumers of medicines by creating a regulatory framework such as the need for supervision by a registered pharmacist – in which the sale of medicines must operate.]-unnecessary*

4.1.6 In addition to these Acts, a "White Paper for the Transformation of the Health System was developed by the Department of Health. This White Paper charts the overall vision for the transformation and improvement of the health system. A National Health Bill is in the process of being developed and will give the vision contained in the White Paper legislative effect.

4.1.7 Complimenting this process will be amendments to the Medical Aids Regulation to reverse the irrational liberalisation followed by the previous regime. It further advances the vision of the RDP for the transformation of the health system.

4.1.8 The principles outlined in the RDP to underpin health sector strategies include:

- (a) the health sector must play its part in promoting equity by developing a single, unified health system.
- (b) the health system will focus in districts as the major locus of implementation, and emphasise the primary health care (PHC) approach.
- (c) The three spheres of government, NGO's and the private sector will unite in the promotion of common goals.
- (d) The national, provincial and district levels will play distinct and complementary roles.
- (e) An integrated package of essential PHC services will be available to the entire population at the first point of contact.

4.1.9 The Department of Health has come under unprecedented attack from the vested interest in the health 'industry'. There is a need for the progressive movement, COSATU in particular, to defend the Ministry against such attacks and advance the programme of transformation.

4.1.10 COSATU's approach on the transformation of the health system is driven by the need to move systematically towards a public health care system away from private provision. The current imbalances where expensive private health care absorbs the lion's share of the resources, need to be reversed.

4.1.11 The shift towards primary health care to be delivered via the district health system (DHS), is an important advance in meeting the goals of the RDP. The DHS, working within a nationally coherent framework, will be more responsive to the needs of the community. The governance of the DHS remains an important issue to resolve. A clear role for local government vis-à-vis the district health system has to be spelt out. Secondly, COSATU should secure community and workers representation on Hospital Boards and Community Health Committees. These representatives of the people should receive relevant capacity building through training, and through allocation of necessary powers to make decisions.

4.1.12 Ensuring adequate resources i.e. financial, human and material resources necessary for the effective functioning of the system should protect the integrity of the DHS system. In this vein, the macroeconomic framework should support rather than undermine the health system. One of the practical means by which the macroeconomic parameters of GEAR impose severe constraints on the health system is the rigid adherence to budget deficit reduction. This places a cap on acquisition of human resources and other resources essential for the effective functioning of the system. Nowhere is this more clearly demonstrated than in the existence of non-operational clinics. Out of 576 new clinics built since 1994, 121 remain non-operational, because of shortage of resources, including staff.

4.1.13 Fiscal federalism should also not be allowed to compromise the health system due to under-allocation of resources to health by provincial governments. A mechanism such as the extension of conditional grants for health to include primary health care should be developed to ensure that the national Department of Health has an influence and control over the direction of the health budgets in the provinces.

4.1.14 Further, the mode of service delivery in the public health system needs to be changed. We need as a federation to challenge [openly debate] the attitude of [the]some service providers, who [in particular the culture of] provide[ing] services in a manner which is not sensitive to the magnitude of the problems facing our people [in the health industry]. Our affiliates active in the health sector should be encouraged to lead a campaign to improve service delivery within the public health system in particular.

## 4.2 National Health Insurance Scheme

4.2.1 Guided by our overall vision to build the public health system, COSATU supports the introduction of the National Health Insurance Scheme. Our long-term aim is to move away from medical aid schemes towards a National Health Service, which provides comprehensive care for the whole population, employed, and unemployed, without distinction. This should be funded from general taxation, supplemented by additional contributions from workers and employers. We propose that each

stakeholder – government, business and labour – contribute one percent towards the NHI.

- 4.2.2 It is vital that this contribution is levied on everyone in employment, with no exemption for members of medical schemes. The money raised must be securely earmarked for health and must not be offset by a reduction in the share of general tax revenue.
- 4.2.3 The percentage level of contributions should be set in negotiation in NEDLAC, with regard to potential impact on the cost of employment and level of employment. Exemptions should be considered with care, given the danger of creating an incentive for employers to lock[ing] workers into a low wage ghetto below the cut-off point for contribution. Consideration should be given to a programme of gradual increase in the level of contribution, which should still be substantially lower than those for medical schemes.
- 4.2.4 Any new system should be publicly administered and not sub-contracted to medical aid administrators. [There are existing collection mechanisms for UIF and SITE/PAYE, which could be used for health]. Administration should be streamlined as far as possible to minimise cost.
- 4.2.5 Public sector primary health care is already free at the point of service. Public sector hospital care will be free at the point of service (funded by a combination of general taxation and the NHI contributions). There will be no need for additional cover in the form of private medical schemes or private health insurance. These need not be abolished for those who choose to seek health cover in the private sector, but they should not be subsidised in the form of tax concessions, which should be [gradually] phased out. Progressive union-sponsored initiatives to provide affordable primary care in jointly funded schemes should be encouraged by appropriate concessions from state health authorities (e.g. access to essential drugs at low cost or free).
- 4.2.6 The special situation of the mining industry should be recognised. The industry has a substantial network of facilities, which should be retained and upgraded, to form the basis for family services in the areas around the mines. The historical debt to the rural areas, from which the mine labour force was and is drawn, should be recognised by a joint undertaking by the mining houses to assist the state in developing and supporting rural health services, which will care for the families of migrant miners and for retired and disabled miners who have returned to these areas.
- 4.2.7 In the medium-term, shifting away from medical schemes will require a massive educational programme within COSATU, given [the]:
  - The decay of public sector services and the legacy of apartheid differentiation in access, facilities and funding;
  - The experience of private sector services and association of quality with expense;
  - Aspirations amongst members for improvements in their conditions of employment;
  - The lack of clear political commitment to an NHS as the major provider of health care.

4.2.8 As part of our political programme to shift towards the public health system, COSATU and union leadership should commit itself to using public hospitals. Public sector unions should also commit themselves to encourage their member to use public hospitals and lead the campaign to improve service delivery.

4.2.9 In short-term, membership education on health care issues should start as soon as possible to dispel a range of powerful myths:

- More expensive care equals better care;
- Doctors are better than nurses (this is a serious problem, given the 'nurses-based' approach to primary health care in state policy), and specialists are better than doctors;
- The more drugs the better;
- The more expensive the drug the more powerful it is.

#### 4.3 Approach to medical aid schemes

4.3.1 The shift away from medical aids will require a shift of emphasis in organisational priorities, although we will have to continue to tackle problems with medical aids until they are phased out. [This will require the Federation not to devote resources and time to tackling problems with them in the interim. However, this has to be weighed against the practical problems of members' demands and complaints. Affiliates may need assistance in responding to demands from their membership for assistance in selecting a medical aid or dealing with problems in an existing scheme].

4.3.2 Further, COSATU should support the efforts for the Minister of Health to regulate the private sector, especially medical schemes. In the White Paper on the Transformation of the Health System in South Africa (p.51), it is envisaged that a set of regulatory mechanisms are required to reverse the recent deregulation of the private health insurance market, which has resulted in serious instability, increasing costs and reduced coverage:

(a) Medical schemes may not exclude an individual on the basis of health risk. Contribution rates for the full package of benefits will be set according to income and number of dependants.

(b) Medical schemes are obliged to continue providing health benefits to continuation members (i.e. pensioners, widows, widowers), and to individuals for a limited period after their becoming unemployed. In addition, the practice of transferring private patients to public hospitals once their medical aid benefits are exhausted should be discontinued.

4.3.3 In addition, COSATU needs to investigate measures to prohibit medical aid membership as a condition of employment. This would give workers the opportunity to choose between the NHI and being members of private medical aids, unlike when medical aid membership is compulsory.

4.3.2 COSATU should continue to engage with the Minister of Health and conduct further research where necessary on how best to introduce the NHI.

Source: COSATU Submission on the White Paper for the Transformation of the Health System in South Africa, COSATU Submission on the Medicines and Related Substance control Amendment Bill, the Medical, Dental and Supplementary Health

*Services Profession Amendment Bill and the Pharmacy Amendment Bill, Constitution of the Republic of South Africa (1996), Reconstruction and Development Programme, Developing a Social Wage Programme for South Africa", Ravi Naidoo's input at the COSATU Policy Conference (May 1997), COSATU Submission on Social Welfare White Paper (1996).*

## **5. Public Housing**

### 5.1 Vision [brought forward from next section]

5.1.1 Besides bringing dramatic improvements to the quality of life of millions of people, a successful housing programme will play a vital role in generating employment and creating possibilities for increased economic development. A programme of mass housing will provide the jobs, and related demand stimulation, which will mean an expanded market as more people are able to purchase manufactured goods and an increase in productivity associated with the stability of living in a home. Mass housing will therefore stimulate both demand-led growth, as well as being an important element of the process of modernising and restructuring our industrial base. The combination of these factors will provide the crucial springboard needed to put our economy on a new growth path. Integrated cities which provide affordable mass housing, will break down the legacy of apartheid geography.

### **5.2 Problem Statement**

5.2.1 COSATU notes the slow rate of the present housing provision and the failure of current housing policies to deliver. It is clear that with the housing shortage estimated at more than 3 [2] million units, the present rate of housing delivery is unacceptably slow. Even a doubling of the rate of housing provision would fall short of this [ a] target,. The backlog [which] can realistically be met, providing the right policy instruments are in place. The country cannot afford to think in terms of quantitative growth over previous housing delivery. We need to set our sights on realising the vision of a qualitative leap contained in the Reconstruction and Development Programme, that is, the massive delivery of houses during the first [five] years of [the] democratic government.

5.2.2 The fact that resources are available for housing development (the roll-overs in [the last two] budgets of the housing department and billions of rands are available from private financial institutions), but that delivery is failing, is an indication that the general thrust of government housing policy requires immediate reassessment. Such a revision should also be informed by the fact that, in terms of the new Constitution, government is [will be] constitutionally obliged to provide housing for its citizens.

### **5.3 Key weaknesses in present housing policy**

5.3.1 *Housing policy as contained in the White Paper is in effect market-driven and state assisted. COSAU is calling for a system that will be state-driven and market assisted. Housing policy focuses primarily on the creation of “a normalised housing market” in order to encourage the participation of the private financial institutions in financing investment. To achieve this, various mechanisms envisaged in the White Paper are designed to encourage, and in effect subsidise, the participation of private financial institutions in the housing programme. Instead of the private sector participating in the public housing programme on terms determined by the needs of the programme, the programme is effectively being shaped by the needs of the private sector.*

5.3.2 *In our view, the focus on private financial institutions has meant a one-sided emphasis on personal home ownership as the primary form of tenure. As a result the plight of the majority of homeless people, who are unable to afford the high monthly repayments associated with home ownership, will not be addressed. [Envisaged] Subsidies are [likely to prove] inadequate for most homeless people. Nor [would] will the subsidy route alone, even if increased, provide the solution to the housing crisis.*

5.3.3 *Already there are clear signs that the reliance on the private sector financing mechanisms is not capable of stimulating mass delivery. This is despite the private financial institutions' undertaking with government with effect from June 1995, that 50 000 loans would be made available to the lower end of the housing market. The fact that so few loans have been extended to the lower end of the market begs the question as to how many of the frequently referred to 34 000 housing units provided over the last few years were in fact as a result of low cost housing projects and how many were simply commercially viable ventures not in need of state intervention. This perspective focuses even more sharply on the private sector's failure to facilitate delivery to low income earners.*

5.3.4 *This raises a broader question of the accurate number of houses that have been built over the past four years of the democratic government. There is an absence of reliable information on this issue because government relies on the number of subsidies approved to calculate the number of houses built. This is problematic as some of those accessing subsidies purchase already existing houses.*

5.3.5 *Furthermore, reliance on private sector institutions also creates a situation where these institutions are in a position to hold government to ransom as they press for better incentives, subsidies or tax concessions. In particular, private financial institutions are to be supported by a number of mechanisms, which will amount to the subsidisation of this sector in order to encourage its funding of housing projects. An effect of this is to encourage the predominance of individual ownership as the preferred form of tenure, because it is through this form of tenure that financial institutions make money.*

5.3.6 *Present policy also favours the financial sector over other private sector enterprises, such as those involved in construction and the supply of building*

*materials. As long as work is in progress, builders and materials suppliers stand to gain just as much regardless of whether they are contracted to work by the state directly or whether they are contracted via an elaborate funding mechanism negotiated between the state and financial sector.*

5.3.7 *If, on the other hand, construction does not take-off because the funding mechanism is inappropriate for funding of mass housing, then the building and materials supply sectors, and their potential for employment creation, will be in a worse position than they would have been if the state had contracted them directly. In any event, the construction companies and material suppliers should take steps to contain costs so as to keep down the purchase price of low cost housing*

#### **5.4 Policy**

5.4.1 *Government should both transform the terms of its partnership with the private sector in housing, and broaden its housing programme to include the immediate provision of public housing, on rental and purchase basis. The programme should be budgeted at R10-R12 billion per year and should be financed over three years from three major sources:*

- (1) *From the fiscus;*
- (2) *From the private sector through a 5% levy on pretax profits; and*
- (3) *From workers and policy holders (through a prescribed investment requirement on the pension and assurance industry, of 5%).*

5.4.2 *Through such a programme 300 000 housing units could be built in each year for three years, resulting in the creation of an estimated 350 000 to 550 000 jobs. The resultant expansion in consumer demand would help boost the manufacturing sector and the economy in general.*

5.4.3 *A new Housing Parastatal, together with an appropriately structured National Housing Finance Corporation, should be mandated by government to take responsibility for direct state intervention in housing construction and property management. Research commissioned by COSATU has established the basis for the setting up of such a parastatal. The function of this parastatal would be to co-ordinate the following from a central point, while making use of existing structures of provincial and local government in order to facilitate delivery:*

- *Manage current government and parastatal housing stock;*
- *Build new housing stock, both for purchase and rental;*
- *Manage newly built housing stock, for example the collection of rental;*
- *Manage the process of subsidy applications and allocation;*
- *Establish financing mechanisms, for long term viability.*

5.4.4 *There should be a major emphasis in the policy direction to target poor households through direct government intervention in housing construction and management and in related public works programmes. [Focus on the concentration of market failure may be a necessary component of housing policy, but in COSATU's view such policies do not on their own provide a sufficient framework to ensure mass based housing delivery. This does not completely reject the approach of*

a] Attempting to create institutions which will steer the private sector and its financial institutions into the housing market in order to expand it, cannot/but it is an assertion that if this approach] form[s] the main thrust of government's housing programme, as the vast majority of poor households are unable to enter this market, even if subsidised/stand to gain nothing.

5.4.5 In order to avoid this problem, COSATU proposes that housing provision should advance on two legs:

- Firstly, the state must target poor households. Government should develop a new policy, which aims to provide assistance to poor households, generally those households with an income of less than R1500 per month. This focus is necessary because it is doubtful whether these households, comprising about 70 percent of the population, will be in a position to secure adequate financial assistance through private financial institutions, combined with a government subsidy. Direct government assistance would entail the state contracting directly with the private sector in order to secure the construction and provision of services for mass housing. It will also entail the implementation of employment creating public works programmes to play a role in construction and the provision of infrastructure and service. Newly built government housing stock should then be made available for rental or should be sold to poor households on more favourable terms than those offered by private financial institutions. In addition, government needs to revisit both the type of houses that are currently being built and accessibility of land for housing.
- Secondly, private sector provision must be transformed. Poor households with a monthly income of over R1 500 and less than R3 500 comprise an estimated 17,4 per cent of the population. These households, on paper, should be more likely to be in a position to purchase a new house, as opposed to renting, as they have sufficient disposable income to benefit from the combination of government subsidies and loans from private financial institutions. In reality, many households in this income range are being denied access to finance. This poses the challenge for government to take effective action to unlock delivery of finance by private sector to lower income groups. Measures need to be introduced to regulate interest rates charged for low cost housing. Further, government needs to consider measures to compel financial institutions to advance a certain proportion of their loans for the purpose of low cost housing. Failure to introduce such measures to curb the untrammeled power of financial institutions will lead to increased public pressure for wholesale state intervention in this sector, as happened in a number of the 'Asian Tigers'.

5.4.6 It is important to note that this does not suggest that the R1 500-R3 500 income group should only be catered for through the subsidised housing market. They would clearly also have access to public housing stock. The buying of houses through the subsidy scheme would be an additional option open to them. This two-legged approach would have a number of implications for financing. It will allow for a more targeted use of government subsidies, as these will be used primarily to assist households in a position where they can consider purchasing a new house. It will also allow for the more focussed use of funds raised from the fiscus, business and labour on direct housing, infrastructure and service provision by the state and related public works programmes.

5.4.7 *The principle should be established that all forms of state assistance to private financial institutions, such as the MIS, PIPs (Property in Possession) and SERVCO (Service Organisation) should be transparent so to avoid the problem of hidden subsidisation of these institutions. Whether there is an on-going need for these mechanisms should be reassessed at regular intervals, particularly if, as it is proposed, they are used to support the more commercially viable end of the housing market.*

5.4.8 *Housing policy should also integrate, encourage and support community initiative to build houses. In this vein, COSATU supports the establishment of housing brigades and cooperatives to help fast-track housing delivery and therefore address the backlog. However, the fears of job losses that may arise from workers in this sector need to be taken into account, and for this reason we commit ourselves to conscientise society, including workers, around this need.*

5.4.9 *We commit ourselves to building broader alliances and revitalise our relationship with SANCO and similar bodies to achieve this vision. COSATU needs to develop a clear programme of action on housing delivery around which to galvanise society. This programme should serve as the basis for strengthening the position of COSATU negotiators at NEDLAC. This programme must concretise our support for the Masakhane campaign. The Masakhane campaign is critical for it promotes broader partnership with the community on service delivery and payment for social services. Payment for social services should be encourage as such revenue can be channeled into housing delivery. However, the Masakhane campaign should not be conceived narrowly as a people-must-pay campaign, improved service delivery and partnership with the community should also be emphasised.*

5.4.10 *Another element of the programme is engagement with housing legislation and policy. COSATU should continue to interact and meet with the Minister of Housing to ensure that our vision is taken on board. Other elements of the programme for engagement include:*

- *A series of meetings should be held with all institutions responsible for or concerned about housing delivery. This could involve the construction companies (big and small), financial institutions and those involved in community projects, for example, community-based public works programmes. The following issues can be addressed in such forums:*
  - (1) *Special rates for people with housing needs;*
  - (2) *Assistance programmes for those wanting to access state tenders for housing delivery purposes;*
  - (3) *Joint programmes of land identification for the delivery of housing;*
  - (4) *Determination of the percentage of rental housing needed;*
  - (5) *Clearly defined protocols for accessing housing to prevent favouritism and corruption;*
  - (6) *Time frames for housing delivery;*
  - (7) *Establishment of community based Housing Brigades; and*
  - (8) *Establishment of Housing Parastatal to fast track housing delivery.*

5.4.11 *Government needs to take steps to prevent profiteering in the industry. To achieve this objective, vigorous competition should be encouraged, for example, through an acceleration of the dismantling of the cartel amongst the large cement suppliers.*

*Source: COSATU Submission on Housing Policy and May 1997 Policy Conference*

**Insert Resolution on Electrification and infrastructure**

**Insert Resolution on Land**

**6. Public Transport**

- 6.1.1 COSATU needs to develop a clear policy on transport, given its centrality to economic and social development. COSATU should adopt the TGWU workers vision policy as the basis for discussion towards developing a COSATU policy on transport.
- 6.1.2 COSATU needs to endorse the eighteen quality of life objectives set out by the T&G document[?] ranging from safety and security to human resource development, and reaffirm its commitment to the six pillars of the Social Equity document. These range from job creation to economic development and worker rights. All these factors should underpin COSATU's transport policy.

**6.2 State owned transport system**

- 6.2.1 COSATU reaffirms its support for the need for a state-owned and not market driven transport system. We therefore reiterate our belief that government should invest in public transport, ensure that it is affordable to the poor and the workers and is accessible to the rural communities.

**6.3 Mass transport**

- 6.3.1 The policy developed should be capable of coping with the mass transport system on which the majority of people depend. This transport system should be safe, free of violence and corruption. To this end government initiatives to uproot corruption must be encouraged and supported, e.g. the uncovering of car licenses issued outside of policy or not complying with the established procedure for licensing.
- 6.3.2 COSATU notes some of the existing transport policy in the municipalities.[?]
- 6.3.3 We need to form a special COSATU core team to meet urgently with the Minister of Transport to discuss the best ways of effecting a viable public transport system. This should reinforce the NFA process.
- 6.3.5 Government should convene a special and urgent national stakeholder gathering or conference to discuss public transport delivery.
- 6.3.6 A group of volunteers should be established throughout the country to collect views or opinions of ordinary citizens, including the working class, regarding transport delivery. Alternatively, a referendum[?] should be conducted throughout the country on this issue.

**6.4 Taxi Industry**

- 6.4.1 COSATU supports the process towards the formalisation and therefore regulation of the taxi industry. COSATU should develop a discussion document on the taxi industry for discussion and adoption.
- 6.4.2 The above policy should seek to address among other things, the exploitation[plight] of taxi drivers by taxi owners, with a drive towards decent working conditions, the shrinking of the bus industry with the introduction of mini buses, regulation of the industry and other problems associated with the industry.
- 6.4.3 A conscious campaign to recruit taxi drivers should be embarked upon at the level of the federation so as to defend their rights as workers as per the Basic Conditions of Employment Act, 75 of 1998.
- 6.4.4 In the meantime, government inspectors should be asked to investigate the conditions of these workers and produce a report to the relevant ministers.

*Source: 1997 May Policy Conference*

## **7. EDUCATION AND TRAINING**

### **7.1 Vision**

*7.1.1 We re-affirm our belief that education and training is the responsibility of the national government (SADTU)t. We therefore re-commitment ourselves to work for a single non- racial, non- sexist and democratic (SADTU) education and training system geared to meet the needs and aspirations of the disadvantaged communities (SADTU) and society at large. Apartheid education and training was an instrument of white domination and we are committed to:*

- *Destroying all forms of apartheid, open and disguised in the current education and training system.*
- *A transformed curricula which develops the skills required for the world of work, for further learning and for society more broadly, and ensure the development of literacy and numeracy and the ability to think critically.*
- *The transformation of institutions to ensure they can better meet the needs of industry, the economy and the broader society.*
- *The moves to democratize all institutions of learning and to ensure that they become representative of South Africa's population. (NUM)*
- *Free and compulsory schooling for all learners (SADTU).*
- *A formal education system which is not purely academic but is geared to providing scientific and technology skills which will contribute to the development of our country.*

*7.1.2 Our objective in education and training should remain in line with our political vision of the attainment of socialism, and we should ensure that skills acquired through education and training empower the working class and the society at large to participate actively in shaping industrial, economic, social and political processes.*

*7.1.3 The education and training system should be designed to contribute towards the processes of:*

- *Building national unity.*
- *Addressing class, race, disability (SADTU) and gender inequalities and imbalances.*
- *Addressing power relations and class contradictions locally and internationally.*
- *Promoting economic and social development and combating poverty.*
- *Promoting a positive self image by promoting (SADTU) the dignity and cultural heritage of the oppressed.*
- *Effective utilisation of human and material resources.*
- *Promoting career pathing.*

**7.1.4 We commend the government on key achievements since the 1994 elections: -**

- Democratising of governing bodies in schools and institutions of higher learning
- Developing a unitary education and training system and removal of racist barriers to accessing different institutions
- Provision of compulsory education and training for all young people
- Transformation of the curricula, through Curricula 2005, to ensure that the curricula encourages learners to think creatively and to cherish the values enshrined in the new constitution
- Transformation of institutions to meet the needs of society and the economy (NUM)
- Key legislation including the Schools Act, Higher Education Act, and Skills Development Bill as well as the constitutional rights to access to education.

**7.1.5 However: - Cosatu notes the crisis that has permeated all sectors of education and training over the past years through insufficient funding for education and training which has resulted, among other things,:**

- ◆ a lack of materials for learners,
- ◆ little re-training for teachers,
- ◆ “rightsizing programmes” that do not consider educational and developmental objectives.
- ◆ It has also resulted in a lack of state funds for ABET and a reliance on donor funds. (NUM)

**7.1.5 And calls on the government to: -**

- Fully fulfil its constitutional obligation to ensure that young people and adults get access to quality education and training. (NUM) including free and compulsory education and training for 12 years, as well as access to ABET, particularly in the rural areas. (NUMSA)
- Ensure that we achieve an equitable education and training system, which ensures redress for both individuals and institutions. This should include a focus on sectors that have been historically marginalised, that is, Early Childhood Development (ECD), Education for Learners with Special Educational Needs (ELSEN) and Adult Basic Education and Training (ABET). (NUM)

Through:

- A moratorium on retrenchments
- Effective redeployment of teachers
- Government employing more teachers and ensuring permanent status to temporary teachers (SADTU)
- Government subsidies in the form of travelling subsidies for those where there are no facilities and for students in rural areas
- The curbing of private educational institutions
- Increasing its subsidies to tertiary institutions
- Building more schools
- Fair teacher/learner ratio
- The regulation of the pre-school system such that it accommodates children from the poor communities.

- Government must inform and train parents about the new curriculum
- Government programmes to reflect the culture of learning which must include, but not be limited to, counseling of teachers and learners.
- The renovation and building of schools should be carried out by the government's housing parastatal. (NUMSA)
- Government must address issues of funding of education, this could be by making strategic cuts in areas to allow the education budget to increase eg defence (NUMSA)

Reinforce the transformation of education and training through a united system, which ensures:

- The control of education and training at a national level. (NUMSA) This would allow for the Ministry of education fulfilling its functions and remaining the employer of educators, not devolving this to governing bodies.(NUM). It would also ensure that the universities, colleges, technikons are controlled by one body, and that maintenance budgets and related issues per school should be controlled

by one policy or body (NUMSA)

- And a move towards the greater integration of education and training through joint working of the Departments of Education and Labour, if not an integration of these functions into a single department. (NUM.NUMSA)

## **7.2 Educator/trainer development**

*7.2.1 The success of the system is dependent upon proper/structural training being developed for educators/trainers/teachers (all practitioners). Resources should be made available for this purpose.*

*7.2.2 A sound educator/trainer development policy must be developed by the Education and Labour Ministries that cuts across the fields and levels identified by the NQF and SAQA.*

*7.2.3 Reskilling of educators.trainers to render a quality service and eradicate the high illiteracy rate that spawned under Apartheid education. (SADTU)*

*7.2.4 Efforts to ensure more effective engagement on the following areas by unions at all levels, with the support of COSATU, including capacity building, must be intensified (SADTU):*

## ***7.3 National Standards***

*7.3.1 National standards which address issues as spelt out in our vision and objectives these will include: Quality,Portability, Norms and Values, and Accreditation*

- *Curriculum*
- *The Curriculum should be designed in such a way that it integrates the theory and the practice of learning. Most important is the context within which the curriculum is developed for the following objectives:*
  - *Africanisation of the curriculum*
  - *Facilitation of further learning (this includes access to the different bands of education and training including Further Education and Training and higher education and training) (SADTU).*
  - *Promotion of norms, standards and values which are indigenous.*
  - *Promote the culture of learning, teaching and service delivery and encourage life long learning.*
  - ◆ *Is outcome based and modular*
    - ◆ *Continuous assessment is applied*
    - ◆ *Restructuring of the curricula in institutions of higher learning with specific reference to technology/maths/sciences and commerce and the inclusion of community service as a component of learning.*

## ***7.4 Accreditation and certification***

*7.4.1 The accreditation and certification arrangements should comply with the National Qualifications Framework (NQF) and be as measuring tool to institutional competency delivery. It should be used to address the following: Quality, Articulation of programs, Maintenance of standards, Certification, Portability of learning acquired between institutions, Career pathing, and be internationally recognised.*

**Source: 1991 and 1994 National Congress – additions by Secretariat , NUMSA, NUM< and SADTU**

## **8. LANGUAGE POLICY**

### **8.1 Noting:**

- 8.1.1 The need for a language policy that would be able to meet workers' divergent needs, which is in line with the constitution and national language policy.
- 8.1.2. Despite the condemnation by the Leon Commission, Fanakalo is still widely used within some industries, such as the mining industry, for communication & learning.
- 8.1.3. The idea that English is needed for learning is deeply entrenched, and needs to be critically questioned.
  - Much informal learning and communication in industry and the public sector takes place in languages other than English.
  - At the moment, English is being used to keep workers out of certain areas of knowledge and skill because they have to be able to speak good English to do particular courses.
  - This practice ignores people's Constitutional right to use their own language and the status of the other ten official languages.

### **8.2 Believing:**

- 8.2.1 Multi-lingual models of communication and learning can contribute to a democratized workplace and society.
- 8.2.2 The principle of multi-lingualism must guide the development & implementation of the National Qualifications Framework (NQF) and it's application within industry and the public sector.
- 8.2.3. Workers will be disadvantaged if they are not able to demonstrate their prior learning and experience in their own language.

### **8.3 Therefore, resolves that:**

- 8.3.1 We step up our efforts to gain practical recognition for all 11 official languages.

- 8.3.2 We use provincial language policies as well as undertake workplace surveys to determine language use and preference in terms of communication and learning.
- 8.3.3. We ensure that everyone within the workplace has access to opportunities to learn additional languages - and to learn them beyond basic conversational levels of language proficiency.
- 8.3.4 We ensure English remains as part of the adult learning framework so that workers can make language choices and increase their options.
- 8.3.5. We ensure that unnecessary language requirements in assessment, learning and career paths are removed.
- 8.3.6 Workers have the right to learn and be assessed (including on the basis of their prior learning through experience) in their own language if they choose to.
- 8.3.7 A 'good manager' in a multi-lingual workplace would need languages other than English or Afrikaans.
- 8.3.8 Multi-lingual skills and the ability to translate should be skills for which people can gain recognition.
- 8.3.9 The language requirements associated with a qualification should promote multi-lingualism and allow learner choice.
- 8.3.10 Step up our efforts at the workplace to ensure that courses and materials are available in a range of languages, as well as to ensure there are multi-lingual facilitators of learning.
- 8.3.11 Multi-lingual models of communication need to be developed and used within the workplace.
- 8.3.12 We continue to develop a cadre of translators within the union movement.
- 8.3.13 We establish an Language Task Team, accountable to the EXCO, to develop guidelines to help us implement this policy, and to monitor the implementation process.

## **9. Telecommunications, postal service, and broadcasting**

### **9.1 Problem Statement**

**9.1.1 Given the racially skewed provision of telecommunications service by Telkom- where in black communities it is estimated that there is less than 1 phone line per 100 persons and for white communities there are about 60 line per 100 persons-there is clearly a an urgent need to re-regulate and restructure telecommunications if South Africa is to achieve racial equality and universal service.**

**9.1.2 The postal service is marked by acute disparities reflected in the uneven distribution of postal outlets and services. Postal outlets were and continue to be disproportionately located in former white areas, while black townships have inadequate facilities. The situation worsens from urban to rural areas, with the latter lacking essential postal services. This is compounded by the fact that an estimated 4 million households, are currently without access to street delivery or addresses.**

**9.1.3 In addition, the distribution of television sets, VCR machine and computers is uneven both in terms of geography and race. The net effect of this uneven distribution of communication infrastructure is the fact that the majority of our people lack access to basic communication infrastructure and remain excluded from the information society.**

## **9.2. Vision**

**9.2.1 We believe that transformation of the communication sector should be driven by the following objectives:**

- Expansion and development of South Africa's telecommunication facilities and postal services ;**
- The goal of universal provision of affordable telecommunication services to promote the empowerment of historically disadvantaged communities by providing necessary telecommunications postal infrastructure;**
- The emphasis on affordable tariff settings to promote universal service;**
- The emphasis on human resource development in the telecommunication and postal sector through the provision of direct government assistance and adoption of progressive human resource policy for the post office; and**
- The emphasis on the promotion of South Africa's telecommunications equipment supply industry.**

**9.2.1 This is in line with the RDP's aim to "provide universal affordable access to all as rapidly as possible within a sustainable and viable telecommunications systems..that is capable of enhancing, cheapening and facilitating education, health care, business information, public administration and rural development." Underpinning the vision of the RDP is the contention that communication is a basic right and should be extended to those who historically lacked basic communication facilities.**

**9.2.2 It is COSATU's long-held view that the restructuring of state assets must be guided by the priorities of society's reconstruction and development. In turn, the discussion about continued exclusivity for Telecom cannot be divorced from this overall understanding of state asset restructuring, as it has been the experience of many countries that their telecommunications parastatal have**

required many years of exclusivity in order to come into their own and develop the economies of scale which have enabled them to operate cost-effectively and become world competitors. State asset restructuring should therefore be informed by the need to meet basic needs and should not be informed by the ideologically driven – and empirically ambiguous – assumptions, such as, the belief that the private sector is more efficient than the public enterprises.

9.2.3 In our view a viable postal service is an essential vehicle of communication and vital to social and economic development. The key task is not restructuring ownership of the post office, but to transform it to provide services in an efficient and economic way as well as build its capacity. Priority should be given to eradicating internal inefficiency (including managerial inefficiency). In order to guarantee the basic communication service to all South Africans and expand postal services to historically underserviced communities. State ownership of the post office should be retained. Privatisation of the post office is not a viable option since this will perpetuate inequalities and result in job losses.

### 9.3 Policy Proposal

9.3.1 The Central Committee notes government (specifically the Department of Post, Telecommunications and Broadcasting) has published White Papers on Broadcasting and Postal Policy. The Federation jointly with the Communications Workers Union (CWU) should respond to the White Papers, including the envisaged Bills on Broadcasting and Postal Policy.

9.3.2 The Telecommunications Act (1996) enabled Telkom to secure an equity partner, established the regulator (SATRA); and created the Universal Service Agency. An audit is required to assess to what extent Telkom has met RDP objectives and areas where there are shortcomings. This should be a joint responsibility of the Federation and CWU.

9.3.3 The USA is currently engaged in initiative to establish tele-centres or community multipurpose centres. These centres are geared towards ensuring access to telecommunication; e-mail and internet facilities, and photocopy facility in various communities. These centres can be an important vehicle to disseminate information to workers, as well as increase access to the information superhighway to communities. The IT unit should be charged with the responsibility of engaging the USA and make an assessment of how the tele-centre can be useful for COSATU and its affiliates.

9.3.4 The Open Democracy Bill is on the eve of being tabled in parliament. It is a critical piece of legislation as it provides a mechanism to access information held by government bodies and private bodies as required by section 32 of the Constitution. The present version of the Bill does not give full effect to the Constitutional requirement, particularly access to information held by private bodies. COSATU should make a submission to parliament on the Bill with the intention of strengthening areas of weakness and consolidating positive elements of the Bill. Affiliates should study the Bill and ensure that

their comments are integrated in the submission. The Parliamentary Office should co-ordinate the process of developing a submission.

**9.3.5 In general COSATU lack a communication policy which among other articulate our vision for the transformation of the communication sector and the role that should be played by parastatal such as the post office, the SABC, and Telkom. There is an urgent need to develop a comprehensive and coherent policy on communication. The submission made on Postal Policy and Broadcasting should be used to develop a framework for COSATU's communication policy.**

Source: CoSATU Submissions on the Telecommunication Bill and the Gr. n Paper on Postal Policy

*Restructure Retirement Funds [this section should be merged with the social security section]*

*3.2 Government policy should also play a role in restructuring those elements of social insurance, which continue to be funded through the contributions of employers and workers, like the pension and provident schemes. Instead of having over 16 000 retirement funds – many of which were started as tax avoidance schemes – government should embark on a programme to re-regulate these various schemes and move towards a consolidated national fund.*

*3.3 This focus will facilitate the implementation of the RDP commitment to introduce “social insurance which includes compulsory private contributory pension schemes and provident funds for all workers, and state social pensions.” [Social schemes usually only provide temporary assistance and work best where they are underpinned by social assistance. By filling the often large gaps in social insurance, social assistance ensures that the most vulnerable are catered for].*

### **Retirement Funds**

The biggest institutions of social ownership are the retirement funds. Worth some R500 billion, a large part of their assets consist of worker's deferred wages in the form of savings for retirement. Retirement funds represent 35% or more of total savings in South Africa and provide about 60% of local finance to companies. The retirement funds are the major source of investment capital in the South African economy and own a substantial stake in hundreds of companies.

#### **Private retirement funds**

*3.1.1 Unions must exert more active influence over pension funds, having secured legislation requiring them to have at least 50% worker representation on their Boards of Trustees. This also provides union trustees with the opportunity to exert active influence over the companies in which the retirement funds are invested, with the aim of enhancing company governance, investment policy and social responsibility.*

- 8.1.2 COSATU should develop a clear policy on retirement which will benefit the most vulnerable, i.e. farm workers and domestic workers. **[The government should be encouraged, through its social security net, to contribute to these funds-meaning?]**
- 8.1.3 The Federation and the unions should develop a clear policy on how surplus should be distributed amongst the members of the fund whilst at the same time making sure that funds remain financially stable. The question of surplus percentage required by the law should be reviewed.
- 8.1.4 The Federation, together with the unions, should develop a policy which addresses the question of lump sum withdrawals and monthly pensions from the provident fund. In addressing this problem the principle of freedom of association by members of the fund should be taken into account.

*Source: Social Equity, September Commission, Policy Conference 1997*

## 8.2. State Old Age Pension

Social assistance is a non-contributory benefit that accrues to a citizen. The most important current benefit is the government old age pension that supports the large section of the rural populace and is South Africa's largest and most redistributive income transfer. It goes to about 1.6 million people and their dependants.

- 8.2.1 The Federation should engage in policy discussion with the state with a view to influencing the level of pension payments to the aged, dependants and the means test which is being used.
- 8.2.2 Administrative issues pertaining to method of payment, retirement age and eligibility age should form part of the engagement process with the state.

## 8.3. Government Employees Pension Fund (GEPF)/Public Servants

- 8.3.1 Funding of the government employees and public servants pension funds by national government departments should be reviewed in relation to contributions of members and the state into the fund as a means of encouraging ownership by employees.
- 8.3.2 Taxation of public sector benefits as it is presently applied should be reviewed with a view to maintaining similarities pertaining to taxation of the private funds.
- 8.3.3 Disparities which exist between private and public funds with regard to contributions to the funds by members and the state and withdrawal benefits which are not linked to contributions by members and retirement age must be rationalised.
- 8.3.4 None of the above should detract from COSATU's commitment to move to a Pay As You Go system for the GEPF**

## 8.4. Industry Funds and Workers Benefits

- 8.4.1 Lump-sum versus pension: The lump-sum from provident funds was achieved through the workers' struggle and it must therefore be the right of workers to choose.
- 8.4.2 No legislation should interfere with this choice.
- 8.4.3 Workers must be able to transfer their savings from one fund to another if they so choose.
- 8.4.4 Tax must be used to encourage industry funds to investment in the RDP.
- 8.4.5 There must be a top-up system to compensate workers for the recent tax changes regarding retirement funds.
- 8.4.6 We need to do research into union funds already existing to assist the implementation of the industry fund.
- 8.4.7 It is important that COSATU influence the training of the worker trustees on the Boards to ensure that they take forward union issues. This needs urgent attention because private companies are already providing this training without union influence.
- 8.4.8 Unions should have representation in Mutual Funds such as Old Mutual.

**8.4.9 COSATU needs to investigate the viability of moving to one national fund.**

## 8.5 Investments by retirement funds

### **8.5.1 Investment guidelines need to be drawn up for all union trustees, including some of the following principles**

- 8.5.1 The Funds should move from short term returns to looking more at long term returns.
- 8.5.2 This means that social investment must be incorporated into funds investment choices.
- 8.5.3 We should reject off-shore investments in favour of investing in SA (domestic investment).
- 8.5.4 The union funds should take the lead in prioritising social investment.
- 8.5.5 Prescribed assets requirements requiring that a certain proportion of funds have to be invested as stipulated, should be reintroduced by law. Prescribed assets should go into a centralised RDP fund controlled by workers.
- 8.5.6 A minimum of 10% of assets should be prescribed. During the apartheid era the figure was 53%.
- 8.5.7 To the extent that other RDP stakeholders contribute to the fund, they should also be represented in the structure.
- 8.5.8 The state has an obligation to meet RDP goals primarily from its own budget.  
**Investment by funds should complement this.**
- 8.5.9 Surplus assets of funds belong to members and not to employers.
- 8.5.10 An earlier decision to set up a COSATU administration company for these funds must be implemented.
- 8.5.11 As a matter of urgency, COSATU should call a meeting to consider a National Retirement Consultative Forum. [Clarify- there is already one.]

## **Maternity benefits [Rationalise with section 17 in labour market-repetition and some contradiction]**

- 9..1 We reaffirm our position that the maternity leave period should be 6 months and should be paid
- 9.2 The linkage of maternity payment & leave period in the negotiations should be handled carefully.
- 9.3 UIF to pay maternity in full.
- 9.4 Guarantee of employment to women who go on maternity leave.
- 9.5 The fund should also cater for adoptive parents.

## **Childcare**

- 10.1 Over 5 million children (90% of total), mostly from poor communities, are without formal care. This strongly disadvantages these children in later schooling, and contributes to the skill disparity between races. Childcare provision is a labour intensive service (about 275 000 potential jobs) and would contribute to the economic emancipation of women. Poor quality backyard creches which workers pay towards childcare is currently provided by the unemployed.
- 10.2. Childcare is a family responsibility that should be recognised and be paid for by the employer, including childcare leave for workers, including the right for time-off to attend to social activities that involve their children.
- 10.3 Unions should negotiate with employers to contribute to or build childcare facilities at workplaces (taking into account the dangers of hazardous environment), which will enable parents to be close to their children to ensure their healthy upbringing.
- 10.4 Employers should provide resources to ensure childcare facilities are adequately resourced, including competent staff. These facilities shall be controlled by workers and the community which is being served by these facilities.

## **10. Water Provision**

### **10.1 Problem Statement**

**10.1.1 Extending the right to access to water to all South Africans presents an enormous challenge. Research indicates that over 17 million South Africans live without piped water, the overwhelming majority being black people living in rural areas. To live without ready access to water is to live in poverty. The line which divides those with adequate access to water from those without also divides rich and poor, the hungry from the well fed, the line of race and privilege.**

**10.1.1 The RDP called for 'water security for all' and recognised the economic value of water and the environment, and advocated an economically, environmentally and politically sustainable approach to the management of our water resources and the collection, treatment and disposal of waste. The Constitution further guarantees the fundamental right to access to water and enjoins the state to take necessary steps to progressively realise this right.**

Access to water is a fundamental right, which must be extended to all citizens, especially to communities that have historically lacked access to water. We note the steps taken by government to extend access to water and reshape the legislative and policy framework governing water provision, mainly in the form of the Water Bill and the Water Service Bill.

## 10.2 Vision

10.2.1 In South Africa the challenge is to extend water and sanitation service to millions of people. To overcome the huge backlogs, government is required to play an active and developmental role in the extension of public services. In this context, water delivery needs to be state-driven and market assisted. If, as COSATU is proposing, direct involvement by the public sector in the delivery of water services and sanitation is to be prioritised this will require the allocation of sufficient public resources - including financial and institutional resources- for the purpose of building capacity for public delivery, particularly at local government level. Given poor financial position of many local governments it would be important that there be a clear commitment by central government to make resources available for developing the capacity of local government with regard to the delivery of water and sanitation services.

10.2.2 Further, the development of the capacity of local authorities and water boards with regard to water service delivery will have the effect of creating greater security of public sector workers engaged in this area and ensuring commitment to effective delivery. Contracting-out has become synonymous with insecurity and inferior wages and working conditions, and will lead to deteriorating industrial relations in this strategic sector.

10.2.3 Given the huge backlogs in and the massive inequalities in water provision, over-reliance on the private sector partnerships for the extension of water and sanitation is not a viable option for South Africa. We should learn from the devastating experiences of other countries that have followed the privatisation route. Flying in the face of the ideologically-based assumptions about the efficiency of private sector activity, concrete experiences of privatisation of water have shown that:

- Privatisation leads to monopolies rather than competition;
- Privatisation leads to domination by multi-national companies (in 1996 only nine companies internationally are active in the water sector);
- Privatisation is expensive as the savings from contracting-out usually disappear soon after contracting-out has occurred;
- Private companies engage in 'cherry-picking' choosing to provide services only in profitable areas with other areas left under-resourced and underdeveloped;
- Governments have to bear the social costs of privatisation (for example, with job losses, savings which were made through privatising a service are often

outweighed by an increased burden on government with regards to unemployment and social security payment)

- The quality of service frequently deteriorates after privatisation as governments will go for the lowest tender which creates the incentive for companies to cut corners on labour standards and standards of service; and
- The commercialisation of basic necessities such as water also leads to perverse situations (e.g. in 1995, after the privatisation of water service in Britain, there were water cuts because of under investment on pipe maintenance. In the same year, however, the companies involved paid out extra dividends to their shareholders on the basis that they had spent less money during the year than expected).

**10.2.4 Once all attempts for public service delivery have been explored, and compelling reasons shown for why it is not possible, can delivery of water services by an institution other than a public sector one take place. Where private sector delivery is relied upon (as an option of last resort), private activity must be strictly defined, that is, the length of contracts must be limited, private sector operators must be required to see to the extension of services to previously underserviced areas, and tariff and profit levels must be circumscribed and effectively monitored.**

### **10.3 Policy Proposal**

#### **Norms and standards for tariffs**

**10.3.1 The RDP envisaged a tariff structure incorporating the following elements:**

- A lifeline tariff to ensure that all South Africans are able to afford water services sufficient for health and hygiene requirements;
- In urban areas, a progressive block tariff to ensure that the long-term costs of supplying large-volume users are met and that there is a cross-subsidy to promote affordability for the poor, and
- In rural areas, a tariff that covers operating and maintenance costs of services, and recovery of capital costs from users on the basis of a cross-subsidy from urban areas in cases of limited rural affordability.

**10.3.2 Consistent with this approach, COSATU supports the principle that the Minister be empowered to regulate national tariff standards. Further, the Minister should be empowered to consider setting of maximum tariff levels in order to avoid runaway tariff increases by local authorities and the putting in place mechanisms to facilitate cross-subsidisation.**

#### **Setting minimum standards for service levels**

**10.3.3 Service levels relating to 'basic water supply' and 'basic sanitation' should be set at an appropriate level to ensure adequate access to water and sanitation**

facilities. In our view 'basic sanitation' should mean the prescribed minimum standards of services, preferably water-borne sewage, necessary for the safe, environmentally friendly, hygienic and adequate collection, removal, disposal or purification of human excreta, domestic waste-water and sewage from households, including informal households. On the other hand 'basic water supply should mean the prescribed minimum standard of water supply service, of at least 50 liters free potable water per person per day, necessary for the reliable supply of a sufficient quantity and quality of water to households, including informal households, to support life and personal hygiene. In this way, communities could be assured of a minimum standard, which has major health, environmental, economic and social benefits. These standards could only be varied upwards by ministerial regulation.

#### Regulation of water use by industrial users

10.3.4 COSATU support the principle that water should not be obtained for industrial use without the approval of a water services authority (local authorities) and that industrial effluent should be disposed of in a manner other than approved by such an authority. We have expressed our concern in Nedlac that phasing-in of such control over a five year period may delay the process of equalising access to water.

#### Supply of water services by industrial users

10.3.5 While COSATU reiterate the basic principle that water provision is the duty of local government, there are circumstances in which industrial users in control of non-municipal water supply infrastructure (for example mines) could assist in the supply of water service.

#### Licensing

10.3.6 In terms of the National Water Bill the responsible authority is under no obligation to immediately put in motion the process of preparing a sharing for water use allocation and compulsory licensing. This legislation simply states that this process can be put in motion if the responsible authority considers it desirable in order to achieve one of a range of goals. It could take many years for the responsible authority to put this process in motion. This could have serious implications for goals of equitable access to water and redress for past discrimination. There needs to be some requirement on responsible authorities to prepare a schedule for water use allocation within a specified time frame.

#### Renewing and reviewing licenses:

10.3.7 The National Water Bill makes provision only for reviewing a license at the time periods specified in the license. This could lead to a situation where a

license is issued for a certain time period, but before that time period is up, the responsible authority recognises that in order to meet some of the other goals of water allocation (for instance, redressing past discrimination, ensuring equitable access to water, or any other criteria), water use should be differently allocated. They could be prevented from reviewing the license issued for a number of years.

10.3.8 The only made for an early renewal or amendment of the license is if the license requests it. There are strong incentives for the responsible authority not to amend the conditions of the license, even if he/she thinks that this is necessary in order to protect water resources, ensure equality and so on, because compensation will to be paid to the licensee if changes to the license destroy or severely prejudice the economic viability of any undertaking for which the license was originally issued. COSATU would oppose any attempt to make this requirement less restrictive.

#### Tradability of rights

10.3.9 Labour is strongly opposed to the idea of water rights being traded. We believe that if a situation is allowed to develop where profits are to be made from water, this will make water less accessible to poorer communities. During this period of reconstruction and development it is important that water regulatory framework be clearly defined in terms of public interest imperatives and no loophole should be allowed to exist through which narrow private interest can begin to dominate a new, and as yet, untested system of national water regulation. We are firmly, of the view that at present in South, all water has social benefits, and needs to be allocated, by the responsible authority on that understanding.

# TRANSFORMATION OF THE PUBLIC SECTOR

## Vision

1. *At the centre of Public Service Transformation is the need to meet basic needs of ordinary people as articulated in the RDP. The White Paper on Transformation of the Public Service proposes a number of strategies in the quest to improve service delivery and meeting basic needs. The public sector is the main vehicle for people's rights enshrined in the Constitution to become a reality: access to housing, health care, education, food and water, transport and a social safety net, and a range of other services. [NEHAWU]*
2. The public sector is a major economic agent in our economy and a development tool. It is a major consumer and producer of goods and services, and a major investor.
3. *COSATU rejects the concept of a 'lean state'. We call for a proper audit of needs of communities, personnel numbers and staffing levels, skills level and distribution before any decision is taken on the size of the Public Service. [NEHAWU]. The public sector is a major employer. Given high unemployment, we reject the idea of a lean state. The public sector should become a model employer by closing the wage gap, providing training and skills, using labour intensive technology where possible, and establishing workplace democracy and participation.*
4. *There should be greater decentralisation of operational functions within government institutions, whilst retaining the policy co-ordination at central level. This enables managers and workers at grassroots level to produce a dynamic, effective and responsive public sector. [NEHAWU]. There should be greater rationalization, down-sizing and flattening of the bureaucracy within government institutions. This will enable managers and workers at grassroots level to produce a dynamic, effective and responsive public sector.*
5. *Public-Private sector Partnerships (PPPs) are an interim necessity where the state does not have the capacity to deliver services. The operation of PPPs must aim to enable the state to mobilise resources and build capacity. [NEHAWU]. We reject the argument that most state services or providers of public goods should be privatised in order to be efficient. Private operators demand profits, which adds to the cost of services.*
6. *The state must, therefore, outline the responsibility and obligations of the private sector which is to render the service that is envisaged. Thus set in place the mechanism to monitor and evaluate such functions. [NEHAWU]. We need public service that is transformed and restructured which has as its objectives efficient service delivery, RDP delivery and not profits.*
7. *The state must set timeframes for such partnerships, during which time the state should develop the necessary capacity and skills to take over such service, this means that this process should be kick-started by PPPs but eventually be solely run by the state. [NEHAWU]*
8. *Part of the obligations of the private sector should be to develop the capacity and skills for the service to continue at the time of the hand over (this should include*

*progressive skills transfer to the formerly disadvantaged and assist with affirmative action in this regard. [NEHAWU]*

9. *The partnerships should not compromise the RDP principles. One of the conditions for such PPPs would be, that the financial cost to government for such partnerships should not prevent the realisation of the RDP as envisaged above. [NEHAWU]*
10. **We reject the argument that most state services should be privatised in order to be efficient (private sector's motive is profit making and such profits benefit individuals and not the population particularly the rural poor). [NEHAWU]**

**Our approach should be guided by the following (change to Principles and Objectives) [NEHAWU]:**

1. Sectors that address essential needs should remain within the public domain, for example water, electricity and key local government services;
2. Sectors that are essential for meeting basic needs, but that are dominated by the private sector, should be brought into the public [arena, for example housing, public transport and waste removal] replace with ownership; [NEHAWU]
3. **The public sector needs to be dramatically expanded in critical areas of delivery where the public sector inherited from apartheid was geared towards delivery for the minority. This does not detract from the objective to reorganise and reduce unproductive bureaucracy and uproot 'ghost workers'.**
4. In certain sectors compromises can be made, but should still be controlled by the state, for example Telkom and SABC.
5. Strategic sectors such as ports, energy and development finance institutions (DBSA, IDT) should be owned and controlled by the state.
6. The level of services and activities we want should determine the public sector's size. Transformation of the public sector needs investment, not across-the-board budget cuts. Any cuts must be part of a plan to reprioritise public sector spending.

(DELETE PARAGRAPH 3-6) [NEHAWU]

**A national strategy for the public sector (change heading to "Structures that drive the Transformation of the Public Sector) [NEHAWU]**

**General Points to be considered :**

- **There is a need for a strategy to address the ill-discipline of members of Cosatu's Public Sector affiliates and of those members from the non-public sector unions who may be holding positions in the public sector, e.g. elected councillors etc. (transfer to the vision) [NEAHWU]**
- **There is a tendency of localizing problems within affiliates and not address issues within the federation as a whole**
- **A need to understand the current laws and ordinances and change them if need be as old laws were not aimed at delivery.**
- ***There is a need for the coordination of the public sector transformation in the Federation to facilitate the sharing of information and strategies and to have a***

- *uniform and coherent approach. There must be regular reports on the progress and monitoring mechanisms that enables the ordinary shop stewards to utilise the policy and agreements at all levels. [NEHAWU]*
- *Such coordination must be structured and federation into alliance structures. [NEAHWU]*
- *The main objective of the coordination structure must be to monitor, evaluate and drive transformation at all levels up to the level of the alliance and the communities at large. Noting that the Public Service should be accountable to the communities it serves as enshrined in the RDP. [NEHAWU]*
- *COSATU participation within the Alliance Transformation co-ordination committees should not be without the participation of the relevant affiliate within the specific sector of the public service. [NEHAWU]*
- *The co-ordinating structures must be accountable to the relevant constitutional structures at the appropriate levels. [NEHAWU]*

*Terms of Reference:*

- *To deal with legislation and governance policy;*
- *Defending existing progressive policies and gains;*
- *To monitor service delivery and progress;*
- *To strategise and defend gains in transformation;*
- *To implement appropriate restructuring of institutions and enterprises;*
- *Should influence political appointments, i.e. appointments of directors and others;*
- *Ensure that government maintain its bias towards the working class in practice;*
- *Prevent further sabotage by reactionary old bureaucrats that stand in the way of transformation;*
- *Time frames for transformation should be fixed and definite; and*
- *Structures need to be developed up to institutional level. [NEHAWU]*

*COSATU should:*

1. Adopt a proactive unionism approach to public sector transformation. This will involve building a public sector that can deliver efficiently and effectively while defending the interests of public sector workers.
2. COSATU and affiliates should engage with the process and try to lead by co-owning the transformation project. This means taking responsibility for co-managing transformation, including taking into account budgetary constraints, redeployment, retrenchment of ghost workers and improving productivity and service delivery.
3. Develop a bold vision of a transformed public sector and develop a more concrete and specific vision for each sub-sector.
4. Develop a common vision and programme for public sector transformation with its Alliance partners;
5. Dedicate its top leadership to this issue.
6. Ensure that government projects a new positive vision of the public sector's role, with reform rather than privatisation as the central thrust.

7. Empower its local and regional structures to engage with the relevant Alliance and government structures on public sector transformation at the provincial and town council levels.
8. Adopt the goal of a large, motivated and modestly-paid public sector.
9. Develop criteria for procurement and PPPs, demand representation on all structures that take decisions on this and train representatives to be effective. The aims of this include extending labour standards, workplace democracy and training. Options for partnerships with NGOs and community or worker-based cooperatives should also be investigated.
10. Investigate an Alliance campaign to draw up a Citizens' Charter on the public's right to effective service delivery.
11. **A code of conduct for public service workers needs to be agreed and published**, which demonstrates our commitment to transformation and delivery. This could be based on NEHAWU's code. A code should also place obligations on management and government.
12. **Government and labour should negotiate a National Framework Agreement to transform the public service. The terms of reference suggested in COSATU's submission to the Presidential Review Commission should serve as a basis for such a framework.** This include an approach to the rightsized of the public service, the role of the public service transformation forum and service delivery.
13. **COSATU should respond to the Presidential Review Commission Report on restructuring the public service. All public sector unions should interrogate the report in order to shape COSATU's response to the report.**
14. **There must be implementation of the positive legislation already in place. Monitoring procedures must be put in place to assess progress and speed up the changes where necessary.**
15. **A full audit of staff and resources and a review of where service provision is lacking and needs to be improved. Restructuring, reallocation of resources and fiscal equalisation all need to be informed by such an analysis, and not simply be budget driven.**
16. **There must be a broad mobilisation of workers, service users and communities. This should be seen as part of the popular movement for transformation.**
17. **There must be a concerted drive to transform management of our public service. The NEHAWU model for the " Transformative Manager ", set out in their strategy document on Transforming Public Sector Management must become the basis for management training, recruitment and assessing individual managers.**
18. **There must be the systematic training and retraining to transform current public sector management and administration practices. Bureaucracy that currently obstructs, must be transformed into efficient administration and committed leadership. A professional institute is needed to advise, develop best practice and give training and practical assistance to managers.**
19. **There must be action to end corruption in all its forms - such action to include effective management interventions, staff surveys, education, publicity, partnerships and, vitally, strategic leadership from the Alliance.**

**Corruption is no a political issue, with those involved in it and those seeking to discredit the ANC forming an unholy alliance aimed at reversing our democratic gains. All progressive forces must join together to eradicate corruption from the public service.**

20. **Human Resource Development should be undertaken with a major drive to improve basic literacy and functional skills and capacity-building in general.**
21. **Joint campaign by the Alliance structures, in particular within communities, to explain what is being done and what needs to be done in the future. The involvement of the civics and other communities will be vital if service providers are to be accountable, and if the services are to be geared to meet the need of communities.**
22. **These strategies should be taken into a Service Delivery Conference with the view to consensus being achieved and a broad movement formed to achieve agreed goals. One of the achievements of the conference must be the production of a Citizens Charter that will give rights to users of services and set standards that all can work towards.**

### **Strategies for various sectors**

1. COSATU's public sector affiliates should develop a vision for their sub-sector and a concrete programme to achieve this, with specific goals and timeframes. This would form the basis for mobilisation, alliances or negotiations. COSATU should participate in this process.
2. The federation needs to develop a framework policy on PPPs which will guide affiliates.
3. Public sector affiliates should develop guidelines for union rights in the workplace, for transformation forums, and for workplace democracy.
4. Public sector management should set criteria for devolving authority to local institutions, for example a hospital. Public sector affiliates should ensure these include workplace democracy, union rights etc. Devolution of authority should not be allowed to undermine centralised bargaining.
5. Public sector affiliates should develop policy on grading, work organisation, training and career paths for their sectors.
6. COSATU should coordinate all affiliates with members in parastatals in developing a vision and spearheading a strong negotiating programme with government. This should form part of the Alliance programme.

### **Institutional transformation**

Apart from broad public sector transformation and sectoral transformation, it is important to also develop and implement strategies for transformation at the micro-level — the hospital, the school, the local police station, town council and post office. **Conditions of employment of public sector workers needs to discussed and negotiates at the Public Sector Chamber.**

This should include the following:

1. Each public sector affiliate should target certain local institutions in its sector for developing a model for transformation.
2. Affiliates should help shop stewards in these institutions begin discussions with their members, and consult other employees and managers, with the aim of drawing up a programme for transformation and improved service delivery.
3. This programme should be taken to the transformation forum and negotiated with all stakeholders. It could also be a basis for negotiation with the relevant government department.
4. COSATU and affiliates should ensure community involvement in shaping the transformation programme.

### **Public Sector Bargaining**

**With the LRA, collective bargaining was extended to the public service as part of a unified labour relations dispensation. A Public Service Co-ordination Bargaining Chamber (PSBC) was recently established. The main role of the PSBC is to develop a national framework within which sectoral bargaining (for instance education and the police) should take place. In addition, the South African Local Government Bargaining Chamber was recently established for centralised bargaining for local government. Furthermore, the LRA makes provision for the public service to participate in relevant private sector collective bargaining arrangements. These changes have thrown new challenges to the labour movement, including:**

- **The need to co-ordinate collective bargaining for public sector workers.** For example, local government bargaining takes place in a different chamber to the public service. This may hamper transfer of staff from provinces to local government and vice versa. Such redeployment is essential for instance in the District Health System. The conditions of employment vary from provinces and local government as they are set by two distinct bargaining arrangements.
- Whilst the LRA provision for the public sector to participate in relevant private sector bargaining arrangements holds the possibility of securing uniform labour standards, the full implications of this provision should be analysed.
- The existence of provinces and the devolution of power to heads of department via the Public Service Laws Act (1997) further complicates collective bargaining in the public service. There is ambiguity in terms of who is responsible for employing public servants, and who is responsible for policy development. The recent teacher debacle is indicative of this problem. This requires a clear strategy to ensure that collective bargaining is not fragmented in the public service. It is necessary to ensure that mandating processes are tightened up, and that government negotiators have clear mandates.

### **Capacity building**

Public sector unions and COSATU lack the capacity to take forward all the above proposals in a consistent way.

1. Public sector affiliates should develop policy on transformation in general and, more specifically, on staffing levels, work organisation, grading, training and career-pathing, and workplace democracy.
2. Affiliates need to develop experience and expertise in implementing transformation policies. Every affiliate should set up a project team to focus on transformation in its sub-sector. This team should identify issues and drive the transformation programme at micro-institutional, sectoral and provincial levels. This should include targeting a small number of workplaces or institutions for pilot projects. The project team should include national, regional and local officials, and shop stewards.
3. COSATU should build capacity to develop policies on tendering, private sector partnerships, and train representatives in the relevant structures.
4. COSATU should continue to work with Naledi to develop strategies on restructuring state assets. Its focus should be on parastatals and industrial strategy, service delivery, the role of PPPs, **alternative forms to privatisation**, stakeholder participation and workplace democracy.
5. Coordination should be developed within affiliates, across public sector affiliates and across all affiliates dealing with parastatals or state assets. COSATU should also develop its coordination capacity in relation to the public sector at national, regional and local levels.
6. The Alliance is a powerful resource for COSATU. COSATU should focus on building the Alliance around a public sector transformation programme.

*Source: September Commission*

7. **Some Public Sector Unions are new and need education on trade unionism**
8. **Bosberaad by Cosatu and Public Service affiliates needs to be convened to develop a hands on program as to the transformation of the Public Service**
9. **Cosatu Council's need a joint forum to discuss issues and joint strategy**
10. **Deployment of capable comrades who will ensure public service delivery**
11. **The Alliance Task Team looking into public sector transformation will need to establish structures and processes that will ensure the desired transformation.**

## Sustaining and Building the Public Service

### Policy Proposals

*South Africa cannot afford to discount the role of the public service in developing its employment strategy, and the public service in South Africa needs to be fundamentally restructured. Creating the conditions for a sustainable public service will pave the way for public sector job creation and retention.*

Policies which should form part of an overall employment strategy:

1. *Create the conditions for sustaining the public service.* This should not mean rolling back the size of the public service. Lower interest rates, restructuring the taxation system, and reducing the burden of the apartheid debt are all policy measures which can dramatically increase the sustainability of the public service.
2. *Restructure the public service.* The structure of the South African public service must be changed so as improve the quality of public employment. Employment equity policies within the public service should serve as a model for the rest of the economy. Training and building a stronger skills base should be on-going for public service employees. Hierarchies within the public service should be collapsed and the wage gap should continue to be narrowed substantially. Equal access to employment opportunities must be ensured and the degree of employment security increased. Finally, a solid system of management accountability must be put into place to assure an efficient delivery of resources.
3. *Resources need to be re-deployed to decrease the number of those employed in unproductive functions,* and increase the number of those involved in service delivery.
4. *Participatory medium-term expenditure planning.* The evolution, development, and extension of the public service requires the creation of effective planning instruments and budget processes. The need for a multi-year planning tool to ensure the effective development of the public service must be recognised, and an alternative medium-term budget framework developed in which employment creation is directly incorporated.
5. *Focus on local government.* The roots of the financial crisis in local government must be investigated and addressed to prevent further erosion of the situation.

*Source: Labour proposals to Job Summit*

## 25 June 1998

### Local government

#### 1. Problem Statement

**1.1 Apartheid created local government structures along racial and ethnic grounds.**  
A plethora of legislation such as the Groups Areas Act, supported this racially skewed approach to spatial planning. Underlying the apparent division of cities along racial grounds, however, there was an integrative logic based on a colonial relationship between formerly white and black areas. This saw all commercial and industrial activities located in White areas. This has resulted in uneven capacity to deliver service and infrastructure between white and black areas. The 'apartheid city/town' was characterised by residential and economic segregation; compartmentalisation into separate racial units presided over by racial local government systems; and services were unevenly supplied and poorly located and promoted urban sprawl.

## 2. Vision

**2.1 The transition to democracy, particularly the first non-racial and democratic local government elections opened up the space to redress apartheid inequalities. Formally the transitional arrangement for local government came to a conclusion at the end of 1999. A new institutional framework has been developed in the form of a White Paper on Local Government which is informed by the constitution. Our vision for local government is informed by the following:**

- **Creation of non-racial, unified municipalities, supported by a single tax and economic base;**
- **Overcoming apartheid driven spatial development and planning;**
- **Democratising local governments for popular participation;**
- **Addressing the infrastructural backlogs, particularly in black communities; and**
- **Improving the quality of service and redirecting resources to areas that were historically under-served.**

**2.2 The role of local government should be located within the developmental role of the state. The RDP is a programmatic expression of the role of the state in addressing the legacy of the past in society's reconstruction and development. The Constitution defines the primary role of local governments as the provision of essential municipal services – water, sanitation, electricity, etc. to all citizens. The secondary role of local government is to promote economic and social development, and to participate in national and provincial development programmes. These two interrelated roles form the developmental role of local government. The developmental role of local government is succinctly expressed in the White Paper on local government which conceptualises the developmental outcomes of developmental local government as (a) provision of household infrastructure and service; (b) creation of liveable, integrated cities, towns and rural areas; and (c) local economic development. COSATU supports the developmental vision mapped for local government in both the Constitution and the White Paper.**

**2.3 Further, the status of local government is enhanced in the Constitution, and local government are recognises as a distinct sphere of government autonomous from and inter-related to provincial and national government. The recognition of local government as an explicitly political sphere of government requires Councillors to play an active role in running the affairs of the municipality and deepening local democracy.**

**2.4 In addition, recognition of local governments as a distinct sphere of government has implications for service delivery. Municipality can decide to deliver services themselves; ask another municipality or parastatals to deliver services on their behalf, enter into partnerships with the private sector or privatising municipal service. While this introduces an element of flexibility in the way municipalities operate, if not checked and located within national frameworks it has the danger to fragment service delivery; opens the space for municipalities to privatising municipal service.**

**2.5 COSATU firmly believes that essential municipal services should be provided by local government or the public sector in general. The capacity of local**

government should be enhanced by both provincial and national government to enable local government to deliver essential service. There must be a recognition of the effects that apartheid had on the face and form of local government institutions – bloated management systems, excessive hierarchies, etc. Necessary steps should be taken through for example dynamic human resource development; increasing managerial efficiency and accountability; organisational development and transformation, to build the capacity of local government to be able to deliver services.

2.6 Policies that weaken the capacity of local governments to deliver services in the long term become self-fulfilling prophecy on the inherent inefficiency of the public sector. This will serve as further justification to hand-over municipal services to the private sector. The role of the private sector, in the form of financing and direct service delivery, in local government has gathered momentum recently. The most favoured form is the public-private partnership (PPPs). The motivations for PPPs are among others, that it mobilises capital, management capabilities, technical skills, etc. However, the alleged benefits of involving the private sector in municipal services are not automatic. In any event, many perceived benefits of private sector involvement are to be found in the public sector at the moment. Local government and other parastatals were able to deliver top quality service to sections of the population. We caution against the haste to involve the private sector in direct service delivery without first ascertaining exactly what impediments exists and the strengths of local government capacity.

2.7 Private operators invariably require ‘market relate’ returns –i.e. profits. This frequently adds to the cost of service provision, and excludes those who cannot pay the service charges necessary to generate profits. Therefore a private sector-driven approach to service delivery will deny services to the majority of the poor and will concentrate services in affluent areas. In our view local government service delivery must be informed by:

- The need to extend services to areas which were historically neglected;
- The need to retain core essential services within the public domain;
- Communities’ universal right to municipal services; and
- Human resource development to enable public servants to deliver services in an efficient manner;
- A financial framework with a strong redistributive element.

2.8 Where the private sector and NGO’s are required to play a complementary role to local government service delivery, this must be within a clearly defined regulatory framework, which among others guarantees all citizens a ‘life-line service. A strong argument is put forward for the introduction of a regulatory framework to ensure that private sector involvement (including via PPPs) involvement in local government is strictly monitored and regulated. Where such a framework to emerge, it must make it mandatory for consultation with workers and communities, and lay down a criteria to be met by private sector. This could include the building of capacity within local government, and in addition have the following basic elements:

- A commitment to technology transfer to build the capacity of local government;

- Adherence and adoption of appropriate labour standards;
- Training and education for workers;
- Clearly stipulated contract period;
- Environment and social impact study; and
- Life-line service.

2.9 Local governments are expected to play an increasing role in economic development through their local development plans. However, local economic development should occur within national development programmes. Therefore, local governments should be discouraged from adopting policies that contradicts national policy, for instance attracting investment by eroding labour standards. Local government should draw local economic development plans or integrated development plan with clear objectives, targets, and timeframes. Local economic development should be directed towards:

- Infrastructure investment;
- Job creations;
- Improving service delivery;
- Human resource development;
- Integrated spatial planning to discourage urban sprawl and promote densification which should result in locating communities closer to the work place;
- Implementation of a progressive procurement policy.

2.10 Further, local government funding by national government has to improve. National deficit set by central government currently hamper the ability and capacity of local government to carry out its obligation in terms of the Constitution and the RDP. (SAMWU)

2.11 The proportion of funding from the fiscus to local government is totally inadequate to fulfill its developmental functions. Therefore, we call upon central government to increase the proportion of funding to local government. (SAMWU)

2.12 South Africa has huge infrastructure backlogs in both urban and rural areas. The poor bear the brunt of shortage of infrastructure such as roads, clinics and schools. Municipalities play a significant role in the provision of infrastructure such as roads, electricity, etc. National and provincial government also play significant role in infrastructure development. The Consolidated Municipal Infrastructure Programme (CMIP) administered by the Department of Constitutional Development is an important capital grant that can top-up municipal resources for infrastructure investment.

2.13 The Municipal Infrastructure Investment Framework (MIIF) guides local government infrastructure investment programmes. However, it proposes relatively low basic service levels to be provided over a ten year period, based on the argument that there are insufficient funds currently available to provide a higher level of services, and that poor consumers will not be able to bear the recurrent costs of a higher level of service.

2.14 The MIIF has however, failed to factor in additional benefits – such as public health, environment and macro and micro-economic multipliers, gained from higher service levels, and has therefore overplayed the net capital cost to the

fiscus of providing high levels of infrastructure. It does not take into account the possibility of subsidising recurrent costs through cross-subsidisation on progressive tariff in wealthier areas.

2.15 Further, the 'basic service' contemplated by MIIF are not merely emergency services (piped water or portable toilets in slum settlements that are without water or hygiene facilities at present) but are more fundamentally permanent development policy. By emphasising cost-recovery, the MIIF effectively tie the provision of infrastructure to level of income. Therefore the MIIF has contradictory goals of providing universal service as well as meeting predetermined fiscal deficit targets. This suggest that that the poor should be provided low quality service because of cost recovery and ability to pay considerations.

### 3. Policy Proposals

- 3.1 COSATU should ensure that the state invests in rural areas.
- 3.2 Local authority budgets must be restructured to address the historical imbalances of the past.
- 3.3 Alliance structures must be involved in the LOD'S and monitor progress in local government.
- 3.4 Local government remuneration must be looked at within a broader context, for example, it should be compared to private sector remuneration. At the same time inflated salaries of local government officials may have a negative effect on local/municipal development. Salaries should be weighed up against the need to promote local development. "Restructuring and consolidation of the current ward system. We currently have many councillors due to ward demarcation. Councillors should be full-time in order to ensure transformation." (T&GWU)
1. Local authorities should set aside money to develop both staff and councillors to address the skills flight that may be possible with the above position being adopted.
- 3.6 Local government funding must be reviewed to fall in line with the needs of a democratic state.
- 3.7 Exodus of ex-unionists to local government must be located within the context of state transformation.
- 3.8 There is a need to address the question of deployment of cadres from the labour movement to advance the state transformation programme.
- 3.9 Government should be engaged to ensure that they open the MIIF to public discussion so that that appropriate service levels are set;
- 3.10 We note the government is in the process of developing a regulatory framework for public-private partnerships. There should be discussions to establish where the process is and call for a public process to allow for public input on the framework.
- 3.11 COSATU should develop a clear position on the models of local government envisaged for metropolitan and district areas. Further, COSATU should develop an approach on the proposed electoral system for local government contained in the White Paper.

- 3.12 We note that government is in the process of developing a Municipal Systems Bill. The Bill will deal with employment equity, municipal finance, access to information held by local government. We need to engage the Department of Constitutional Development on this issues.
- 3.13 COSATU should actively participate in the local government National Consultative Forum (NCF) which is a structure between alliance partners ANC ministers responsible for local government at provincial and national levels and ANC Councillors.

*Source: 1997 May Policy Conference and COSATU submissions on the White Paper on Local Government and the Local Government Discussion Document.*

## State Asset Restructuring

### *Vision*

1. *The ANC a liberation movement has propagated according to the Freedom Charter the nationalisation of the commanding heights of the economy in the country. The ANC-led government is contemplating privatisation in strategic sectors in violation of the National Framework Agreement.*
2. *Any restructuring of state-owned assets must work in the interest of the working class and be in line with the objectives of the mass democratic movement.*
3. *The restructuring of state-owned assets should focus on efficient, effective, affordable and acceptable delivery of quality services, and the basic needs of all the people of South Africa.*
4. *Any restructuring of state-owned assets undertaken by the state must arise out of consultation and agreement by the labour movement and local communities.*  
[NUM]

## Policy proposals

1. *The ANC must always get proper mandates positions from its alliance partners on the policy of privatisation;*
2. *The principles of transparency and full disclosure of information must be adhered to.*
3. *COSATU must oppose privatisation, particularly in the following strategic sectors:*
  - *Electricity supply*
  - *Public transport;*
  - *Telecommunications;*
  - *Postal Service;*
  - *Water supply;*
  - *Mineral rights*
  - *Social Service (education, health and social welfare);*
  - *Security services; and*
  - *Housing*

4. *The government needs to ensure that the needs and interest of the working class are pursued by taking an active role in terms of ownership and regulation in the following sectors:*
  - *Financial services;*
  - *Eco-tourism;*
  - *Mining; and*
  - *Agriculture. [NUM]*
1. COSATU should consider SAMWU's proposals on alternatives to privatisation. This should be looked at within the context of the COSATU existing position on the Restructuring of State Assets.
1. COSATU calls for a moratorium on wholesale privatisation.
2. In considering state asset restructuring, *a sectoral approach is needed and the linkages between state asset restructuring and industrial policy more fully explored* (e.g. restructuring of Transnet must take transport policy into account). Such an integrated approach to restructuring will ensure that economic development is directly linked to employment creation objectives. Restructuring of enterprises must also be approached in a holistic manner, and not on an individual basis.
4. Clearly when restructuring state assets, the government must play a critical role. *Whether interventions require state ownership should be determined for each enterprise within an integrated framework. Restructuring of state assets can be directly linked to job retention, job creation, and job enhancement objectives.* Elements of a restructuring programme which promote these goals include:
  - 4.1 *Employment equity.* In restructuring state enterprises and parastatals, ensuring employment equity and affirmative action within the organisations can be used to improve access to jobs.
  - 4.2 *Investment and training.* Retrenchments should not be used as a tool for improving productivity and the performance of state enterprises. Instead, capital resources must be mobilised within a medium-term time frame in order to re-tool South Africa's public corporations. Training of employees should occur to ensure that the skills-base of these institutions is also restructured.
  - 4.3 *Employment impact assessments.* All restructuring processes should be required to produce a medium-term (4 - 6 years) assessment of the impact of the proposed restructuring on job retention and creation, produced by an independent agency. The proposal must then be modified accordingly. This should include private sector suppliers and other PPP's.
  - 4.4 *Job retention and employment security policies.* As part of the restructuring process, an explicit policy statement of how the restructuring proposal will contribute to job creation or ensure job retention must be developed. A social plan must be provided where retention is regarded as impossible.
  - 4.5 *The Central Committee notes and objects to the failure of certain Ministers to adhere to the terms of the NFA, and adoption of unilateral initiatives by government which should have been tabled at the NFA, such as the Protocol of Corporate Governance for State Enterprises. To arrest this development an urgent review of the NFA process, including breaches by government, should be*

undertaken. An ultimatum needs to be issued by labour for government to adhere to the terms of the agreement.

*This urgent review must be preceded by a balance sheet drawn up by Cosatu on the current privatisation programme and the role of the unions in it.- NUMSA*

- 4.6 The Presidential Review Commision proposes the abolition of the Ministry of Public Enterprises. The possible danger of this is the further fragmentation of the state asset restructuring process, where each minister will determine processes for each sector. The question is whether the CC wants to oppose this, and call for the retention and redefinition of the role played by the Ministry, in order to address the concerns raised by the PRC, at the same time as defending the integrity of the restructuring process.
- 4.7 We further note that the National Empowerment Fund (NEF) Bill is on the eve of being tabled in parliament. The Bill will establish the National Empowerment Fund to issue shares to individuals and business to consortia from historically disadvantaged communities. To date there has been no discussion with labour and COSATU in particular. COSATU should develop a position on the NEF, and ensure that this is discussed in the structures of the NFA.

*Source: Labour proposals to Jobs Summit and 1997 May Policy Conference*

- 4.8 *In implementing this, COSATU should look at how activities of different enterprises can be realigned and what is considered as non-core by one enterprise can be a building block for new parastatals or can be transferred to other parastatals.*
- 4.9 *As part of its expansion programme, COSATU must investigate the establishment of a financial parastatal.*
- 4.10 *As a way of transforming parastatals, labour must advocate the policy of worker reps on the board of directors. These worker reps should act on the mandate of the union and pursue a transformation agenda.*
- 4.11 *This policy of having worker reps on the Board of Directors should apply all companies where the state has majority shares, even if this is through the IDC.*
- 4.12 *Any rationalisation that takes place should not affect the delivery of services.*

*Source: NUMSA*

# THE ALLIANCE TRANSFORMATION PROGRAMME

## *1. The Alliance National Programme*

### *Vision*

*The Alliance needs two things:*

- *Firstly, a popular transformation programme that is aimed at taking the RDP forward, with clear strategic priorities, broadly supported by other progressive social forces and able to achieve political hegemony in society.*
- *Secondly, the organisational capacity and political will to drive this popular transformation programme in such a way that it can unleash a sustained mass mobilisation and participation in the transformation process.*

*The RDP remains the transformation programme of the Alliance. What we need now is to agree on a coherent strategy for implementation. This strategy needs to be based on the identification of core areas which constitute our strategic priorities in our qualitative move towards a comprehensive implementation of the RDP, particularly in the socio-economic sphere. These core areas should not be a wish-list, but a carefully thought-out identification of strategic areas which, if implemented, will tilt the balance of economic power in favour of popular democratic forces.*

*This strategy should give the emerging national democratic state and supporting institutions strategic leverage over areas of investment, production and service delivery. The combination of supply-side measures to boost production and industrial performance; the effects of rising demand in the economy as a result of improvements for the majority; and mechanisms by the state to target investment in job creation, would all be part of this coherent strategy to reduce inequality and attack poverty. Fiscal and monetary policies, transformation of public service, restructuring of state enterprises and labour market policies would all be realigned to facilitate the implementation of this strategy. Instrumental to the success of this strategy is the need for a strong social security that is part and parcel of the creation of a social wage. At the same time, they should raise effective incomes and create basic services for the poorest 70% of the population.*

### *Proposal*

#### *1. Processes and mechanisms*

- 1.1 *The Alliance should reach a consensus on the transformation programme on strategic issues, as well as a programme to implement these at different levels of government and civil society.*
- 1.2 *This process will be driven by a political centre that includes the leadership of Alliance who will have to meet from time to time with those in government at all*

levels, particular in Executives. This should include meetings with those serving in strategic positions in other state institutions.

1.3 *The Alliance should openly mobilise people for the popular implementation and including the building of a popular movement for transformation (PMT) in defence of the agreed upon programmes in Parliament, at NEDLAC and in other spheres of governance.*

1.4 *The Alliance Transformation Programme would spell out what the priority tasks of social transformation are, and what strategy is needed to carry out these tasks. To be viable, this would need an integrated policy package and institutions that would lay a solid platform towards a comprehensive implementation of the RDP.*

1.5 *This approach involves collective decision-making and shared responsibility. It requires a high degree of co-ordination and on-going consultation in order to ensure that the process is managed effectively, given the fact that there will, from time to time, be differences in nuance and approach.*

## 2. *Core areas of the Programmes*

### 2.1 *Transformation of the state*

- *The need for a developmental, democratic and interventionist state that has a central role in the political and socio-economic development. (This should include amongst others the following elements:*
  - *An accelerated, comprehensive political programme to transform the character and operations of all state institutions, in particular, the judiciary.*
  - *Cosatu should begin to engage with the recommendations of Presidential review commission on the review of government ministries/departments/provincial administrations and the utilisation of public resources.*

### 2.2 *Delivery of public services and goods*

- *The need for the state to provide an effective and sustainable social wage to all citizens: (health care; housing; public transport; land; education; water, electricity and welfare and municipal services)*
- *The above-mentioned services should remain publicly-owned;*
- *The need for thorough-going transformation and restructuring of all the institutions responsible for service delivery, particularly the public service and state enterprises;*

### 2.3 *Transformation of the economy*

- *The need for a truly redistributive and developmental macro-economic strategy that supports the overall objectives of our transformation programme;*
- *The need for an industrial policy that supports job creation, human resource development, workplace democracy, the living wage and an equitable wage*

*structure and further boosts domestic production to meet the needs of redistribution;*

- *The need for the transformation of the current institutions such as the Reserve Bank, DBSA, IDC, Land Bank, CSIR, parastatals, etc., so that they can carry out the mandate of the new democratic state;*
- *The need for a labour market policy that redresses apartheid and racial capitalism's legacy of class, gender, race and age discrimination and segmentation, at the same time facilitating workplace democracy, effective training and creating quality and sustainable jobs, attacking poverty and guaranteeing good health, safety and environment at every workplace;*
- *The need to promote public investments in line with building the social sector of the economy;*
- *The above measures will need to be matched with an equal determination to engage and significantly erode monopoly capital's control over our country's economy. We thus need a strategy to change current patterns of economic ownership. Such a strategy will be based on a common approach and understanding of building the social sector instead of simply fostering the deracialisation of the economy.*
- *Locating our approach to economic transformation within the context of Southern African regional integration and economic development and to resist the neo-liberal approach to regional integration.*
- *The continued engagement and campaign work at all levels of international institutions on trade, development and finance, such as WTO, EU, IMF/World Bank to tilt the political and socio-economic balance of forces in favour of the working class of Southern African region and other developing nation.*