

NUMSA Bulletin

No 18 March 2007

2007

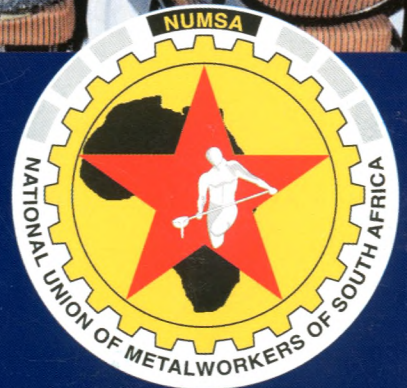
Time to face the bosses!



BEE codes

Analyzing the 3 year
bargaining strategy

Negotiations – knowing
your facts and figures





PREFACE

Numsa's National Bargaining Conference is almost upon us. Wage negotiations in all Numsa's sectors will start from May.

Bargaining is the focus of this Bulletin (pages 12-28). We give you some basic facts and figures to arm yourselves for centralised bargaining.

We also include information on the new black economic empowerment (BEE) codes as well as employee share ownership schemes (esops). You will need this information to negotiate in your own companies.

Division rocked the Cosatu congress last year. Woody Aroun summarises a paper of Joel Netshitenzhe on the issue of factions within organisations while Alex Mashilo gives his own views on how to deal with them.

Cosatu's recent Central Executive Committee analysed the current political conjuncture. See if you agree with it and prepare yourself for the challenges that face you in a year in which both the SACP and the ANC will be holding key conferences.

What do you think of Desai's challenges to Cosatu? Are you up to them?

Take yourself through Enver Motala's piece on education. Did your schooling give you these critical skills? Are your children getting these skills from their schools? Are Numsa's education courses helping you to grasp those skills that you didn't get at school? And what about education and training at work – are these filling the gaps in your education?

Happy reading
Editor

Editor:

Jenny Grice

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Silumko Nondwangu

Cover pic: Employers and trade unions face up at engineering negotiations in 2005
W Matlala

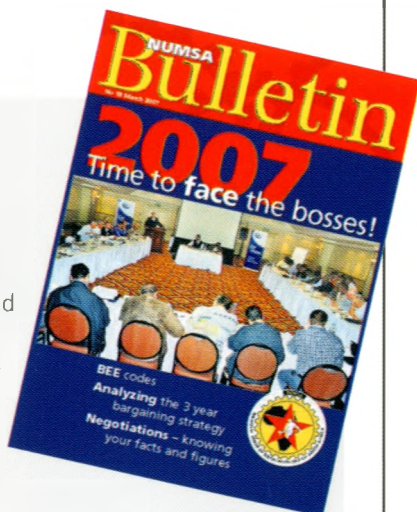
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2007

Eliminate time-wasting

And give more time for real priorities – NBC, 20th anniversary and politically decisive conferences

It is often said that it is not enough to be busy in the trade union movement or even in the corporate environment nowadays. The big question is: what is it you are busy with?

What to do about countless scheduled or impromptu meetings, political sessions, mass campaigns, workshops, relationship and capacity-building consultations in the regions and nationally, has become another matter of daily debates in our structures. Everyone in the labour movement has a view on why this and that meeting or the other campaign has to be taken up with urgency. Many of us are regarded as experts on labour activities. And this results in time pressures and internal hurly-burly. It is because the organization must achieve its ultimate goals in the end.

Ultimate goals inform our major organizational objectives ranked by their highest priority. These include progress on the motor recruitment campaign, the white-collar workers recruitment drive, monitoring major bargaining, food prices, fuel price increases and the latest CPI-X and regional policy workshops, culminating in the National Bargaining Conference in April 2007.

Charles Schwab, the world's greatest industrialist, with great ability and perspicacity, is known as a most efficient, fabulously rich steel worker who led and transformed the Bethlehem Steel plant into the largest independent global steel producer.

But, that did not immunize him from pressures and time-wast-

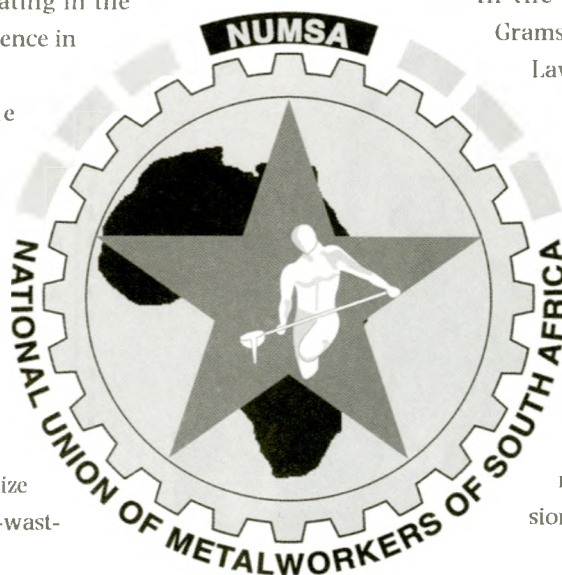
ing interruptions. He once issued a challenge to a management consultant to show him the way to get more things done with his time and promised to "pay any fee within reason."

The consultant, without hesitation gave him a pad of blank paper and wrote on it: "Each night write down the things you have to do tomorrow, number them in the order of their importance. Start working on priority item number one and continue until finished. Then start item number two, then three, and do not worry if you have not managed to finish them."

The consultant was paid handsomely within seconds of dispensing this discreet advice. She was probably paid a million dollars or more.

Some extremely important considerations arise in relation to this big question, as we intensify our 2007 programme of confronting the class logic of capital through collective bargaining. We have to look at them carefully, if we are to realize the objectives we have set for the giant metalworkers' union this year.

In the words of Antonio Gramsci, "The *Allianza del Lavoro*, which has today made it possible to assemble vast masses, must become able to organize these and give them a unitary discipline. This demonstration succeeded as an intervention by the masses and an extension of the working class



activities

solidarity as it has been set up to allow communists to press for it to become tighter and tighter organizationally, until it achieves the proletarian trade union unity which we have always invoked and which the programme of the communist party alone can and must fill with revolutionary content."

Successful leaders have used this time metaphor more frequently than anything else, as an aid to effective time management. If postponed until the morning, list preparation is often done in a hurried or perfunctory way, as other activities begin to press on your time. The urgent item tends to dominate completely, eclipsing the important items that should be in first, second or third place.

Although we are satisfied that our RPWs are effective, we need to constantly guard against conducting them just as a matter of routine. If we find our planning is not working very well in this regard we need to ask ourselves this question: "Are we achieving our highest priority, or is this what we are failing to do on a daily basis?"

Other questions include:

- Are we trying to accomplish too much in a day?
- Did some tasks not get done because we were not ready to do them?
- Were the items clearly formulated, or was it difficult to make a decision? Did we have all the available information on time, or did we neglect to plan sufficiently for the day because we were feeling under pressure?

A review of these kinds of questions can help establish whether our time budget was realistic in the first place. If it was realistic, then the problem lies with execution of the plans. These are some of the things that we must consider.

■ ■ We need to review each day, identifying the successes, analyzing the reasons for the failures and **avoiding making excuses for ourselves to ourselves. ■ ■**

Interruptions are the most common problem among all shop stewards and local and regional organizers' activities, and other senior officials of the union. They are like contrary winds pushing us off course. To counter most of these we have to be a little bit selfish, and at times use the most time-saving word in English: "No". But use it promptly if possible, to avoid raising false hopes which are only to be dashed later.

Our own time is the material which we have to work with. The world turns on its axis before we begin to budget our time and will continue to roll on regardless of what we do with our day. That is why it should never become an obsession in itself. It should always be our ideal: if our values are right it will never be an obsession anyway.

From now on we need to review each day, identifying the successes, analyzing the reasons for the failures and avoiding making excuses for ourselves to ourselves. We must learn to say "no" before we became merely servants to the priorities of others.

Taking lessons from the world's fabulously wealthy former steel worker, one major point is time is money. One could say the same about energy, although there is an important difference. Nature is capricious. Everyone is born potentially with the same amount of time, but energy comes in variable quantities. You have a quota of it. Use it wisely and it can last all of us a lifetime.

Viva Numsa, a luta continua!

A fly on the wall:

Overheard at union meetings and other conferences:



At the March meeting on the government's new strategic plan on Aids:

"We need to address men as vectors of the disease. Men need to be rehabilitated about their sexuality. I'd like to see that as part of the plan. I'm sick and tired of children killed and raped by men."

A representative of the men's sector. **"We need to target the boy child at an early age so they don't replicate the behaviour of their fathers. Men are like mosquitoes who spread malaria. We spread HIV/Aids."**

And at Ditsela's conference November 2006:

"Many male trade unionists view women in the unions as being the 'fringe benefits'!"

Moses Mayekiso Conference Centre disappoints some

While everyone that has attended Numsa's new Moses Mayekiso Conference Centre has been full of praise for the new centre, the Centre is disappointing some! These are the past clients of the Diggers Inn Hotel who are still coming looking for "rooms by the hour".

Zee Hassan, the manager of the Centre, says you don't want to know what was found in those rooms when Numsa took over the building!

The photo on the right gives you some idea!



Neil Govender

And still on Moses Mayekiso Conference Centre

Unearthing the history of the building is proving to be an eye opener.

Building plans going back to the early 1900s ('a very unusual find' historians say) already show how entrenched racial segregation was even at this early

stage of the city's development.

Plans for the 'Native boys quarters' had to be redrawn so that 'natives' were housed on top of the building instead of inside it!



CPI-X + improvement factor for CEOs

Did you know?

(what they never put on Chappies bubble gum wrappers)

- The code name originally given to the US attack on Iraq – Operation Iraqi Liberation – OIL
- Before the war, Iraq produced 4 million barrels a day. Now it produces only 2.1 million barrels (equal to the entire planet's reserve production capacity)
- Price of oil under Clinton - \$18 a barrel; 2007 - \$60 a barrel
- Since the Iraqi war the price of Haliburton stock has tripled to \$64 a share. (Haliburton is an engineering services company that has secured massive contracts in Iraq since the war. Its chairman used to be Dick Cheney, now vice president of the US.)
- Last quarter, Exxon-Mobil reported a record \$10 billion profit

(Information taken from an article by Greg Palast, author of *Armed Madhouse: From Baghdad to New Orleans – Sordid secrets and strange tales of a White House Gone Wild*)



Don't ever let employers tell you that they have nothing to learn from workers.


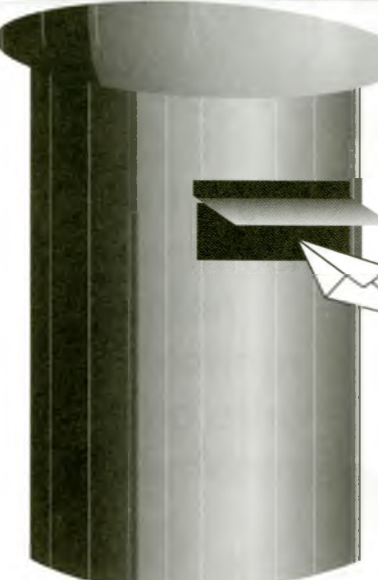
Remember those demands that Wits Central West and Ekurhuleni always used to put at the National Bargaining Conference – Wages: we want CPIX + improvement factor of 10% to 15%? It seems that CEOs have taken the idea to heart.

How else could they be receiving increases way in excess of the CPI-X regardless of whether their companies are performing well?

	Workers increases	Average CEOs increases
2004-2005	+ - 6%	18,5%
2005 - 2006	+ - 7,5%	34%

WINNING LETTER

A challenge to other shop stewards!



I think it is fair for me to share with you my first experience as a shop steward representing my comrade in a disciplinary hearing. I was very nervous and scared of making mistakes, but I quickly gathered some courage and made the comrade feel well represented. The proceedings went on despite our argument that the chairman should excuse himself because he was the complainant. And the comrade was found guilty and she was dismissed. I felt a very big rock crashing my heart and I could not even look at the comrade in her

eyes 'coz I felt I had failed.

During lunch-time I reported to the comrades what happened and they all called for the reinstatement of the dismissed comrade and that the chairman must go. Production was stopped for about an hour and a half. Ultimately the comrade was reinstated. And she is at work as I send you this. This showed to me that when you are united you can conquer. Viva Numsa viva! Viva comrades viva!

Druza, ZF Lemforder

The role of the Transport Seta in the Losses to the Mineworkers Provident Fund

When the till is full, rest assured someone will put in their hands. The whole premise that the Setas would harvest money from business to fund training means that vast sums would be in transit. This must be a bonanza for the more wicked members of society who see dollar signs flash in front of their eyes and now want some of the action.

The dues paid to the Setas are public money, placing a burden on the Setas to ensure that the moneys are risk free and not to be bandied around the JSE and third rate investment management companies. With the seeming lack of capacity and neglect of governance it would be surprising if many of the Setas were not looting the store.

They need to be investigated, not just forensic investigation of how they manage their investments. The losses incurred by The Mineworkers Provident Fund need to be investigated to deter-

mine whether or not the Fund followed the lead of the Transport Seta and if so is there some culpability within the Transport Seta that could provide some if not all recovery for the Fund.

If the Setas are suspect they should not only be investigated on their financial management but also their training providers and the standard of those providers and the relationships of those providers to the Setas.

The collapse of Fidentia is criminal in the extreme and latent thoughts regarding capital punishment come to mind, but it does open a very large can of worms and places the role of the Setas under suspicion. What is needed now is a Government Commission of Enquiry into Seta mismanagement.

Greg Stanley, Toyota SA

We want to hear from you:

Write and tell us your case handling lessons. Other shop stewards want to learn from you

We welcome your letters. Please write to:

Numsa Bulletin, P.O. Box 260483, Excom 2023 or

Fax to 011-833 6330 or e-mail to jennyg@numsa.org.za

The winning letter will receive the Cosatu CD – Solidarity forever.

Congratulations to Cde Druza – you are this edition's winner.

Accreditation of trade union education

As a recruitment strategy, trade union education must be accredited and taught as a school subject. Students are taught 'human resources' at tertiary level and therein trade union history in South Africa is taught as a perception from capitalism. Trade unions were not consulted to talk to their history. Students as potential workers must be taught trade unionism, its origins and history to prepare them for the workplace environment.

We have been approached by students study-

ing human resources who want to undergo in-service training in trade union institutions and not capitalist establishments.

The problem we were confronted with was that their technikons would not recognise our in-service training simply because our trade union education is not accredited. This is still the apartheid set-up. We therefore call upon Numsa to implement the Education Indaba Conference resolution to realise this dream.

Simon Tladi, Sedibeng regional secretary

Negotiations 2007 – Do or Die!

That time of the year has come where as a trade union movement we will be focusing on our fundamental business of fighting for what is the right of our members. Members themselves will develop proposals that in their view will make a huge difference in changing their lives for the better. As a reformist organ we will be engaging capital in the global context and all our sectors will be subjected to this phenomenon.

The auto and tyre sectors are facing a huge challenge. The Japanese have taken a strong view to ensure that they take pay and cuts and that there should be an increment freeze. Companies such as Daimler Chrysler are about to introduce a new C-Class with four months layoff. Other sectors take the tune from these sectors in one way or another.

I'm raising these matters because our President Tom said in the 2001 NBC that we must make demands that are achievable, talk to members' needs and that we are able to defend in public. The "Do or Die" (see pamphlet on right) kind of approach *vis a vis* the kinds of challenges that we are faced with in all these sectors has an element of creating an expectation that we will not be able to meet. It's my view that we should be able as an organisation to understand the membership that we have and the environment that they operate under.

It is a known fact that our members can stand up and be counted in a battle

against capital and it's also important to note that it becomes difficult to retreat once that battle has begun. We cannot raise the expectations of our members even before the battle has begun, in fact even before they actually formulate their demands.

I believe we might be shooting ourselves in the foot because once we are unable to sustain the dying part we might end up with a weak organisation that is unable to have life after death!

So for me comrades the issue is not about whether we cannot deliver but whether our history of shopping lists of demands will ensure that we deliver our members to prosperity through the DO or DIE slogan. I'm not trying to be a prophet of doom but we need to be cautious with the slogans that we develop as our president did in 2001.

We always strive to ensure that our members receive the best deal through col-

lective bargaining. Comrade Vavi has always indicated that what we don't win on the streets we can win in the boardroom. It's important to approach these negotiations with clear goals and a mission. Let's stand up and be counted!

Xolisile Copiso, Queenstown local



Negotiations 2007 - DO or DIE!

- 1 out of 4 people who want a job are unemployed; 70% of the unemployed are under the age of 35 and almost 1 in every 2 people live in poverty.
- Inequality is getting bigger all the time especially within the black population.
- The economy is growing, but your share in it is not. Since 1994, your share (workers' and the working class' share) in the national income has gone down. BUT the money that went to profits (ie the rich) has gone up.
- The big bosses in big companies earn between 35 to 53 times more than the average worker.
- The number of jobs are growing but not fast enough to mop up all the unemployed.
- There are less and less jobs for unskilled workers and not enough real vocational training.
- Many of the new jobs created are temporary and of poor quality.

Don't give up! Let's make 2007 the year that we take on the bosses at the negotiating table. Let's fight to bring more of the wealth to the workers and the working class! In April, Numsa will hold a National Bargaining Conference to hear what you want. Arrange Numsa factory general meetings and TALK, TALK, TALK. We want to hear what you want!

2007— Confronting the logic of capital through collective bargaining!

Issued by Numsa PO Box 290483 Ekurhuleni 2023 5 Feb 2007

Women continue to be **abused!**

As women's day celebrations are now over and we wait for August 9 2007, poor women continue to be abused.

After perusing the secretariat report to the 7th Numsa National Congress, I have a concern. Under the status of women in Numsa, it is stated that the union is also not able to assess what is the potential for the recruitment of women workers.

It states further that most women are located in low skilled, low paid jobs in the industry. What are these statements alluding to? Are we saying that the recruitment of women with low paid jobs has no potential because after the deduction of

trade union levies, they will be left with almost nothing, or are we saying that after the deduction of the levies, women in low paid jobs will not substantiate the representation that they will be entitled to demand.

Bullet point 4 of the proposal tasked the research officer to research how many women workers we have in different sectors. I am sure many of us in Numsa will appreciate that result and since National Congress, what has been done and can be done to advance women in Numsa?

The so-called **new worker**

The issue of a new worker should have been addressed by now because this matter has been long in the debate of the organisation. It makes me worried that we have not located this kind of a worker within the content of the revolution.

The issues that comrade Tladi raised (in Numsa News no 6 2006, see page 11) are important but he fails to contextualise them to ensure that they find expression within the class content.

On the basis that we understand that there are two contending forces within our revolution, we should be able to redirect the thinking of the so-called new worker into understanding the class contradictions that perpetuate their misery of not enjoying the life they seek to enjoy. It is our responsibility as comrades that understand the revolution to engage the so-called new worker. Research won't do that. It will only tell him what he already knows.

There are simple issues that we need to address in order to ensure that we remain a revolutionary trade union inclusive of the so-called new worker eg

- proper induction to the trade union
- distribution of the propaganda machinery
- ideological education

... workers join a trade union because they are exploited by capital and **the union becomes their hope**

It might be important to discuss the issue of material benefits of being a member of a trade union but in my opinion that's where we miss the boat. I believe it's important to always remember that workers join a trade union because they are exploited by capital and the union becomes their hope of untangling these shackles of exploitation. Our complacency in continuing to defend, consolidate and advance these basic principles of joining a trade union will result in the issues that Tladi raises which are in fact signs of frustration.

We must not point fingers to the so-called new worker but rather to our failure to ideologically locate their interest within the broad framework of the revolution. It is important that we do not undermine the power that arises through the weapon of theory. We have failed as an organisation to provide the necessary theory as a weapon to instil content to the perceived interest of the so-called new worker.

The issue that these new workers are seeking is economic balance which is no different in my view from the current mission of our revolutionary trade union. The question that we should be asking ourselves as leaders is: Do we have the ideological fibre to engage on these matters on the ground both theoretically and practically rather than being armchair critics who are unable to see the connection in these struggles for human dignity?

That's what the so-called new worker is seeking which is no different from what we have struggled for and are still struggling for. We cannot as

In the meantime, poor women continue to suffer abuse at work. Take PKF Electronics in Umbilo, Durban. When I sought Paulina Moladi, the Numsa shop steward, I was told that she had resigned from work and was no longer involved with Numsa.

There is no support for female shop stewards at all and the worker now responds to the crack of the capitalist whip. Even the one male Numsa shop steward left there is as silent as a mouse in a corner.

an organisation fall into the trap that does not exist but is created by our utterances due to our failure to translate the current conjuncture of the revolution.

There is no struggle within the struggle among the working class and that should be clear. The enemy of the working class is capitalism. We should not therefore create other enemies which will deter us from our main mission of destroying capitalism.

I want to close this debate with an extract from the "Philosophy and class struggle" which reads as follows:

"No matter how passionately we hate oppression and wish to see things change, there is only one force capable of eliminating colonialism, capitalism and reaction and that is the oppressed and exploited masses led by an organisation of revolutionaries."

I believe it's not wrong to call Numsa a revolutionary trade union but whether it has revolutionaries that have the capability to contextualise the perceived issues of the so-called new worker is another debate altogether. One worker, one enemy!

Xolisile Copiso, Queenstown local

Organisers within Numsa need to do the job they were employed to do instead of looking for opportunities to get a seat at the table of the capitalists' feast!

Francois Quarrie, Isipingo local

LETTERS

Calling all workers Proroom Manufacturing

In August 2005, Numsa won a case against Proroom Manufacturing. The company was not paying its 150 workers according to the rates set by the Engineering Main Agreement. The company was ordered to pay its workers a total amount of R755 000. Since then most workers have claimed their backpay from the Metal and Engineering Industries Bargaining Council but there are still 69 workers who

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Dear Numsa News

The Education Indaba commissioned the research unit to conduct a study on the "new worker" who comes from the technician or university and joins the workplace for the first time.

The same challenge faces us if we are to recruit white collar workers. We must give content to the nature and character of these employees, his/her needs and expectations within the workplace, workplace challenges s/he is faced with and their modus operandi (environment and period) including their political consciousness.

Commonalities between these two groups of employees are amongst others:

- more benefit orientated (not only after death but while still alive)
- less meetings to allow leisure time
- no strikes so that they can pay their bonds
- fancy and expensive cars.

Simon Thodi, regional secretary,
Western Transvaal region

Dear Numsa News

I would like to share some of the problems I have seen in the refineries of the country.

We have members that are organised at these refineries, the exploitation that is taking place is very bad

exploitation of black workers. Workers employed by refineries are organised by Cwawu and most of the contractors that work there are organised by other unions.

The biggest problem is that when contractors are exploited, then there is no-one to help them.

No one can describe the exploitation these workers suffer, a big slice of which comes from black economic empowerment where blacks exploit other blacks in the interests of their employers.

I was very happy to hear some comments from other regions. It is tiring to see this problem where refineries are the island of this dirty practice. Can anyone help, we are drowning in the sea of exploitation.

Concerned employee of the refineries
Moses Mbasa, Isipingo local

Dear Numsa News

Thanks to all the writers who gave us the details about what happened at the Workers' Parliament in September.

I have a concern about the issue of elections of leaders of the federation and the worst part is what happened in our union (Numsa) because of our members defying the decision of the organisation.

None of the writers said anything

about the defiance. I will be happy to see or hear the organisation saying something about the embarrassment caused during the Cosatu National Congress and the decision taken by the organisation against the members of the regions of Numsa concerning the matter.

Moses Mbasa, Isipingo local

Dear cde Mbasa

This is a matter that can be attended to by the forthcoming Numsa Central Committee in December. It is not for the national office bearers (NOBs) to decide but for regions coming to the meeting to reflect and tell the meeting what they think should be the course of action. This is a worker controlled organisation and it's only workers through their delegates that should decide. You are free in any event to advise us as NOBs.

Thanks for your concerns, regards
S Nduhwa, general secretary

Dear Numsa News

I would like to highlight a few things that Numsa should consider before it is too late. The issue is around white collar workers. When it comes to recruitment, I thought that issue would be discussed in the Congress. 50+1, we will never get that number. I think Numsa should declare a dispute on the grounds of discrimination if those people are not covered by Seifsa. I think there is room for non-scheduled workers at the Bargaining Council where Numsa can discuss or negotiate for them.

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Mike Masibu



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Ammunition you need to argue for **your wage INCREASE!**

This year wage agreements in all Numsa's sectors expire. Read these pages to arm yourself for negotiations in 2007

When workers think about the wage increases that they want they are influenced by what they experience in their daily lives.

The bulk of Numsa members are affected by unemployment on a daily basis – in their own households occupants are unemployed; their neighbours, their relatives and friends are unemployed.

More than 60% of the unemployed have never ever had a job in their lives – this means that they cannot claim UIF and they rely on workers like Numsa members to bail them out.

The information that you find on the next few pages is an edited version of a Naledi bargaining report completed in February 2007.

Employment

- Each year more than 800 000 new workers enter the labour market (some straight from school, some from tertiary institutions).
- Total employment between March 2003 and March 2006 increased from 11.304 million to 12 million (ie 230 000 per year). Jobs were created in wholesale and retail and construction and finance sectors.
- So there was a shortfall of more than 500 000 jobs a year that were needed but not created.
- Overall 71% of workers have permanent jobs compared to 29% that are casual (includes short term contracts, casual workers) Mining has the highest percentage of those who have permanent jobs (90%) followed by community at around 85%. Construction has the highest percentage of casual workers (60%) followed by agriculture, private households and retail.

What Samwu says:

What indicators if any do you use to help you motivate your wage increase demand to employers?

While we do use CPIX, minimum living level indicators like the MLL and SLL, inflation, settlement levels, wage comparisons, directors pay, central government transfers to local government etc. a lot of our motivation focuses on what we call the struggle for a Living Wage. This takes the form of a combination of philosophical, ideological and economic arguments in support of the notion of a living wage. Issues we cover (including presenting facts and figures) include:

- Unemployment levels;
- Inequality levels – Gini Co-

efficient

- South Africa as a middle-income country of enormously stark contrasts;
- The key features of the extreme inequality that exists in SA – illiteracy rates; infant/child mortality rates; HIV/AIDS devastation; how women and children carry the biggest burdens; food insecurity; the housing crisis; family fragmentation etc.

Obviously the strength of our organisation at the time of negotiations – that is the level of mobilisation and willingness to embark on industrial action – impacts on the tone and outcome of the negotiations.

Roger Ronnie, Bargaining Coordinator, South African Municipal Workers Union

What Cosatu says:

Wage bargaining should be seen as part of the fight for a more equitable society, that challenges the logic of capitalism. Solidarity action and trade union unity is crucial to the success of the Living Wage Campaign and the CEC resolved that we should do better to mobilise the wider movement in support of workers in the front line of struggle for a living wage.

*From Cosatu CEC statement
March 1 2007*



Numsa members live with the unemployed!

In a snapshot survey done in 2006 of almost 100 Numsa members, we found that:

- more than 80% of these households had at least one person unemployed in their household – that's at least a 50% unemployment rate!
- only 20% recorded that no-one in their household was unemployed



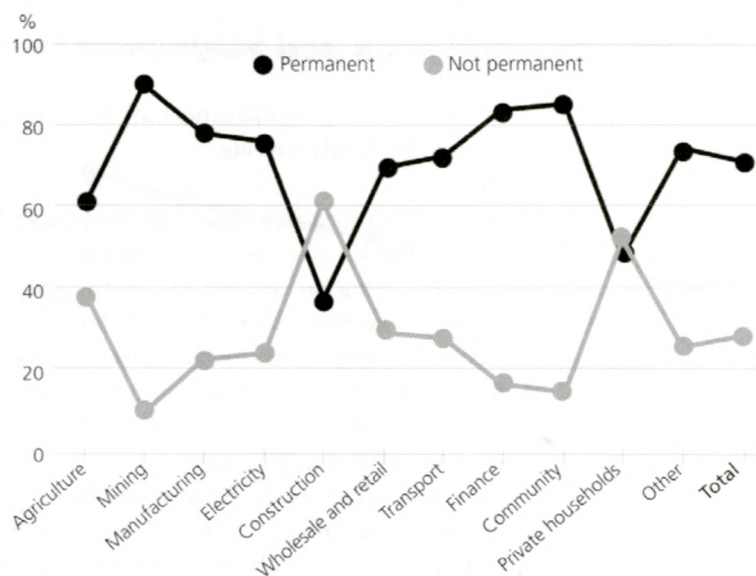
Unemployment

- the official definition says there were 4.4 million individuals unemployed (26.4%) in March 2001 compared to 4.2 million (25.6%) in March 2006. Official unemployment dropped by just under 1% or 138 000.

BUT

- using the expanded definition of unemployment (includes those people who have given up looking for jobs), 7.1 million individuals were unemployed in 2001 compared to around 8 million in 2006, an increase of about 849 000 unemployed individuals.
- 75% of the unemployed are under the age of 35
- the unemployment rate for Africans is the highest at 25%, and higher for African women
- the majority of the unemployed (63%) have never worked before. This is 2.7 million individuals, mostly young people (74% of total) who have no work experience.

Permanent and non-permanent employment, March 2006

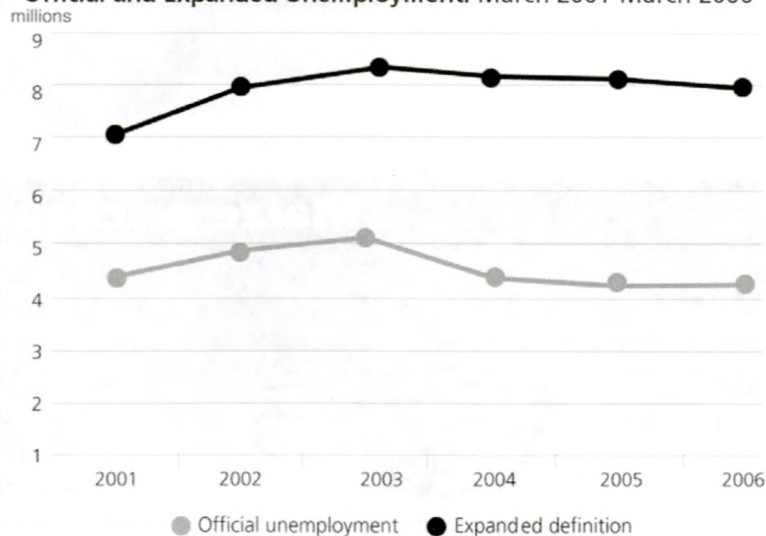


Source: Calculated from the labour force survey, www.statssa.gov.za.

Each year more than **800 000** new workers enter the labour market

Between March 2003 and March 2006 **only 230 000 jobs** were created each year

Official and Expanded Unemployment: March 2001-March 2006



Source: calculated from the Labour Force Survey, March 2001, www.statssa.gov.za

Inflation and wage increases

- Numsa's wage settlements have been above the CPI-X inflation rate

BUT

- the CPI-X measures an average household. It says that an 'average' household spends 25% of its income on food and 15% on transport.

As the Labour Research Service (LRS) has argued, it is more appropriate and realistic to shift our focus towards inflation on other basic commodities such as food, transport and medical care, rather than concentrate on the CPI-X alone.

When calculated in annual terms, the cost of food between January 2006 and January 2007 rose by almost 9% (see below) and significant cost increases were recorded on specific items as shown below.

How Numsa members spend their income!

Numsa's snapshot survey done in the last half of last year shows that:

- members spend much more than 25% of their income on food. Many spend almost all of it on food!
- members spend anything between 15% and 25% on transport



The Financial Mail in its March 16 2007 edition predicts that food CPI could hit almost 23% this year!

Similar increases occurred between January 2006 and January 2007 in the cost of non-food items:

- transport (4,5%),
- fuel and power (8,3%),
- education (7%), and
- medical care and health (5,6%).

The average wage settlement of just above the annual rate of inflation does little to off-set the real increase in the cost of basic necessities.

Annual inflation increases in the cost of food

Item	Percentage annual increase between Jan 2006 and Jan 2007
Food (Average increase)	8,6%
Meat	+17,3%
Fish and other sea food	+11,7%
Sugar	+8,3%
Grain products (mealie meal, bread etc)	+ 7,6%
Fats and oils	+ 10,1%
Milk, cheese and eggs	+ 4,2%
vegetables	+4,1%
coffee, tea and cocoa	+2,6%

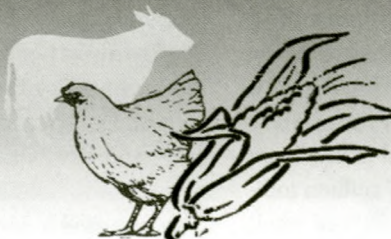
StatsSA January 2007 CPI

Maize prices rocket!

Over the past six months



white maize has increased by **75%** (staple food of most Numsa members)



yellow maize (used as a feed-stock for meat producers, poultry and dairy) has risen by **70%**



wheat by **20%**

Workers' Share of National Income

The chart below sketches workers' share of national income relative to the share of profits. Between 1998 and 2002 workers' share of national income dropped from 50% to under 45%, compared to the increase in profit from just under 27% to around 32%.

Executive Pay – The Yawning Wage Gap

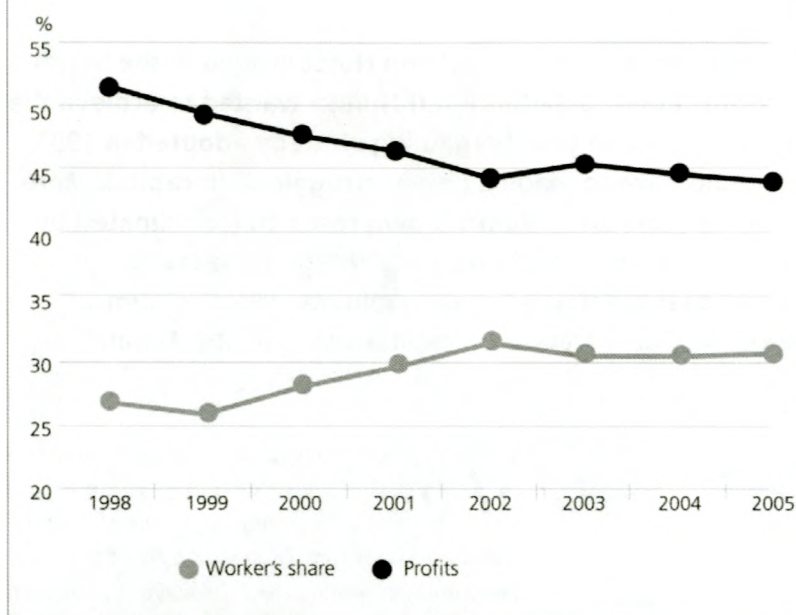
While wage increases and benefits for workers have remained marginal and linked to the CPI-X rate, remuneration for directors and company chief executive officers have continued to rise by astounding amounts – way above the CPI-X level!

The LRS has pointed out that remuneration for executive directors increased on average by 12% between 2004 and 2005 excluding gains for share options. In the table below, we compare average executive pay with remuneration for workers in four select sectors.

In a 2006 study: *Remuneration of Chief Executive Officers: An overview of JSE listed companies*, Solidarity found that:

- As at the end of 2005, the average Chief Executive Officer (CEO) of a company listed on the Johannesburg Stock Exchange (JSE) earned between R3 and R4 million per year or between 35 and 53 times the total remuneration of the average worker;
- The average basic salary of a CEO ranges between R1.5m and R1.7m per month;

Figure 2: Workers' Share of national Income: 1998-2005



Source: calculated from the South African Reserve Bank Bulletin, December 2006

- Basic salaries of CEOs increased by an average of 18,5% between 2004 and 2005; and.
- No direct relationship could be established between the company profits and the salaries, bonuses and total emoluments of CEOs.

This trend of awarding high increases to executives continued in 2005/6 with studies showing that executive pay rose by as much as 34% in this period.

This in a period when the CPI-X for January 2005 to January 2006 was as low as 4,3% and where Numsa's lowest paid members received increases through national agreements of CPI-X plus 2%. **NB**

Salaries for Chief Executive Officers in some Numsa-organised JSE listed companies

Company	Package (Rand)	Gains on share options	Total annual package
Barloworld	6,9m	4,2m	11m
BHP Billiton	30,9m	0	30,9m
Mittal Steel	3,5m	0,9m	4,5m
Nampak	5,0m	0,03m	5,0m

Source: Crotty and Bonorchis: *Executive Pay in South Africa: Who gets what and why?*
(Figures have been rounded)

Ageing strategy - can it confront capital?

In 1995, social scientist Karl von Holdt argued in the South African Labour Bulletin that if Numsa wanted to achieve the aims of its three year bargaining strategy adopted in 1993, it would have to wage a power struggle with capital. More than 10 years later, Numsa's own research (coordinated by Bethuell Maserumule) into the strategy's achievements, reveal that the union has won minimal gains. Is Numsa ready and able to take on capital, asks WOODY AROUN?

What were the key elements of the bargaining strategy? According to von Holdt the strategy represented "an integrated package of proposals which aimed to reduce the number of grades, close the wage gap between grades and tailor training to provide for continuous upgrading of skills."

While some progress had been made in the Engineering and Auto sectors towards negotiating these demands, von Holdt argued that there were a number of organisational problems within the union that made it difficult for the programme to get off the ground:

- officials complained that the bargaining strategy was imposed from the 'top' and that there was very little consultation with shopfloor members and shopstewards

- apart from the role played by some key negotiators in the union, the union lacked capacity to drive the programme where it mattered most, ie at the level of the workplace
- there were weak links between negotiators and the union's regional leadership
- there were no campaigns to popularise the demands
- issues were sidelined to working groups in the industrial council (now bargaining councils) that had the potential to undermine union militancy.

For von Holdt the crucial question confronting Numsa is the issue of **POWER** - the ability of the union to wage an effective struggle to win **POWER** from employers who resisted their demands.

While Numsa presented a legitimate set of demands around training, von Holdt argues that industrial South Africa was already leaning towards the recruitment of "highly skilled technicians, multi-skilled artisans, and more highly educated and skilled operators".

And what would become of labourers? The prospect for labourers looked bleak. With labour becoming more and more flexible "labouring jobs may be mechanised ... most of these workers are likely to be trapped in such jobs for life, and skills programmes are unlikely to touch them."

Aroun is Numsa KZN regional educator.

What the 2007 study found

Training

- Training committees dominated by management
- Shopstewards lack the capacity to effectively engage management at the level of workplace skills plan, training committees, etc
- Training is limited in scope – confined to menial tasks, basic on the job training
- Level of training differs amongst sectors (auto more highly developed than engineering)
- Union needs to develop a coherent strategy to deal with training
- Membership separated from the union when it comes to training demands
- Weaknesses in the training institution – Merseta

Recognition of Prior Learning

- Problem with the way assessments are conducted: Criteria – experience and performance
- Is it once-off or continuous?
- What happens after the assessments?
- Cost implications!

2007 review of the 'Three year bargaining strategy'

The 2007 review focuses on a number of broad areas including training, adult basic education and training (ABET) recognition of prior learning (RPL) and grading.

In a summary document prepared for the union, Maserumule concedes that the scope of the research requires more attention in order to make a proper appraisal of the bargaining strategy:

"As a result of the environment and scope of the review, this work can only be regarded as preliminary, to give the union a broad picture of its performance with its strategy."

The tables below illustrate some of the problems, weaknesses and recommendations that Maserumule refers to in his summary reports:

von Holdt's prediction that Numsa's "three-year programme is more like a ten-year programme" could have sparked some angry reactions from metalworkers for its cynicism, but the 2007 report vindicates some of the views expressed by von Holdt.

Maserumule's review of the three-year bargaining programme speaks of an ageing strategy that urgently requires more than just a dose of steroids – and if the union doesn't get its act right



W Matlala

Grading	Wage Gap	Recommendations
<ul style="list-style-type: none"> ■ 5 grade structure limited to just a few companies in engineering ■ foreign concept – how do you tailor the grading structure to meet the needs of South African metal workers? ■ Absence of a coherent strategy to guide union organisers and shopstewards across union sectors ■ Grading models imposed by management with very little union input – contested terrain! 	<ul style="list-style-type: none"> ■ wage differentials are increasing ■ market determines wages ■ income disparities between company directors and production workers amongst the highest in the world 	<p>Pursue the bargaining strategy, BUT</p> <ul style="list-style-type: none"> ■ develop capacity – union drives the process for change ■ fight OR work together – use of post 1994 legislative framework ■ strengthen participation in bargaining councils ■ work towards redesigning grading models



J. Grice

*The three year bargaining strategy represented "an integrated package of proposals which aimed to reduce the number of grades, close the wage gap between grades and **tailor training to provide for continuous upgrading of skills.**"*

Skills programmes were unlikely to touch labourers predicted von Holdt

then the possibility of sliding into reformism appears to be all the more ominous.

Clearly there are organizational problems and both researchers have pointed out that the union needs to increase its capacity around bargaining issues, ensure that there are proper mandating processes and common ownership of the bargaining strategy.

But above all the union must be able to mobilise support amongst members and be prepared to engage in struggle – struggle for POWER!

The issue of struggle and power doesn't come out strongly in Maserumule's assessment of the 'three-year bargaining strategy'. von Holdt (1995), on the other hand believes that the ability to wage struggle is vital if the union wants to seriously transform the workplace.

Apart from the shopfloor interviews and problems encountered by the union and management. I am of the view that the 2007 review could have been strengthened by focusing on some of the political problems that continue to persist and negatively impact on the development of our society in general and on workers in particular. It would be

naïve to pin all our problems down to issues of capacity, as the apartheid legacy of discrimination continues to cast its shadow over our workplaces.

P Moleke writing in a Human Sciences Research Council State of the Nation 2003-4 book describes working environments in this way:

"Working practices within firms strengthened and perpetuated the inequities. Hiring policies were such that white males were placed in jobs with training provision and opportunities to enjoy upward mobility within the internal labour market; other groups were placed in jobs requiring least in the way of formal skills, with little scope for occupational advancement" (2004:205)

African workers, by far, were the most disadvantaged when it came to "high-level occupational categories" and African women were almost completely marginalised in the workplace. Moleke refers to "shortcomings of the education system" and limited access to education resulting in high levels of illiteracy amongst African workers (36% according to the 1996 census) as the primary reasons for inequalities in the labour market.

So what must Numsa do with our ageing bargaining strategy? This year the union has adopted as its bargaining theme "*Confronting the logic of capital through collective bargaining*".

Are members sufficiently equipped to grasp the political flavour of our theme, or will bargaining once again slide into a deep hole of despair?

Hopefully, these and many other questions will be addressed at the Union's National Bargaining Conference in April. **NB**

Further reading:

Maserumule, B. (2007) "Numsa Collective Bargaining Strategy: Review of the skills based training system", presented at the Numsa NPW 22-23 February 2007, Moses Mayekiso Conference Centre, Johannesburg

Moleke, P. (2004) "The State of the labour market in contemporary South Africa" in Daniel, J. et al (eds.) *State of the Nation South Africa 2003 – 2004*. Cape Town, HSRC Press, pp204-224

Von Holdt, K. (1995) "Numsa's three-year programme: addressing the question of power? SALB Vol. 19 (2) p13-23

Motor trade deficit soars

Alarm bells are ringing in the auto and motor sector over the R30 billion per year trade deficit in the sector

Out of every two cars sold, one is imported while the other is manufactured inside the country.

Even though the export of cars and components has increased this has not been nearly enough to offset the increase in imported cars and components

coming into the country.

Even as experts recommend that more incentives should be introduced to force car manufacturers in this country to increase the local content of vehicles, Mexico has taken China to the World Trade Organisation (WTO). Mexico says that China is breaking WTO rules when it gives incentives to vehicle manufacturers for increasing the local content.

Motor recruitment put on high alert

Numsa's motor sector coordinator, Sam Tsiane, has drawn up a plan to recruit more motor members.

This is after the Minister of Labour threatened to refuse to extend the agreement to non-parties when the last agreement was signed because of the low membership of trade unions by workers in the sector.

Since then the sector has employed more workers making the trade unions even more unrepresentative!

These are the statistics for the beginning of December 2006 where union membership represented just 34% of the total workforce in the motor

sector. The most poorly organised region is KZN followed by Sedibeng and Hlanganani.

With a target to reach of 1750 new members per month, KZN has the biggest challenge - that's 88 new members for each working day (but only 11 new members per local per day!!)

To reach a target of 40% representivity by the end of August 2007 it means we must recruit 14 300 new members.

You have been warned – you have five months to go out and recruit before the agreement expires at the end of August!

Region	Misa/Samu membership	Numsa membership	Non-union workers	Total workforce	% organised	Target to reach 50% organised
1. KZN	2559	8790	28851	40200	28%	8751 (1750 per month)
2. Sedibeng	1402	1169	6749	9320	28%	2089 (417 per month)
3. Hlanganani	4543	6467	24964	35974	30%	6977 (1395 per month)
4. Ekurhuleni	3357	3999	16268	23624	31%	4456 (891 per month)
5. Wits CW	6233	7174	27419	40826	33%	7006 (1401 per month)
6. MP	2117	1992	7483	11592	35%	1687 (337 per month)
7. NC	2667	2580	9215	14462	36%	1984 (396 per month)
8. Eastern Cape	2474	6514	13779	22767	39%	2395 (479 per month)
9. W Cape	4208	8637	16292	29137	44%	1723 (344 per month)
Totals	29560	47322	151020	227902	34%	

Plan to expand the training of artisans, engineers and technicians

The Merseta, Seifsa, trade unions and the department of labour are busy drawing up plans to accelerate the training of artisans, engineers and technicians.

In terms of the plan:

- 15 large steel and engineering employers will indenture 650 apprentices over and above their cur-

rent training needs.

- 15 large motor retail and component employers will be identified to indenture 650 apprentices.

This plan will result in the training of between 1 500 and 2 000 apprentices per year in both the engineering and motor retail and component sectors

reaching a target of 6 000 by 2010.

Trainees will be taken from FET colleges with at least 20% of those trained coming from within the current workforce. Workers from the current workforce will be identified through recognition of prior learning.

Government wants to introduce a comprehensive social security scheme



W Matlala

Wage subsidy - a relief for workers or for employers?

Sam Tsiane

President Thabo Mbeki in his State of the Nation address on February 8 this year introduced the concept of a wage subsidy. The immediate expectation from workers was that government would directly supplement their wages.

Following that the Minister of Finance Trevor Manuel confirmed in his Budget Speech that government will introduce a wage subsidy for low income workers.

He indicated that this was a matter for further discussion at Nedlac unlike Gear which was imposed on us.

The issue is spelt out in more detail in a document released by the Finance Minister called "Social Security and Retirement Reform".

The main thrust of the paper is to ensure that there are enough savings for retirement for people reaching retirement age.

The key elements in the proposal are as follows:

- wage subsidy: Government will subsidise social security contributions for low wage workers. This means companies may get tax exemptions for paying for pension, medical, death and disability. The targeted group will be workers who earn less than R4 000 per month.

- compulsory membership in a national social security system for those who are earning more than R4000. This means that the government will establish a fund which may cover all workers which will provide social security benefits.
- additional compulsory membership to a second scheme or fund for workers earning above a certain amount. Stakeholders may have to agree on the threshold.
- supplementary voluntary savings - individual workers will have to choose how they allocate it. It can be with an ordinary savings account, retirement annuity or a defined benefit contribution.

The compulsory and additional fund will be enforced through legislation and the voluntary supplementary will be forced through the tax system. The immediate target is retirement, disability and death.

However in the medium term it is to establish a comprehensive social security system that will include medical aid and unemployment insurance.

What does it mean to Numsa members in the engineering and motor sectors who already have industry funds? The chances are that they will be expected to contribute towards the national compulsory scheme. **NB**

BEE Codes are out

The BEE Codes have finally been published by the department of trade and industry (dti). If your company wants to secure government contracts, the more points it has, the more likely it is to secure a contract. (maximum number of points is 100)

If your company is a small enterprise with an annual turnover of between R5m and R35m then it is classified as a small enterprise. This means that it can choose four of the seven elements described under the "Pillar" column. Each of these four elements then counts for 25 points.

In the tables below the Code is summarised and

explains what points are awarded in each category (see column "Generic Targets".) Under "Charter Targets" you will find a draft of what Numsa is still discussing for the engineering, auto and tyre sectors. Companies organised by Numsa would then have to aim to reach the targets set in this Charter.

Pillar	Generic Targets	Engineering, auto and tyre Charter Targets
Ownership (20 points) Code 100	<ul style="list-style-type: none"> ■ Evaluates the effective ownership of enterprises by black people. ■ target is black ownership of 25% equity and 25% +1 vote <p>Multinationals have various options open to them when considering addressing the equity element of B-BBEE. They may:</p> <ul style="list-style-type: none"> • Sell equity in their SA operations to meet the targets • Undertake sales of assets in or with those operations • Also, if they meet specified requirements, perform equity equivalents (or replacement offerings as defined in the draft healthcare sector charter) • Sell equity in offshore holding entities. <p>Equity equivalent targets:</p> <p>For investments the target is either 25% of the value of the South African operation (either through a once off contribution or over a ten year period) or 4% of total turnover of the South African operations</p>	ENGINEERING ONLY <ul style="list-style-type: none"> • 10% black ownership by 2007 • At least 25% black ownership by 2009 • Workers ownership in SA firms should not be less than 10% in large firms and up to 25% in small to mid-cap companies • Adequate minority protections for workers in shareholder agreements • No unduly onerous financing provisions for ESOPs • Multinationals to comply with a minimum of equity equivalents or sale of asset transactions to workers if they don't sell equity AUTO AND TYRE (because multinationals (MNCs)) <ul style="list-style-type: none"> • Multinationals to comply with equity equivalents or sale of asset transactions to workers • Full equity offset points, through sale of non core assets to workers, need to be implemented • Adequate minority protections for workers in shareholders agreements • Donations, gifted shares and substantial empowerment discounts that are financed by MNCs need to be secured for workers ESOPs

Pillar	Generic Targets	Engineering, auto and tyre Charter Targets
Management (10 points) Code 200	<p>■ measures the effective control of enterprises by black people.</p> <p>The targets are somewhere between 40% and 50% depending on the specific category</p> <p>There is a distinction between voting rights, board participation (with respect to executive board members) and executive management participation, as well as a distinction between senior executive management and other executive management.</p> <p>Executive board members are those persons serving on the board who are also ordinary employees of the measured company.</p> <p>A gender adjustment factor is applied for the presence of Black Women representation within a specified formula. This provides for a recognition of black people on the board if a percentage of black people are black women.</p> <p>A bonus point is awarded for black independent non-executive board members (as they are defined by the King II Report on Corporate Governance). This means, for example, that if a black shareholder nominates a black person to be a non-executive director in the company, and representing its interest on the board, this bonus point will not be attracted as the person is independent.</p>	<p>(Sector averages of top management: resources = 25.33%, manufacturing = 0.00%, general industries = 21.67%, basic industries = 10.0%)</p> <p>As all affected industries are way below code's targets currently, a concerted effort needs to be made to improve achievements thus far.</p> <ul style="list-style-type: none"> • Focused efforts to train and fast track black management needs to be given • Targets of black management in companies are: <ul style="list-style-type: none"> - 25% by 2008 - 50% by 2010 - 75% by 2012 <p>(current averages of top management are 0% in manufacturing)</p>
Employment Equity (15 points) Code 300	<p>Measures and awards points for the black senior, middle and junior management levels within the enterprise, with points also being granted for the employment of black disabled employees.</p> <p>These definitions of senior, middle and junior management are based upon the occupational levels in the EE Act.</p> <p>There are stepped targets ie for the first 5 years the targets are high, and for the second 5 years the targets are even higher. This is on the basis that it takes time to sustainably transform a workforce, but if development of skills does not take place, then it will be impossible to achieve the second round of targets.</p>	<p>(Comparison of representation of black people in management levels 2005 (across all industries):</p> <p>Senior = 27.3% Middle = 27.6% Junior = 38.7%</p> <p>Women:</p> <p>Senior = 7.5% Middle = 12.9% Junior = 26.5%)</p> <ul style="list-style-type: none"> • The basic achievements of each of the levels of management should be improved on by 5% per annum. Eg senior: 32% by 2008, 37% by 2009 etc until the code's targets are met. • Skills development spend must be aligned with these targets and employees must be groomed for management • Due to the difficulties of employing women and attracting them into this sector, the proposed gender adjustment factor (whereby a company can only attain all the points it is entitled to if a minimum of 50% of employment and skills development interventions are aimed at women) should be 35%.

Pillar	Generic Targets	Engineering, auto and tyre Charter Targets
Skills development and training (15 points) Code 400	<p>As the level of skills development of black people is the focus of Code 400, it would be a challenge to successfully implement skills development programmes unless there is already successful employment equity compliance in place.</p> <p>The targets set are based on the amount of the payroll of the company.</p> <ul style="list-style-type: none"> • companies have to employ a certain amount of learners, ie 5% of the number of employees in the company. • black disabled employees should be trained as well. • a company can only get the full points in each category if 50% of the training was spent on black women. <p>The code encourages the adoption of In-service learnership programmes, which are defined as:</p> <ul style="list-style-type: none"> • a certified learning programme where the company has independent written certification for the programme, or an independent enrolment certificate confirming that the learner is enrolled for a programme, or • an uncertified learning programme, which includes work based informal programmes 	<p>(Sector averages of skills development spend (as % of payroll): resources = 4.54%, manufacturing = 1.0%, general industries = 1.27%, basic industries = 1.99%)</p> <ul style="list-style-type: none"> • skills spend should be targeted at core skills and managerial skills for black employees • learnerships should be encouraged in companies. These learnerships should include training around core technical and artisanal skills in the sector • there needs to be a concerted effort to train and upskill disabled employees

Preferential procurement (20 points) Code 500	<ul style="list-style-type: none"> ■ requires enterprises to measure the BEE status of their suppliers using the broad-based approach and applies multipliers to that spend based on the B-BBEE status level of each supplier, to arrive at preferential procurement spend as a proportion of total measured procurement. <p>The definition of total measured procurement in the Code allows enterprises to exclude certain purchases from the total amount thereby making it easier to calculate higher BEE spend. For example, included in permitted exclusions are imports where there is no existing local production of such goods and the importation of such goods facilitates further value-added production within South Africa.</p> <p>There is enhanced recognition for purchasing from companies which are over 50% black owned or over 30% black women owned, especially if they are small and micro enterprises</p>	<ul style="list-style-type: none"> • Customers should not neglect local manufacturers in favour of imports. Companies should have to procure a minimum 75% of goods from local companies. • Companies should also be encouraged to purchase goods and services from small black owned or women owned enterprises ie those who have a turnover of under R25 million per annum. This spend should be 25% of the total procurement spend • Larger companies should educate their suppliers through supplier development forums about B-BBEE and assist smaller companies in becoming BEE compliant
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Pillar	Generic Targets	Engineering, auto and tyre Charter Targets
Enterprise Development (15 points) Code 600	<p>This code provides for a calculation of spend by an enterprise on enterprise development contributions. The total spend is used to calculate a score for the company against a target of 3% of net profit after tax revenue of the preceding year. The Codes provide for enterprises to choose an inception date from which to measure their contributions which are compared to NPAT over the same period and then measured against the target. The inception date may go back as far as five years prior to the date of commencement of the Code. Once an inception date has been chosen it must remain in force for the duration of the Code (10 years).</p> <p>The full value of Enterprise Development Contributions multiplied by a number of different factors (depending on who the enterprise development beneficiaries are) is recognised. A benefit factor is also applicable whereby grants may be counted at 100% whereas loans which are recoverable contributions only 70% of the value may be counted.</p>	<ul style="list-style-type: none"> • Companies in the sector should commit to assist smaller black owned or black women owned companies that they procure goods from • These interventions include paying suppliers early, negotiating long term contracts, providing guarantees if required or assisting in other ways. • Companies should recognize that they can make a difference to the long term sustainability of the manufacturing sector through their assistance to small black owned companies, to not only procure from them (although that is necessary), but to also assist them to reach financial and operational stability • Companies that are local manufacturers should be preferred over distributors or agents
Corporate Social Investment (5 points) Code 700	<p>Social development encompasses projects that are external to the business or outward looking; projects undertaken for the purpose of uplifting communities in general and those which have a strong developmental approach. It also includes projects with a focus on social, developmental or community aspects where the investment is not primarily driven as a marketing initiative.</p> <p>Contributions should benefit communities, natural persons and/or groups where at least 75% of the value of the benefits accrues to natural persons who are black people. Contributions may be either monetary or non-monetary provided they can be quantified. The objective of Social Development Contributions is the promotion of access to the economy for the beneficiaries.</p> <p>The target is 1% of Net Profit After Tax of the enterprise per annum</p>	<ul style="list-style-type: none"> • Worker communities from each company and other affected communities should be the first recipients of corporate social investment spend (as opposed to remote projects that have nothing to do with the company and its employees). We recommend that initiatives or donations are contributed to projects that are needed in communities eg clinics, schools, education centres, sports centres, HIV/AIDS programmes in worker communities • Each company in this sector should commit to a viable HIV/AIDS programme, including the provision of antiretrovirals, if needed

Should we

while we still can?

GAVIN HARTFORD argues that employee share ownership schemes (Esops) give workers an opportunity for an additional income stream. They are not about worker control of companies!

Why is the issue of black ownership and esops so high on the agenda.

Up until 2015, 25% of the economy is for sale to blacks. Black economic empowerment codes give further guidance on this issue. Currently this ownership opportunity is being divided up between designated groups (women, youth, disabled etc), workers and the emerging black business elite. We have a choice – do we want a few black faces in the economy or do we want to participate in the worker ownership arena?

What is black business' view on ownership?

Black business is pushing that broad-based empowerment (for example shares sold to workers or designated groups or community trusts etc) is not real empowerment. They argue that these groups cannot influence board level decision making and therefore constitute what they call "soft empowerment". They support a 10% ownership cap put on broad-based ownership. For example of the 25% of the business that can be transferred, black business wanted broad-based ownership to be capped at 10%. This cap has now been placed in the codes so that the sellers of the equity can realise 8 points of the available 2 points on the score card for broad based schemes (unless they comply with a set of additional requirements contained in annexure 100b of the ownership codes).

When you talk about workers owning shares in their company, should every worker, if offered, buy shares in their company?

Worker ownership has to be targeted at those companies that have real value. In family owned businesses you must first ask the question – is there value in this company? For example Satawu approached us. Workers at one of their companies were offered 15% of the company's shares. When we looked at this deal we advised that the deal does not make sense since there was no chance of real value passing to the workers in their lifetimes. Each

case needs to be considered on its merits from a financial point of view.

What benefits can esops offer?

If properly structured they can deliver cash, social benefits, shares that can be sold for cash when a worker leaves and/or new savings vehicles for workers..

How does the financing of an esop work?

All employee ownership is financed by the company providing a loan to the workers trust to buy the shares. As shares gain in value or as dividends (profits on the shares) are earned, the workers trust uses these proceeds to pay off the loan so that workers walk away with the shares that they own after the debt has been retired. In some deals, during the process of paying the debt off, dividends trickle through and are paid to the workers. But the real value for workers is in the long term growth of the value of the shares and if this value appreciates the workers sell their shares to secure the cash.

Isn't there a danger that the share price will fall and workers will not be able to pay off the loan?

Yes there is always this danger. However, there are ways to structure the ownership deal to reduce the risk of this eventuality. For example in the

Questions for discussion:

- Should Numsa engage in the employee ownership process, or leave it alone?
- Will owning shares in the companies we work for compromise wage bargaining? If not how can we engage with it?
- If we decide to go the esop route, how do we protect workers against the value of their shares dropping?
- Is there value in trying to engage in this process for workers?





Scaw Metals workers are the latest recipients of an Esop

Anglo Gold employee ownership deal the company gave one quarter of its shares for free so that workers would be protected to some degree if the share price fell completely.

Another way is to negotiate a discount off normal interest rates so that workers (or the trust) can buy shares with money borrowed at less than prime interest rate (2-4% below prime).

Yet another mechanism is to secure the right of the trust to sell shares back to the company when the share price spikes so that money can be put in the bank to pay off the loan.

The greatest protection is to diversify the investment once the shares are owned by the workers trust so that if the company fails, workers will still have shares in a diversified portfolio like the retirement funds.

How can we use esops to build worker control and influence in collective agreements?

All of the trusts that run the esops are 80 plus controlled by workers and independent trustees. It's not like a provident fund which is 50% management and 50% workers. In most esop trusts, the majority are worker trustees with 3 to 4 independent people.

However most esops typically own less far less 25% of the shares of a company. This is not enough ownership to have veto rights (ie to have the final say over a decision.) You need at least 50% ownership in order to get control over the decisions of the company.

This article combines questions and issues put to Gavin Hartford from the Esop Shop in the Numsa Central Committee in December 2006, and again in the February 2007 National Policy Workshop.

So would you say that having an esop is less about worker control of ownership and more about putting more money into workers' pockets?

Think of it like this. There is a BEE train coming along in this stage of the transformation process. There is a carriage marked in most empowerment deals saying the company wants to allocate x% for the workers. The choice is yours - do you want to jump onto this carriage or not. We live in a social democracy and this is an opportunity to enhance the benefits of employment for working people. This is not socialism!

Won't having shares in a company influence the workers not to want to fight for improved wages and conditions?

That is the workers choice. Typically, the world over there is no correlation between worker militancy and employee ownership, except in those companies that are wholly worker owned which is not the case here. At best we can secure a small part of the total ownership and we always have the option to not participate in board deliberations (if we are even offered such positions) or to participate and remove ourselves when the issue of deciding on workers' wages and conditions arise.

How could negotiating esops actually work?

Esops are negotiated on a company by company basis. It is a voluntary process since the company has the right to offer its shares to any black person. There is no obligation on companies to offer shares to workers. Numsa could promote engagement in employee share deals by agreeing to sign a broad framework agreement on the ownership issues with Seifsa, for example. However this could only be an enabling guideline since each company would have to be approached individually to determine whether a share ownership deal for workers is possible and viable. Organisers would then have to negotiate the finer details with each and every company that was interested.

What about multinational companies (MNCs)?

Government has agreed with them that they would not be compelled to comply with the ownership criteria of the BEE codes, and instead they must do equity equivalents. So instead of MNCs selling off their shares in the company itself they could sell other assets like catering, property, transport, retail chains or other non core parts of their business to worker-owned trusts. **NB**

Num on esops

Anglo-Gold Ashanti ESOP (Bokamoso Trust)

This article originally appeared in the SA Labour Bulletin Vol 31 No 1 2007

Background

As a signatory to the Mining Charter and Construction Charter, the National Union of Mineworkers (NUM) is one of the organisations that called upon companies to establish Employee Share Ownership Schemes (Esops) and community empowerment initiatives as part of addressing the imperatives of broad based socio-economic empowerment in the industry.

Given the controversy generated by companies when they unilaterally attempted to establish Esops in the 1980s, two consecutive Num congresses, in the year 2003 and 2006, vigorously debated the political wisdom of endorsing and participating in the establishment of Esops. The deliberations were frank and honest, guided by the need to empower and enhance the economic welfare of the workers in the mining and construction industries. Delegates argued for the establishment of Esops as a way of boosting savings and enhancing workers earnings.

It was argued, however, that it was important to maintain a firewall between collective bargaining issues and Esop affairs. With the congress having settled the political debate surrounding Esops, the only question remaining was how to establish Esops such that they created value and real benefits for workers.

AGA ESOPS

When the Anglo-Gold Ashanti (AGA) chief executive officer, Bobby Godsell, met the former General Secretary of the Num, Gwede Mantashe, with the intention to establish Esops for their 31000 employees, the organisation was ready to engage in the process.

As there were no South African case studies to learn from, the parties realised the need to establish a task team to deal with a host of issues ranging from the Esop financial model, trust deed, administration of the trust, and communication to workers.

ESOP SHOP played a vital role in facilitating the process, ensuring convergence of ideas and discussions with the stated objectives of economically

empowering workers. Whilst the parties adopted an open-minded approach, they realised the damaging effects the process would have should it fail.

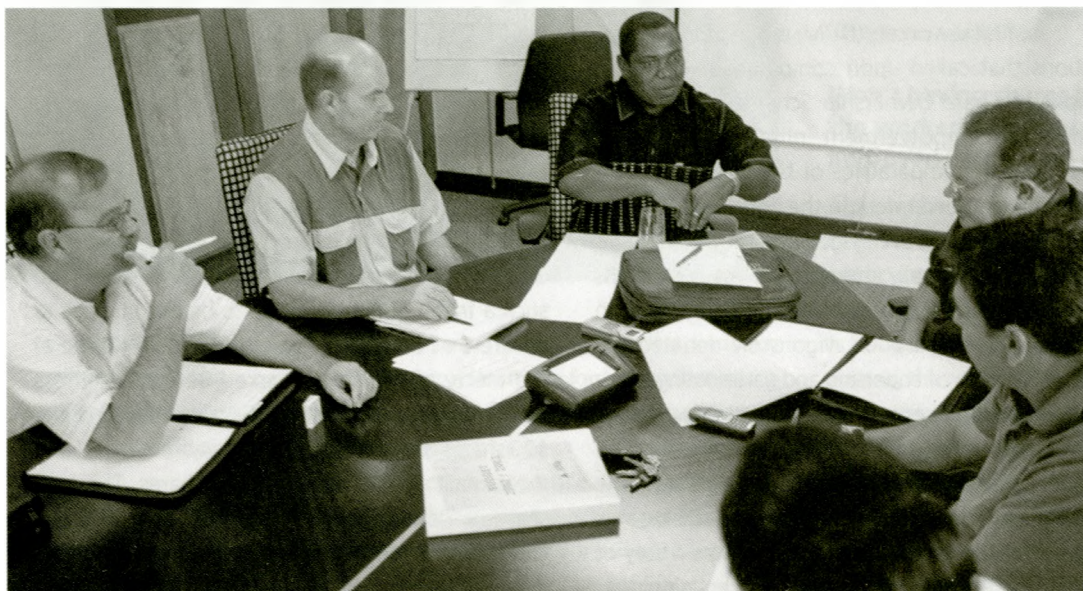
The members of the task team, Num, AGA, Solidarity and Uasa, adopted a set of principles that would guide discussions. One of the most important principles was involvement and participation of workers, through their representatives, in the process that would give birth to the Esop product. The parties also realised the need to minimise the risks of creating a trust that would be of no value to workers. As a union we could not afford to be associated with such a trust. Safeguards had to be put in place to ensure that the value of the trust would not be at the mercy of the stock market. Because of these stock market uncertainties, AGA allocated 30 of the 120 shares issued to each worker as 'free shares' and the remaining 90 shares as loan shares. The loan shares were also issued to the trust at a 10% discount. Such 'free shares' would guarantee workers a gain at any time when they were exercised.

Whilst we are satisfied with the fundamentals of the AGA trust in benefiting workers, we are concerned about the seven (7) year limited life-span for the trust. Limiting the life-span has been the underlying characteristic of all the Esop schemes that are in the process of being established by the mining companies. We would want parties to explore ways of extending Esops to the life of the mining companies. We contend that matching the Esops' term to mining licence obligations is crude and does not make sense. We however commend AGA in blazing the trail by setting an industry benchmark for worker empowerment.

We would like to caution those mining companies that have adopted a paternalistic approach to the establishment of Esops without worker involvement. It's an old school management philosophy that says, 'we know what is best for our employees'. In some cases these mining companies have sought to subordinate the worker Esop interest under some control of a BEE partner, working against the very ideals of worker empowerment. Such Esop schemes deprive workers of their voice and have neither legitimacy nor credibility and thus do not have the blessing of the organisation. **NB**

One share, one

Shareholder activism in this country has become equated with changing the colour of faces in many boardrooms. But shareholder activism can also be used by workers as TOM EGAN told Numsa Bulletin. If you have recently become a shareholder in your own company, read on!



Henner Frankenfeld/PictureNET Africa

Being a shareholder can also benefit workers

How have you exploited the issue of workers who are shareholders in their own company?

In a previous union job, we took 10 workers to their company's shareholders' meeting. Because they owned stock in the company they had the right to attend the meeting on par with all the other shareholders. At this meeting, workers publicly exposed management's hypocritical statements.

In this particular case a 20-year employee challenged the company CEO. "you've made statements saying you are continuing to eliminate unions and you have moved away from unionisation over the last 15 years. You've also made public statements saying that the union is good for the company. You can't have it both ways. Where do you stand?"

A company's shareholder meeting is a great venue for workers to talk directly to the company's board of directors, other shareholders and the investment press.

Have you used it around management of

factory issues? Often we get problems here for example a factory might be very poorly managed, or racist and where very little transformation has taken place. Is this a place where you could take that kind of problem?

Absolutely. No company wants to be considered racist. Based on information we gathered during an organising campaign in the southern US, the union filed equal opportunity charges against the company. There was a blatant pattern of management displaying favouritism towards the white workers. This was a good way of organising workers around an important issue. Workers care about the issue because winning it can change their lives.

At the company's shareholders' meeting a worker asked the CEO, "I've been working in this company for 18 years. I've been passed over time and time again, by white workers who are less qualified. What are your plans to put an end to this practice?" Other shareholders and the investment press may never have otherwise known about these charges.

Tom Egan is the Program Officer of the Solidarity Center of the US AFL-CIO

"Of cats, factions and a revolution"

Woody Aroun

Amidst allegations of tensions, conflict, splits and differences within the tripartite alliance, Joel Netshitenzhe's (JN) paper "Of cats, factions and a revolution" has cast the spotlight on the issue of **factionalism** and its implications for party politics, political discipline and social change.

In dealing with the issue of factionalism, JN raises the case of the Queensland Cat Protection Society and the brutal death of its president Kathleen Marshall -

"Around what fundamental issues, one may ask, could members of a cat protection society so differ that some of them could decide to take the life of one of their own? If so eccentric an organization with so little at stake could go this far, what should be expected from institutions dealing with huge resources, political power and social prestige"

But the issue of factionalism isn't simply about disagreements and dissent. It embodies all that is ideological and could wreak havoc in organizations that appear to be highly stable.

JN argues that it is normal for factions to exist in social institutions but "*that differences of view do not per se constitute factionalism*". According to him differences of a political nature, as is currently the case within the tripartite alliance, must be evaluated historically. In other words the political, social and cultural traditions under which the ANC developed are critically important when analysing present day tensions within the alliance.

Drawing on the experiences of the CPSU (Communist Party of the Soviet Union), China and even leadership squabbles within and amongst Britain's primary political contenders, JN illustrates that there is hardly a political party that is immune to factionalism – the Australian Labour Party is a more recent case in point.

How did the CPSU respond to the crisis of factionalism? The CPSU put the lid on factionalism and anyone who disagreed with official party pol-

icy faced expulsion from the party.

So where does this leave democratic centralism, political tolerance and space for free and candid debate within the structures of the tripartite alliance? Is the tripartite alliance not by its very "nature" prone to the formation of factions?

For JN the only way to counter factionalism lies in the historic traditions of the ANC:

- political tolerance: differences of views permitted, but subject to the political discipline of its cadres
- maturity of leadership across the alliance – ANC/SACP/Sactu
- the enemy (apartheid regime) would seek to sow divisions – so the alliance could not allow the formation of factions as this would mean playing into the hands of the enemy

Times have changed!

JN cautions against factionalism – in his view the formation of factions could only impede the alliance from achieving its revolutionary objectives. However, times have changed and careerism, political opportunism, corruption and succession are likely to fuel and create factions, sometimes under the pretext of deeper ideological differences.

Challenges

For JN the key challenges for the alliance is to refocus on the historic traditions of the progressive revolutionary forces, encourage free and open debate of ideas without necessarily imposing a "single ideology upon its members", maintain party discipline and strengthen the national collective.

Conclusion

JN's optimism speaks for itself – he is confident that the ANC will succeed in its historic mission "to build a better life for all" so long as we are able to leave our "personal egos" aside. **N3**

"Of cats, factions and a revolution" – a summary of a paper by Joel Netshitenzhe (Umrabulo No. 27, Nov 2006)

Aroun is Numsa KZN regional educator.

Analysing factions

**We must use materialist tools to analyse the origins of factions argues
ALEX MOHUBETSWANE MASHILO.**

Our congress movement is characterised by factions. In various public platforms Cosatu president, Willie Madisha, has condemned factions and their effects. Let us join hands with the president and deal with the question of factions with a materialist approach.

In the run up to Cosatu's National Congress held in 2006 and during the congress itself, factions were associated with processes and to make matters worse there were suspicions of tribalism.

But if there are factions, who is in them? What are the causes of these factions? What is the purpose of each faction? How long have these factions been in existence? What are their historical developments and associated dynamics? Is there, or has there ever been any floor-crossing between factions? If there is, who has done so, how many times? What is the solution?

These are some but not all of the questions that must be answered by sincere discussions and empirical evidence.

Disruption of unity under cover of outcries for unity

I want to quote extracts from VI Lenin's article **Disruption of Unity Under Cover of Outcries for Unity** published in May 1914 in a journal *Prosveshcheniye*. (This article can also be obtained from Marxists Internet Archive (MIA), www.marxists.org).

The reason for selecting Lenin's article is to promote free discussions on factions and condemnations of factions and to promote a materialist approach, which treats things on the basis of empirical evidence.

In this way we can examine the qualitative and quantitative aspects of these factions, their parts and historical connection, interpenetration

and the environment within which they spring into existence.

I also think that a materialist method will bring us closer to identifying correctly, the contradictions, quantities and qualities of these factions and to identify what must be changed, in order, not to manage them, but to eradicate them. We must implement change where necessary, to eradicate factions.

Let's follow Lenin's method, for instance.

In his article he traces a claim by Trotsky, who had initiated a journal and called it "non-factional". He also deals in the article with Trotsky's claim that the journal was a workers' journal:

"Trotsky calls his new journal 'non-factional'. He puts this word in the top line in his advertisements; this word is stressed by him in every key, in the editorial articles of Borba itself, as well as in the liquidationist *Severnaya Rabochaya Gazeta*, which carried an article on Borba by Trotsky before the latter began publication. What is this 'non-factionalism'?"

Thereafter Lenin concluded as follows:

"Trotsky's 'workers' journal' is Trotsky's journal for workers, as there is not a trace in it of either workers' initiative, or any connection with working-class organisations."

Following the tools of analysis and calling things by their name, mainly drawing attention to Trotsky, Lenin identified that:

"...the label 'non-factionalism' is used by the worst representatives of the worst remnants of factionalism to mislead the younger generation of workers."

After examining the then situation from the point of view of Paris or Vienna and listing factions or group divisions by their names Lenin turned back attention to Trotsky, based on his (Trotsky's)

“... identify what must be changed, in order, not to manage them, **but to eradicate them**. We must implement change where necessary, to eradicate factions.”



“ Trotsky’s “workers’ journal” is **Trotsky’s journal for workers**, as there is not a trace in it of either workers’ initiative, or any connection with working-class organisations. ”

role and arrived here:

“And that fact proves that we were right in calling Trotsky a representative of the “worst remnants of factionalism””.

And here:

“Trotsky, however, possesses no ideological and political definiteness, for his patent for “non-factionalism”, as we shall soon see in greater detail, is merely a patent to flit freely to and fro, from one group to another.”

After this point of arrival, but not to the final destination concerning Trotsky, with regards to his (Trotsky) sort of revolutionary but empty phrases Lenin borrowed an axiom:

“All that glitters is not gold. There is much glitter and sound in Trotsky’s phrases, but they are meaningless.”

At this point I would like to avoid rewriting Lenin’s article by quoting from it, but instead follow his methodology.

But it is worth presenting how Lenin discussed

Trotsky for the younger generation, not for the older participants because they knew him (Trotsky) very well. Lenin went as follows:

“In the days of the old Iskra (1901–03), these waverers, who flitted from the Economists to the Iskristis and back again, were dubbed “Tushino turncoats” (the name given in the Troublous Times in Russia to fighting men who went over from one camp to another).

When we speak of liquidationism we speak of a definite ideological trend, which grew up in the course of many years, stems from Menshevism and Economism in the twenty years’ history of Marxism, and is connected with the policy and ideology of a definite class — the liberal bourgeoisie.

The only ground the “Tushino turncoats” have for claiming that they stand above groups is that they “borrow” their ideas from one group one day and from another the next day. Trotsky was an

“**Lenin also identified ... who belonged to these factions and who vacillated in time periods.**”

ardent Iskrist in 1901–03, and Ryazanov described his role at the Congress of 1903 as “Lenin’s cudgel”. At the end of 1903, Trotsky was an ardent Menshevik, ie, he deserted from the Iskrist to the Economists. He said that “between the old Iskra and the new lies a gulf”. In 1904–05, he deserted the Mensheviks and occupied a vacillating position, now co-operating with Martynov (the Economist), now proclaiming his absurdly Left “permanent revolution” theory. In 1906–07, he approached the Bolsheviks, and in the spring of 1907 he declared that he was in agreement with Rosa Luxemburg.

In the period of disintegration, after long “non-factional” vacillation, he again went to the right, and in August 1912, he entered into a bloc with the liquidators. He has now deserted them again, although in substance he reiterates their shoddy ideas.

Such types are characteristic of the flotsam of past historical formations, of the time when the mass, working-class movement in Russia was still dormant, and when every group had “ample room” in which to pose as a trend, group or faction, in short, as a “power”, negotiating amalgamation with others.

The younger generation of workers should know exactly whom they



Questions for discussion:

- Why do you think there are factions?
- How do you think we should deal with factions?

Mashilo is head of Numsa’s education and training unit

are dealing with, when individuals come before them with incredibly pretentious claims, unwilling absolutely to reckon with either the Party decisions, which since 1908 have defined and established our attitude towards liquidationism, or with the experience of the present-day working-class movement in Russia, which has actually brought about the unity of the majority on the basis of full recognition of the aforesaid decisions.”

Conclusion

It is time to follow the example set by Lenin. Discussions and condemnations of factions in the present and the future relating to the position of our congress movement must be made from sincerity, and within a materialist mode of understanding of our present reality.

In his article Lenin explained how he himself came to observe these factions. He analysed the economic and material conditions. He did not just point out that they meet in dark corners. He also explained how they functioned in the open, inside organisations and the structures of organisations. Lenin also identified, at least to the minimum, who belonged to these factions and who vacillated in time periods.

What is interesting about Lenin’s approach is the manner in which he discussed the subject matter of factions openly and frankly, in response to Trotsky’s media campaign in his (Trotsky’s) journal. Take for instance the following extract:

“First of all we must express our thanks to Trotsky. Not long ago (from August 1912 to February 1914) he was at one with F. Dan, who, as is well known, threatened to “kill” anti-liquidationism, and called upon others to do so. At present Trotsky does not threaten to “kill” our trend (and our Party — **don’t be angry, Citizen Trotsky, this is true!**), he only prophesies that it will kill itself.”

Let us deal with our own South African situation, the situation of our congress movement, and identify existing things and people by their names, like Lenin did to his Russians.

Discussion is hereby open to examine factions and ultimately eradicate them out of our congress movement.

Let us build a united, strong revolutionary movement and its formations. **NS**

COSATU

Central Executive Committee statement on the **political situation**

Shift in the policy discourse:

The CEC unanimously observed that the political debate is shifting to the left, judging by the tenor of the ANC 8 January statement, elements of both the President's State of the Nation Address and the Budget Speech. The CEC is unanimous that there are interesting developments in the policy arena on macroeconomic policy, industrial policy and comprehensive social security.

Cosatu must remain vigilant since we do not know the details of government positions on these issues. Cosatu will not exaggerate gains or drop its guard. The shifts are not qualitative and certainly do not signal a consensus on a new developmental path based on fundamental restructuring of the economy through an active industrial strategy that will lead to massive absorption of the unemployed into the labour market.

The shifts are never unambiguous and are full of contradictions. They happen within a conservative economic climate in which it is constantly repeated that the economy is doing well and that we have turned the corner. Some are still saying that GEAR was right all along and that we are now reaping its fruits, with talk about 500 000 new jobs being used to promote glowing optimism. Yet the reality for the working class and the poor is extraordinary levels of unemployment, ravaging poverty and growing inequalities.

The 500 000 jobs per annum, whilst representing small progress, in the context of the massive job destruction in the first decade, will not help us realise the modest goal of halving unemployment by 2014. Moreover most of the jobs are of poor quality, created in sectors renowned for high levels of casualisation and sub contracting such as construction, retail and the hospitality industry.

Moreover Cosatu is concerned that these shifts are managed outside of the Alliance and the ANC, through a team of economists from Harvard and the President's Investment Council. Be that as it

may, a door has been opened and it is incumbent upon the Federation to seize the moment and accelerate the policy shift.

This will require engagement within the Alliance and mobilisation in civil society to create a bottom-up policy momentum.

On the other hand, these shifts seem to represent a growing convergence within the Alliance that the current trajectory is far from fulfilling the aims of the National Democratic Revolution (NDR). While progress has been registered over the last 13 years there is recognition that there remain many challenges that must be confronted with even greater vigour.

These shifts also reflect the significance of pressure from the Federation over many years on jobs and poverty, macro-economic strategy and comprehensive social security. Cosatu's demands have become prominent in the national agenda and one reading can suggest that the government is finally responding to the workers.

Still the question remains: is this a cynical move to occupy a left position that has been occupied by Cosatu during this year of the ANC conference or is this a genuine shift to the left? Discussions on what informs these shifts will continue within the Federation.

The political challenge confronting Cosatu is how to seize the moment to ensure a qualitative shift in our society to ensure the second decade of democracy benefits the working class. As such there is a potential for either unity or conflict on key economic and social development as we prepare for the SACP Congress and the ANC Policy Conference and National Conference in December.

These shifts however occur within a conservative climate which repeats the notion that the economy is doing well and that our society has turned the corner. This conservative convergence threatens to overshadow and downplay the

inequitable nature of the current growth path. As such, there is an ideological battle to maintain a message that it is big business and not the poor who are the major beneficiaries of economic reforms. The second decade of freedom should address key concerns of the working class which are mass creation of quality jobs, eradication of poverty and eliminating inequalities.

Character of the ANC

We all recognise that the ANC is a powerful force in society and that the workers of this country have invested a lot to build the movement. While it remains a broad church, there is a hegemonic conservative bloc, which has attempted to move

“ *If Cosatu locals are to play a decisive role in influencing ANC branches, they require a lot of empowerment, both politically and organisationally* ”

the movement to the centre left. This is manifest in the hollowing of the internal organisation, poor internal democracy and the locus of the centre of power in the state, changes in the key cadres driving the ANC, and on economic policy. Another key concern is the tendency to use the ANC as an instrument of individual accumulation, whether via the state or through business connections. However the environment is not

static and is subject to intense contestation. Therefore the principal task of the working class is to recapture the ANC as a progressive and radical liberation movement.

Internal coherence

Cosatu is not immune from developments within the ANC, as was evident at the 9th Congress. In this environment internal cohesion and unity is important and congress was a clear test of the federation's internal coherence. Furthermore, the divisions that emerged out of congress have not yet diminished. This requires a conscious effort to address unity and overcome these divisions.

A concerted campaign to contest Cosatu at all levels is underway, requiring a clear political response from the Federation. To that end, it is imperative for Cosatu to understand what is happening in its provinces and locals. Cosatu must further invest in political education and mobilisation to ensure a uniform voice at all levels. If Cosatu locals are to play a decisive role in influencing ANC branches, they require a lot of empowerment, both

politically and organisationally.

NDR and Socialism

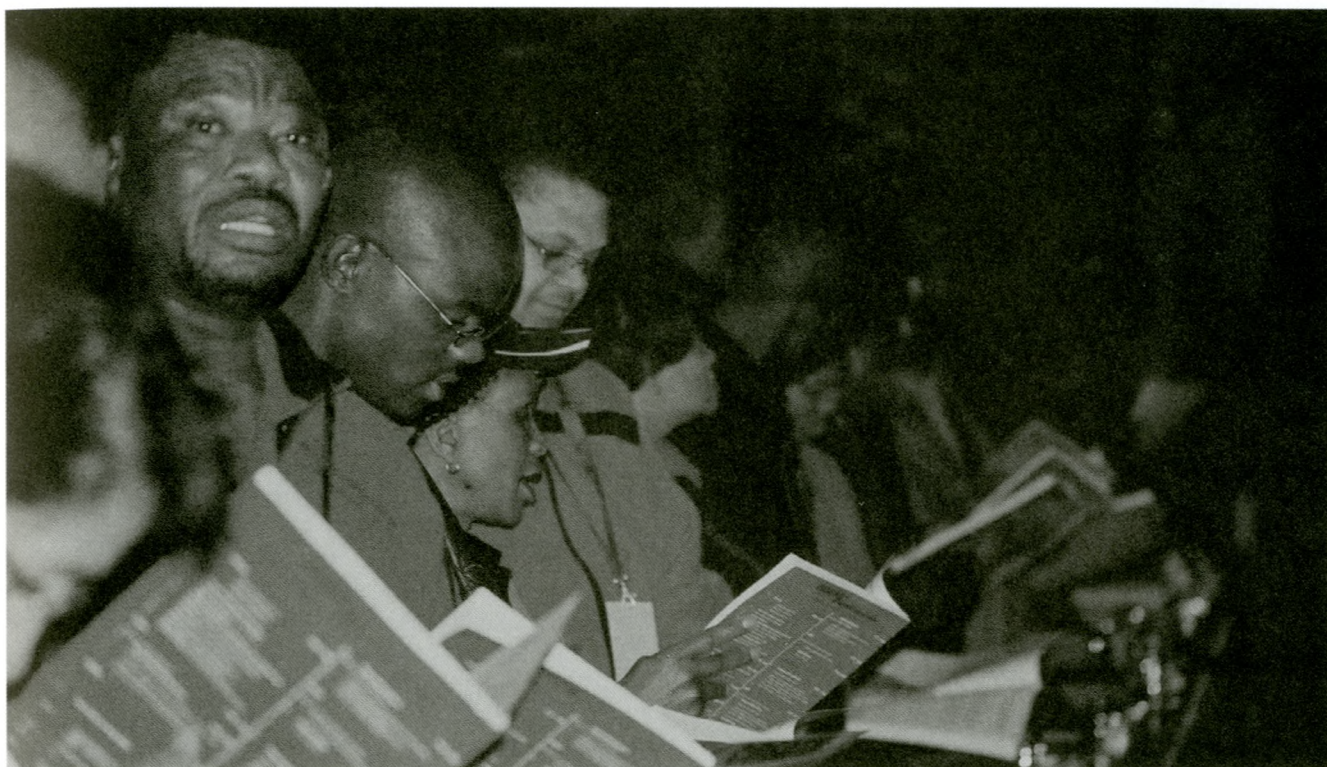
While reaffirming Cosatu's longstanding resolution on the dialectical link between the NDR and socialism, it is imperative to reflect on the meaning of the current debate on this issue. A conservative reading of the NDR is attempting to de-link it from socialism and propose that the NDR cannot intervene in changing class contradictions in our society. The debate is thus polarised between the NDR and socialism in a way that shifts the debate from the real question, ie how far have we managed to achieve the minimum programme of the NDR, namely the Freedom Charter. The debate this year should pivot around this question, while also theorising on the transition to socialism.

What this debate signifies is that for some in the movement the struggle is over and the time for accumulation has arrived. This signifies a potential rift in the popular movement that was united by the goal of building a democratic, non-racial and non-sexist society. The working class faces the Herculean task of convincing the rest of the movement that the NDR is far from achieved. We may have access to political office but the nature of our democracy is not far-reaching in political and economic terms.

Wealth and power still reside with a white minority and for many blacks, opportunities may have opened but are tempered by the glass ceiling at the workplace, unemployment, poverty and inequality. Hence there is still a need for a broader multi-class alliance led by the working class to prosecute the NDR, noting that for the working class the ultimate goal is to achieve socialism.

The Alliance

The Alliance has not changed qualitatively in terms of its operation and as the driver of the transformation project. It still operates through cycles of shocks, big moments and a long period of a lull. The balances of forces both nationally and globally are somewhat stacked in favour of a conservative agenda. Yet, developments in Latin America and the stubborn reality of the legacy of apartheid, offers an opportunity to shift power in favour of the working class.



Alliance Pact or Alliance Minimum Platform

The mandate emerging out of the Cosatu Congress is a tough one, signalling an end to open-ended debate about the nature of the Alliance. The 9th Congress has set key tasks for the Federation to be reviewed in June 2008. These include restructuring the Alliance and arriving at an Alliance Pact for Development.

That means the political choices facing the Federation are not comfortable but have to be confronted. If we do not achieve a breakthrough in 2007 we face the choice of the Alliance continuing on this trajectory of zigzags. The 9th National Congress has made it clear that the working class will no longer tolerate this situation. The days of the blank cheque are over - workers want to measure the progress we are making through a pact.

Ideological Contestation

The CEC noted the abuse of Marxism-Leninism to defend conservative policies and ironically to argue against socialism. There can be no Marxist who does not believe in a socialist future! This is also linked to a revisionist reading of the ANC history to support the conclusion of this conservative agenda. It is important to deepen consciousness of our members around these theoretical issues.

However, the principal task is to always link these theoretical debates to the trajectory of the NDR and an examination of the balance of forces in our contemporary world. Therefore while it is important to ensure a correct reading of the classics, Cosatu's focus should err on the side of how current programmes achieve the aims of the NDR and lay the foundation for socialism in our historical epoch.

The role of the media in supporting the conservative discourse was also noted. The print media, with notable exceptions, was identified as particularly biased. The SABC was considered a political challenge, especially to ensure that its news desks reflect the diversity of our society, particularly the voice of workers. Some of the black editors are perceived to be playing a problematic 'racialised' role. They see their task as defending a black government from what they conceive to be unfair criticism, and in the process they have allowed themselves to be sucked into factional fights that are playing out within the Alliance.

Ironically it is the workers who play a critical role to mobilise their families and society to vote the ANC whilst they sit in the comfort of their office intellectualising. The best defenders of the ANC therefore are the workers who built it in the first place and who are the leading detachment of the working class which is the primary motive force of our revolution. **NB**

Not all singing the same tune - Cosatu's 2006 congress was affected by developments within the ANC

Extracts from the Cosatu CEC statement March 1 2007

A Social Plan - do we need one?

Yes, says GREG STANLEY and it must have Socialism at its core.

How do we beat poverty? How do we beat crime? How do we beat AIDS? How do we beat low economic growth? How do we beat low wages? How do we make our country grow?

These are all questions that occupy the minds of economists, politicians, unionists and most citizens. The answers are complex and there are strongly differing viewpoints. Current economic thinking is that neo-liberal and neo-con economics will do the job. It may for some in the economically developed countries but even they in many cases are wobbling in terms of increasing unemployment and an increasing wage gap. If they cannot succeed for the benefit of all their people, what chance have the countries of the developing world

got and even worse off are those states that can only be called under-developed.

Agricultural land
*should be made more
readily available*

We need to look at new economic policies that will push economic growth into double figures and then we have a chance at beating the odds. The move to the left in Latin America provides us with some guidance. The principle of the people's ownership of resources, the responsibility of the state to provide services, the equitable distribution of land, social upliftment and debt reduction are good places to start.

The natural resources of the land belong to the people.

The exploitation of these resources needs to be controlled on behalf of the people. To deal with mining resources there has to be a determination that profits for mine owners are not the sole motivation for running a mine and that the national interest is paramount. Mining provides employment, investment, foreign exchange, rural development,

training and skills. There are options that are open to the country such as nationalisation, subsidisation and franchising that need to be explored to obtain the maximum benefits. Infrastructure such as railroads, communications, harbours, airports and national airlines need to be re-nationalised, not that private operators should be excluded, the principle being that private enterprise will only proceed with development if there are certainties in their profit projections. The state can do long term development that is necessary for long term economic growth but will not necessarily yield a profit.

The provision of services should not only benefit the people but can also be a powerful driver of economic growth and a contributor to mass employment.

Basic services include the supply of water, sanitation, electricity and roads. We need to expand that definition to include items such as health care, education and transport. It is in the field of transport that most policy changes will need to happen. Private buses, taxis and privatised railroads are not public transport, they are private transport run solely to make profits for their owners. Public transport must be nationalised and subsidised to provide efficient, fast, comfortable and safe travel to and from our places of work.

The Gautrain for instance is a great idea, but it should run from Kattlehong to Marble Hall, from Soweto to Mamelodi and stops in between to serve the millions of workers who commute daily, often in dangerous and tiring circumstances. If there is one legacy of apartheid that we may never overcome it is the distances that workers have to travel. Subsidisation is the only answer. To reduce the ever-increasing load on our roads we need more commuters using public transport and we need to



put commuters into buses and trains.

Each and every citizen has a right to own land, whether the land is a house in a suburb or a farm in the country. The land redistribution programme is commendable, but it still leaves many people landless and homeless. The principle should be that if you live in an urban environment and live below a determined income, housing should be subsidised. Agricultural land should be made more readily available, through processes such as expropriation, wholly or in part, through land taxes that will encourage farmers to maximise their land use or sell some or all of their property. But most important is that emergent and BEE farmers must be assisted with technical support that includes finance, skill acquisition, access to markets and subsidisation.

We need to start adopting social programmes for the immediate relief of poverty.

The basic income grant (BIG) idea is the most immediate direction to follow. It will not provide total relief but it will avoid any person from being totally destitute. Rural infrastructure projects, increased salaries for our service workers such as

police, nurses, doctors, teachers and free education to post graduate level will also bring relief. Increased employment in the police force, the use of auxiliary police, foot and bicycle patrols will all help to reduce crime.

Debt is becoming a dirty word, yet without it we could not possibly hope to achieve any economic growth.

But how do we control it when interest rate increases seem to have little effect? Inflation control is all very well if interest rates do reduce spending, but the developing world has such primary needs that the money needs to be spent and it needs to be borrowed. The answer is not to increase the interest rates but reduce them to low levels so that current debt can be serviced and future debt can be accessed.

Is business and investment at risk if we follow a socialist policy?

Obviously not, many countries have followed this route without compromising private enterprise and in fact as more of the population move from poverty to sustainability so business improves.

Therefore, what South Africa needs is a good dose of socialism. NB

Emergent and BEE farmers must be assisted with technical support

Stanley is a Numsa member and a representative for Numsa organised salaried staff at Toyota



All aboard the **gravy**

Ashwin Desai

It says a lot about an organisation that you invite somebody on the occasion of your 21st anniversary to point to your weaknesses and debate whether you are on track for another 21 years. I am confident you will indulge me, for like any opportunistic striker (and I am sure there are many of you in the hall today), I propose to take full advantage.

I think that the problem for Cosatu is not whether it is on track but whether it is anywhere close to influencing the driving of the train.

You are not even in the first two carriages.

Cosatu is tolerated in third class for it gives the ANC legitimacy and a massive number of votes. Even in the alliance you are the labourers. After the celebrations you wake up to the babelas (hangover) of neo-liberalism. Of course, you have warded off an all-out assault on worker rights by being useful. But these remain largely defensive struggles. Often Cosatu has barely hung onto their seats in the train as elements up front have tried to shove you off, especially once elections are over.

There is nothing inherently "pure" about Cosatu. Some of you on the train are hanging on because you look out and see the hunger and desperation of the absolutely poor and are content with the trickle down of the gravy into third class. Others, knowing your Bible quite well, hope that a modern-day version of "Jacob's ladder" will provide the path to the first-class compartments.

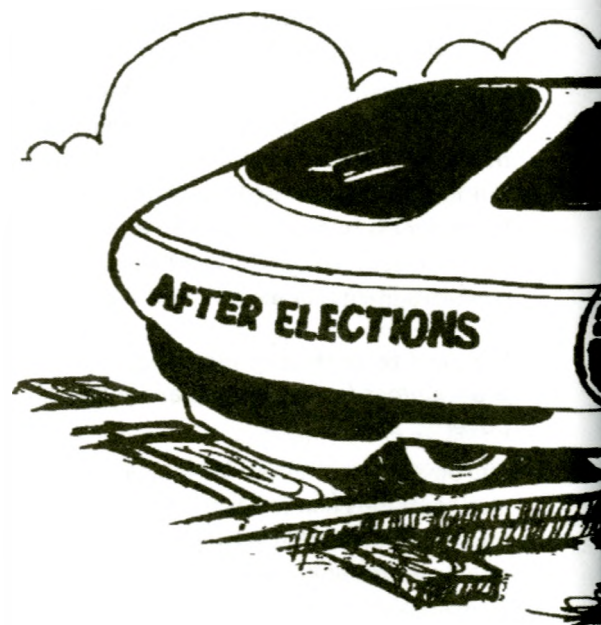
The train has changed course, comrades, but because the tracks look the same and the curve has been slow but steady you have not noticed the train

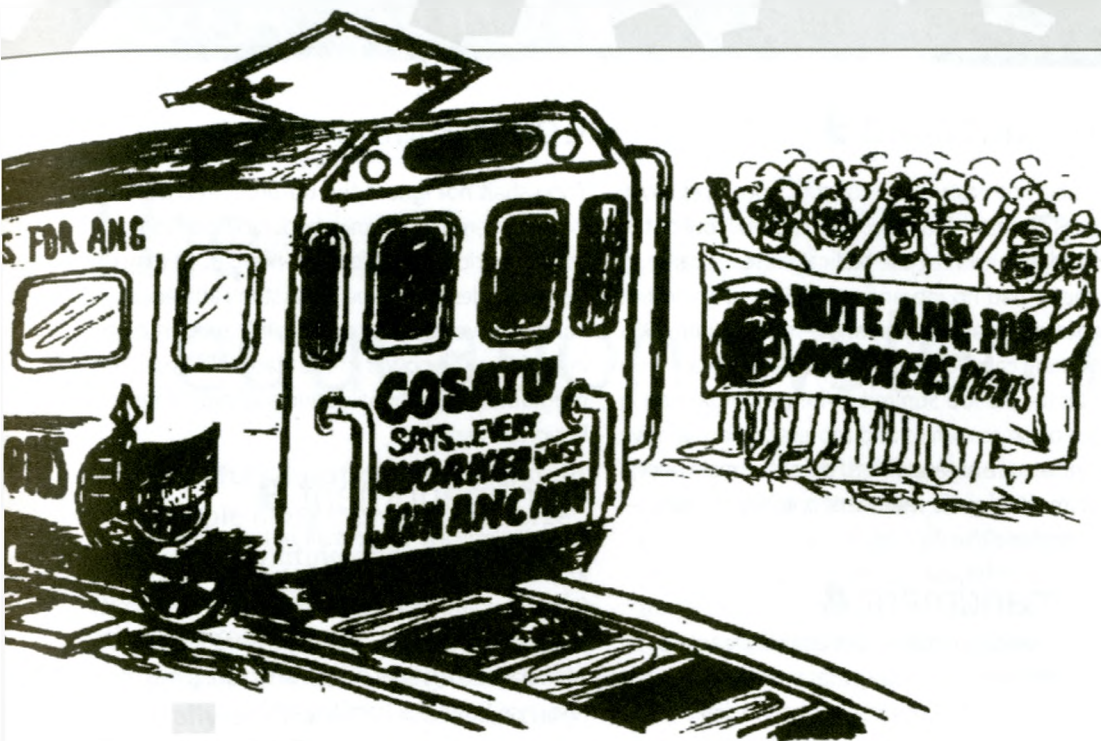
making a U-turn.

You have mistaken the black smoke of the coal train for the "Black Republic". When will you see through the smoke-screen of black economic empowerment (BEE), the African Renaissance and a hollowed out African nationalism?

In pointing out your weaknesses I am simply presuming that you are still on track to effect a fundamental restructuring of our economy in which redistribution is the key and in this endeavour you are determined to mobilise the broadest sections of the working class.

What, then, is a pilgrim to do?



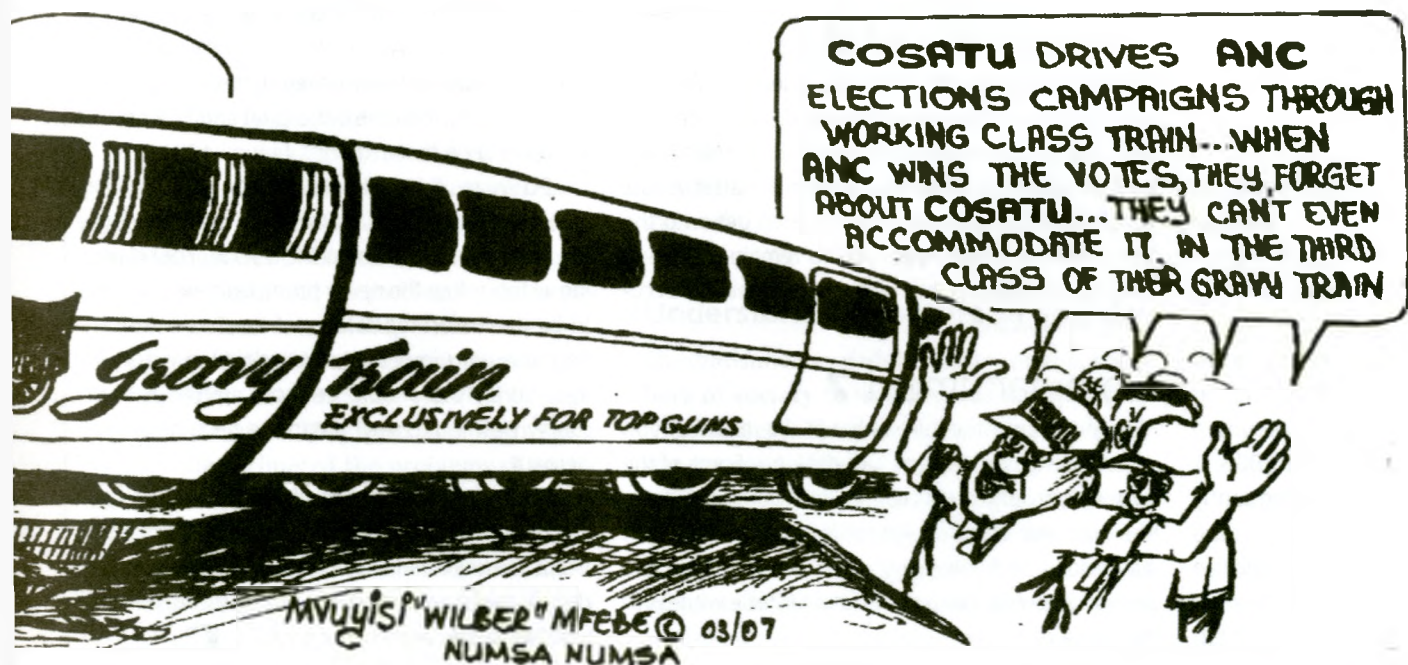


Commandment 1

Thou shalt not have an intractable obsession with a form of industrial unionism that is inadequate to organise workplaces that straddle across sectors and informal precarious workers and which leaves your (last) compartment representing only permanent organised workers. This raises accusations from the poor and the capitalist class that you are a self-serving aristocracy. This is dangerous because the notion of a (black) capitalist class speaking for the downtrodden and even aligning with them against you is not far-fetched.

Commandment 2

Thou shalt not be content to sit at the back of the train where you cannot set the agenda of the ANC but simply react to the directions set out up-front. You cannot influence debates inside the ANC because when the NEC meets you are not even present. You need to create the space to influence debates inside the ANC and the alliance based on an autonomous theoretical elaboration and an independent political platform.



Commandment 3

Thou shalt not easily judge or turn your eyes away from those worse off than you. Do not fall foul of the modern-day version of the biblical curse: "I came to you when I had no job and you said you could not help because I was not a union member. When 40% of the nation came to you and said 'work, please' you said wait for the Job Summit. When we organised in the face of no resources and repression you said we were single issue organisations. Is not the main obsession of most of your members one single issue — "wage increase?"

Commandment 4

Do not see waged employment as the solution to all social ills of the country. Given that employment is not an escape route out of poverty, it is only by linking into community insurgencies that you will explore in an imaginative way forms of social emancipation and liberation beyond waged labour, for example in the direction of concerted de-commodification and the universal provision of basic income.

Commandment 5

While it seems those calling for a break in the alliance are in the sphere of wishful thinking, your current subordination to the ANC greatly constrains your ability to criticise and mobilise against the ruling party's promotion of a new corporate elite. Instead of seriously building a counter-hegemonic movement you have become obsessed with leadership struggles in the ANC and it is personal aggrandisement and egos that drive many of you. Stop waiting for a single Messiah! Remember the commandment: Thou shalt not worship personal egos and false gods.

Commandment 6

Beware those who dress up old conservative ideas in radical bluster. The return to workerism is the false way. It forces you back into your own compartment, as if the direction of the train does not matter. It cuts us off from the poor who cannot even get onto the train. The workerists want you to remain captive at Union headquarters, but workers also need to occupy Union Buildings.

Commandment 7

You must reject the false belief in the idea that you are doing well on the terrain of the legal. Some of the awards and judgements coming from, among others, the Supreme Court of Appeal (see page 47), which has resurrected the reasonable employer test, are truly frightening. Thou shalt not bear false witness to the value of the law.

Commandment 8

Thou shalt not ignore the upsurges and possibilities for internationalism provided by the red tide in Latin America. It may be neo-populist, it may not last, but it deserves to be understood and engaged. There are world historical possibilities, particularly in wielding the power of the state to re-imagine a programme of nationalisation and radical redistribution of wealth.

Commandment 9

The ideologically weak shall not inherit the Earth. In recent times there has been an increasing confidence of anti-apartheid intellectuals turned conservative ideologues. The rightward shift of the ANC has found its intellectual handmaidens. Your response has been frankly pathetic.

Commandment 10

Beware the person who comes bearing timeless catechisms masquerading as the Saviour from on high.

In times of ideological and political uncertainty and even despondency there arrive in our midst soothsayers: "I am the way, the truth and the life; no one comes to the answer but by me." It was Lenin who wrote about the necessity for a concrete analysis of a concrete situation and Marx who warned that we do not simply go around proclaiming "here is the truth; on your knees before it". Dogmatists, like fundamentalists of all kinds, are just lazy thinkers.

How does one then mount a counter-hegemonic struggle? How does one develop a programme that becomes the general interest of society? These are your challenges.

I see at the end of the day's events, we will be cutting the cake. And is this not really what this struggle is about? We are tired of the cake getting bigger, but by the time old capital and BEE dig in, we have to be thankful for a few crumbs.

Do we really have another road to offer? Your ideas, like "Buy South African", are as futile as trying to sell shaving cream to the Taliban. Your claiming victory when the newly privatised train is forced to be painted in the colours of the South African flag is as ridiculous as Bush proclaiming victory in Iraq. Surely you should be more ambitious than simply wanting to slow down the neo-liberal juggernaut.

Are you on track for another 21 years? Well, if you are going to be you should watch closely who keeps the knife that cuts the cake. For, in this wonderful, mighty cauldron of South African politics, you had better watch your back! **NB**

Ashwin Desai is a political commentator. Desai delivered this speech at Cosatu's 21st birthday celebration in Johannesburg in December 2006. It subsequently appeared in the *Mail and Guardian* on 18 December 2006

The principles an education system needs

A meaningful education system should teach people more than just the three Rs (Reading, wRiting and aRithmetic) argues ENVER MOTALA. While technological skills are important, providing people with analytical tools to critically evaluate the societies they live and work in are equally important.

Reading, writing and communicating

A meaningful educational system should provide society and the individuals within it with the means to **read, write and communicate meaningfully**. Millions of people throughout the world who cannot read or write simply continue to exist at the bottom of the pile. Their opportunities are extremely limited. They are unable to engage in a meaningful way with the complexities of modern societies, and they have even less of a chance of providing opportunities and hope to their children. This lack of possibilities [or at least the extremely limited nature of these] inevitably continues the cycle of deprivation and misery to which most of the poor people of the world are forever condemned.

Some years ago, a Cosatu delegation went to Kerala (India). It was at a time when we were busily engaged in refashioning the new educational system prior to 1994. Then the talk was all about high skills and high wages – a high road to development which we all believed in ardently. It would resolve once and for all the problems of the working class – at least substantially if not entirely.

A group of plantation workers in Kerala were sceptical about the 'miracles' which this 'high road' would achieve. They feared that we in South Africa underestimated the problems of social change and especially of achieving high levels of employment and high wages at the same time. For them the main benefits of education were that of becoming literate for no other reason than the fact that it lent human dignity to their lives, enabled

them to recognize their names in writing, made them aware of civic issues, allowed them to participate better in social, cultural, religious and other events and banished the label of ignorance to which they had been accustomed for so long.

No talk about high skills and high wages – just plain human dignity and the self respect that comes from it.

Ability to quantify

The second important purpose of learning is to impart to those who learn the ability to **quantify things** – to understand how to measure and evaluate things in themselves and in relation to other things. If you did not know anything about sizes, quantities, dimensions, costs in such basic things like food and clothing, life would be extremely difficult for you as an individual, not to mention how your family would have fun because you are 'so silly'.

You must know what quantities of food you consume as a family, how much the electricity costs, what the costs of transport are to send your children to school and for you to go to work, and how much you require to save (if at all you can) so that you can have medical attention and pay for school fees which these days are a must.

And of course it also enables you to compare. For instance you can compare wages and incomes, how much energy and other resources are used by different social classes and different countries of the world.

Understand the nature of society

The third function of education is to **enable members of society to understand the nature of their society**. This means that they must understand as much of its complexities as they can. There are questions about how a society is made up, its demographic, age, class, gender, religious and other attributes; its geographic and regional distribution; its poverty and wealth and employment levels and other things which relate to its health

Enver Motala is an educationalist who worked closely with the unions from the 1970s to the 1990s

and well-being – what are called the indices of its social and economic profile and general development.

Then there are questions of how it is organized, the forms of power in society and accountability. There is power associated with the state in all its many forms - national, regional and local, the power of the rich and their corporations, the power of multinationals and the almost omnipotent governments which support these multinationals both directly and through their influence in other world bodies. There is the power of religious and cultural organisations and of special interest groups and 'caucuses' and of course the power of the organisations of the working class and the poor.

A good educational system enables one to ask difficult and sometimes uncomfortable questions about the nature of societies. This enquiry can begin right at school if you have open-minded and enquiring educators.

The educational system does encourage some questioning. But I often wonder whether there are limits to what is and what is not encouraged in our schools. Part of the problem is quite simply the experience which we ourselves do not have in using our pedagogical (teaching and learning strategies) to raise the level of enquiry of our young [and old] minds.

Building nationhood

A **fourth value** that our education system should nurture is the idea of nationhood and building solidarity within a unified nation. Events taking place

in Central Africa, concepts about nationhood and the building of a society across ethnic and other historical divides (and the idea of 'race' and religion must surely be amongst the worst and most intractable amongst these divides) are very troublesome.

We know also that some feminists are unhappy about ideas of nationhood because in their view, concepts of nationhood have sometimes simply gone on to reinforce dominant systems of patriarchy. But that notwithstanding, I think there is an important place in our learning systems for the building of a unified society precisely so that we deal with all those divisions which characterise our societies. There is no reason why such a concept of a unified society cannot openly deal with issues of gender and patriarchy at the same time.

The building of a nation must moreover not be regarded as something which stands against concepts of universalism or internationalism as these were first outlined in the literature of the late 19th century socialist movements. Given the extraordinary implications of global power on poor societies throughout the world, the idea of true internationalism must be invoked even more, so that those who are on the receiving end of the most harmful effects of global power have some way of defending themselves against it.

Recently in the formal documents produced by government there has also been useful talk about the question of values which include many ideals like democracy, social justice, equity, equality, non-racism and non-sexism, Ubuntu, respon-

An alternative society

By the way, the present way of distributing goods has not been the only one known to human societies. We know that earliest human societies must have distributed things very differently and much more equitably [at least amongst those who hunted and gathered and put in a hard days work in doing so] and must have seen to it that the young were provided for properly. This was

essential to their survival as a society against the powerful forces of nature with which these societies had to contend.

More recently in our history – in the last century, the Soviets tried a potent experiment in how to produce and distribute goods and services and although it was not sustainable [for reasons I don't have time to elaborate here] it was a dif-

ferent way of producing wealth, exchanging and distributing it.

Under the Soviet State, a huge planning bureaucracy was developed called the GOSPLAN. It attempted to organise all economic activity in the Soviet state.

Amongst its most ambitious undertakings was the idea that it could quantify the totality of needs for goods and services in the Soviet



W Matlala

For some, the way in which rich landowners acquired land over the last 350 years is part of the process of fair and legal exchange. For others it is no more than theft and dispossession

sibility, etc. In the earlier liberal and humanist texts about the value of education, things like morality, uprightness, spiritual virtue, honesty and similar important concepts of value were often emphasized.

What was not so clear in those writings was the question of **whose values** were being talked about. In particular the liberal humanist writings often ignored the reality that there were very large divisions in the societies which they were talking about and that for example, it was not possible to simply talk about honesty from one point of view.

For a labourer who was doing 'an honest days labour', his rich employer could hardly be regarded as honest if the labourer only got paid enough

to keep him alive and no more. Yet, for the rich employer the labourer was dishonest if that labourer did not work for the full time that s/he was paid.

In this country, the way in which the rich landowners acquired land over the last 350 years is regarded by some as part of the process of fair and legal exchange while for others it is no more than theft and dispossession based on the relationship of power between those who have the land and those who were dispossessed.

In reality all relationships between persons and within societies can be viewed from different perspectives and so too can the meaning and effect of those relationships.

Union. It worked out the quantities of every conceivable product that might be required by society in detail.

After that, particular factories and other work places were given the responsibility of producing a certain amount of goods towards the total effort. And as has been admitted even by the most sceptical anti-planning economists, this method

had great value for a society [like the Soviet Union] which was coming out of years of War, starvation and centuries of oppression, backwardness and was one of the poorest societies in Europe and Asia at the time.

The Plan had immense advantages in the first phase of the development of the Soviet State even though the sheer weight of bureau-

cratic and anti-democratic political and administrative policies and practices gave rise to its demise.

The point is simply that we have largely forgotten that there have been and can be other ways of producing and distributing goods to meet the needs of all of society and not just of the upper and middle classes.

But there is no reason to believe that these differences can't be talked about, debated and argued openly so that societies know exactly what is and is not possible within a particular form of social organisation. It is more open and honest to do that, than to pretend that if we believe in certain great ideas like 'fairness and truth' we will suddenly achieve those things in the real world, and that we will all benefit equally from them.

At the moment, throughout the world, certain interpretations of these values predominate and these are invariably based on the power of those who are dominant.

Technological and scientific education

Then there is the value of **technological and scientific education**.

Only a fool would deny the extraordinary power and importance in the modern industrial capitalist system of scientific and technological knowledge. It is important to manipulate and use modern systems of communication and to use them to resolve some of the large social problems which face modern societies.

But how do we understand the concepts 'scientific' and 'technological' and any such word which has importance for educational systems. Like societies themselves, the meanings of words also change with time. Very often the concept of science and technology and the knowledge related to them is associated largely with school-based learning in mathematics, physical science and more recently technology as a subject. This understanding of the terms seriously undervalues the importance of **other kinds and sources** of learning.

For example understanding how the economy is structured, the society is organised, languages are used, and human behaviour, etc. are not regarded as scientific knowledge. And anybody who 'wastes time' studying these things is wasting society's resources because they will not contribute to the wealth and well-being of society. This type of argument tries to simply reduce all 'real knowledge' to learning the subject matter of mathematics, science and technology and subjects like these.

Fortunately, there are real debates about what universities and other higher education institutions should concentrate on. Some say that the role of universities is not simply to produce graduates for work. For them other qualities like critical enquiry, rational debate, separating evidence from opinion, evaluating and presenting views



W. Matlala

coherently and thinking conceptually, contextually and theorising are equally, if not more, important. We might add that understanding theory with and through practice would also be very important.

However the dominant ideas at such institutions are unquestionably prejudiced in favour of the 'scientific', laboratory knowledge that universities produce like physics, chemistry, the medical and biological sciences, mathematics and the like.

Worse than this is the pretence that people who are 'not educated', or who don't have 'high level learning', can't contribute usefully to making knowledge. We know what a lot of arrogant nonsense this is. Societies have been transformed while many of those in academe [with some very important exceptions] were fast asleep. We know how in the daily interactions of human beings, in the process of producing and reproducing themselves, societies are changed and new knowledge is created. And some of this [especially about how societies function] is as complex as any other form of knowledge and requires as detailed a study as you could imagine.

Where would we be as human societies if we had not developed the magnificent means of communication through language that we now have? And what about the wonderful and creative endeavours in producing music, dance, sculpture, poetry and literature and all the other art forms which distinguish us as human beings. Where



A good education system should enable individuals to understand the nature of their society

would we be if society had not evolved as it has through the organisation of complex, social, economic and cultural practices and ideas?

It is also misleading to suggest that knowing how to manipulate new technologies and how to exchange information rapidly and to engineer systems of knowledge by doing so, can **by themselves** make societies better.

A great deal of the systems of knowledge of production in the world is geared in ways to create and perpetuate the divisions in society. These divisions are between rich and poor individuals, social classes and nations, men and women, urban and rural communities and over cultural and religious differences.

It is dishonest to pretend that access to technological knowledge is an equalizing factor. It cannot be, until the societal structures for the control and use of such knowledge are at least less unequal than they are. There are limited possibilities of bridging this divide in the nature of our so-called knowledge societies under their present arrangement.

What is also very disturbing is how those who are the sellers of the ideas of technological knowledge simply fail to recognize the value of other knowledge which has pre-existed the technologies which they speak about. There is a vast accumulation of experience and real knowledge in our society. And this knowledge lies not in the institutions of higher education but in the minds of

very ordinary working class men and women.

This has been acquired through countless years of hard labour, through struggle with the processes of production and against the processes of exploitation, through the daily travails of having to sustain themselves and their families and through the struggles waged in working class and poor communities throughout our long and tortured history.

It was this accumulated wisdom which resulted in the demise of apartheid. But this wisdom will only be given its fullest expression if it is realised and better understood.

How do we deal with this vast body of knowledge and with other forms of knowledge which are hidden from view? I think particularly of knowledge which has been derived from the specific experience of women, of local communities, and of regionally specific contestations about social issues. What is the value we place on the forms of indigenous knowledge and the languages which are common to the people of our country, even while they remain so unrepresented and unrecognised?

It is not possible to solve the horrendous problems of poverty and oppression without using a wide combination of knowledge including the knowledge of those directly affected communities. We must therefore understand the value of technical knowledge in a proper way and not overstate it. **NB**

This article originally appeared in Sadtu's Educators Voice

Can an employee be **dismissed** without a disciplinary hearing?



FRANCE NTULI

Common law lays down that a person must be afforded an opportunity to state his or her side of the story. This is called the *audi alteram partem* rule ("hear the other side" - "the audi rule").

The right to a hearing in disciplinary matters was long fought for in the workers' struggle. Even when workers did not have that right written into law, they could still invoke the audi rule because it was a common law right. Common law always prevails unless the laws of the country revoke it.

When applied to a disciplinary matter, common law states that both parties must be given an opportunity to state their respective cases.

If companies refuse, neglect and/or fail to apply the rule the proceedings will be declared procedurally unfair.

And procedural unfairness could lead to punitive financial measures against the company.

The Labour Relations Act of 1995 sought to codify common law. Its Code of Good Practice requires employers to respect the "audi rule".

The Code does not give workers the automatic right to a formal hearing. If a small company fails to bring in an independent person to hear the worker's side of the story, the court will not necessarily hold the employer liable. Instead it will try and establish whether the worker(s) had a chance to state their case.

The Labour Appeal Court has reiterated this point in the case of **Semenya & others v/s NUMSA & others (2006) 15 LAC 1.11.1**. The applicant employer and the respondent employee met. The former informed the latter that her employment contract was terminated.

The meeting was not a formal disciplinary enquiry with an independent chairperson.

The worker protested that she was dismissed without a formal disciplinary proceeding.

The employer offered her a formal hearing with an independent chairperson.

The worker held that the company had already dismissed her and that the hearing would be a mere

formality. She refused the offer.

The CCMA commissioner and the court found in favour of the worker.

However the Labour Appeal Court reached a different conclusion with costs against the respondent employee. Labour Court Judge President Zondo and Acting Judges of Appeal Davis and Nkabinde found that both the Labour Court and the respondent CCMA commissioner were wrong in their judgment.

The judges found that the worker was wrong to refuse the hearing. The independent chairperson could have reached a different finding.

This judgement should therefore educate workers that as much as they think that chairpersons chairing disciplinary hearings are bound to be biased because their services are paid by the company, they need to accept offers for the hearing as long as the chairperson was not involved in the incident. If they feel the chairperson was biased then they can declare a dispute at the CCMA or bargaining council within 30 days after receiving the notice of dismissal.

The judgement is also a reminder to employers that they need to conduct hearings before dismissing employees.

Even in strike situations, regardless of whether the strike is protected or not, the courts have declared that the dismissal of strikers without a hearing is unfair. (see **Modise and Others v Steve's Spar Blackheath (2000) 9 LAC 9.3.**)

However there are instances where the courts have established that an employer can dismiss workers without a hearing.

These are:

- if the worker walks out of the hearing or does not turn up for the hearing
- If the worker himself/herself waives the right (rejects) the hearing
- in crisis situations where workers are on strike and the strike has turned violent and the employer has taken reasonable steps to stop the violence and where there are barriers to entering or leaving the employer's business premises because of the strike. **NB**

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An employer can dismiss workers without a hearing when a strike has turned violent

W Matlala

Briefs:

Cosatu takes crucial unfair dismissal judgment to Constitutional Court

Cosatu is appealing to the Constitutional Court over an unfair dismissal case of a security worker, Zandise Sidumo, who was employed by Rustenburg Platinum. The case has been set down for May 8 2007.

At arbitration the CCMA found Sidumo was guilty of misconduct but that dismissal was not an appropriate sanction. It ordered the company to reinstate him and pay him three months backpay.

The company then took the matter on review to the Labour Court and when this court threw it out, to the Labour Appeal Court (LAC). However, the LAC also upheld the view of the CCMA.

Undaunted, the company then went to the Supreme Court of Appeal (SCA) which found in the employer's favour. The SCA said that CCMA commissioners should "display a measure of deference to

the employer's sanction" - in other words, commissioners should respect the reasons of the employer.

Cosatu believes that such a judgment undermines the role of CCMA commissioners and wants the Constitutional Court to resolve on these questions:

- What is the function of a CCMA commissioner in deciding an unfair dismissal dispute?
- How is a CCMA commissioner to approach an employer's decision to impose the sanction of dismissal? Is the commissioner limited in any way by the employer's view of the matter, or is that merely evidentiary material to be taken into account in deciding whether the dismissal was fair?
- What principles govern the review of a CCMA commissioner's arbitration award?

- What approach should be adopted by a Court hearing an appeal against a judgment of the Labour Court in a review application?

This damaging judgment follows that of a Numsa-organised company Fry's Metals where the company first tried to change the shift pattern and when workers refused, said that the change to the shift pattern was "an operational requirement".

It then called for consultations (as opposed to negotiations) and threatened dismissal.

The Supreme Court of Appeal found in favour of Fry's Metals. Numsa took this important case to the Constitutional Court and lost it here as well. It fears that many employer will now use the loophole created by this judgment to bypass genuine negotiations. **NB**

Solemnly Somalia

AUBREY KA SAKI

Grounded by earthly forces between struggle-minded Mozambique and peaceful Kenya, lies Somalia, marked by a sad history of war torn territories in which thousands of innocent women and children are slain. Sentimental scenes of Somalia continue to be the focus of SABC Africa because of the dragging of feet by the Third World and the African Union.

This is lonesome Somalia, land of long-tearful hours where sub-machine guns, heavy artillery and deafening sounds are heard daily that result

in unmarked graves.

All this is done because of power. The Islamic forces that rule are challenged by non-Islamic revolutionaries – is this an ethnic or a religious issue – you be the judge!

Rule of law

People cannot be governed through the barrel of the gun. Even racist regimes of the worst kind, including those of the National Party in South Africa were overthrown by a peaceful democracy. Ask PW Both and his cronies!

Saki is a worker and Numsa member at Volkswagen SA

South Africa's role

After the Organisation of African Unity (OAU) was dissolved to form the African Union (AU), African eagle, Thabo Mbeki, its pragmatic architect and charismatic spearheader, declared that the AU would prove that it had not just changed in name but in character and objectives as well.

Mbeki went on to say that African countries must stand up and be counted and that we should try and resolve our problems by ourselves. If the world wanted to see progress in Africa, they should pour vast funds to assist the good cause.

God knows how far that wish is because right now Somalis are pouring in to Kenya and South Africa like floods into the sea.

Being so influential in Africa and the world, our country is not doing enough. When South Africa speaks, the entire globe sits tight. Not

that Somalia is the only African country with political upheavals, Sudan and Ivory Coast are other headaches for the AU.

It's time that South Africa used its influence to the full, right here in Africa and worldwide. Surely we are not like the other African states that fear sending supporting troops to troubled lands for fear of reprisals at home? Why can't an African army be put in place to quell uprisings wherever they unrightfully emerge so as to save lives and prevent escalating wars and endless fleeing of human-beings to other countries?

By the time I lay down my pen, thousands more refugees will have left their beloved country because of new uprisings. Will these ever end?

Cosatu

In Cosatu's recent 9th congress, Cosatu was referred to as the shield of the African continent. Our federation, in its quest for stability outside South Africa seems to mainly

focus on Zimbabwe's rule by a tyrant called Robert Mugabe, our own Thabo Mbeki's closest colleague, or rather comrade-in-arms.

The fact is there is no revolution across the

Limpopo, so the focus is grossly unfair. Worse scenarios are described in this article. In Cosatu's 2015 programme of action, Cosatu should bear in mind that Africa needs the grounding of trade unions where you don't find them and the strengthening of those that are in place to organise the unorganised for the implementation of not only democracy but socialism as well!



Consequently this kind of rule in Somalia has given birth to African fundamentalists who swear to shed their last drops of blood for a democratic government in their fatherland. It's tit for tat because those of Muslim faith prefer Islamic rule.

Right now Mogadishu is the centre of ignoble violence. And remember one thing – violence breeds violence which produces unnecessary slaughtering of humans by humans thereby daily increasing the numbers of widows and orphans.

Black Africa has long been hit by revolutions and counter revolutions that have made the word stable very foreign in our dark continent.

One thing is certain – the crisis in Somalia has done its worst. The African Union had better pull up its socks. Just when is the word "enough" to reach sensible ears so that the ravaged soil of the Somalis can be reconstructed?

Neighbours

But the Somalis' problems are spilling over into neighbouring Kenya. Right now Kenya has about 82 000 refugees from neighbouring Somalia. This has resulted in densely populated scenes where hunger, poverty, famine, starvation and infectious diseases are the main threats to societies there.

Kenyan farmers complain of their lost cattle, accusing Somalis of theft. This has led to shedding of blood between Kenyans and Somalis.

Kenya cannot afford to feed her own citizens sufficiently. It is overburdened. The clashes that arise between Somalis and Kenyan farmers are a headache to Kenyan authorities. To send these poor people back to Somalia would be a satanic move. So what happens to them?

Fresh clashes are also reported between the Islamic forces who unlawfully seized power in Somalia and the Muslim government of neighbouring Ethiopia, land of a former lion king of Africa, Ras Tafari, later known as Emperor Haile Selassie.

For your records, Ras Tafari, an African that resembles world freedom-fighter Osama bin Laden, is a 225th generation Jew even though Ras Tafari was an upholder and staunch believer of Jesus Christ principles. Ras Tafari is the same godfather of the world renowned Rastafarians with a rather



AP Photo/Sayid Azim- POOL

different form of religion!

Ethiopian authorities do not go along with how power was enforced by the Islamic forces of Somali hence the outbreak of hostilities between Somali and Ethiopian authorities. Just when will Somalis find peace?

Even some Somalis have managed to find their way to South Africa. Our visitors look down upon their black brothers and sisters here. Consider those Somalis who rapidly become shopkeepers and how much they pay the South Africans that they employ. In the centre of Uitenhage, a Somali businessman pays a KwaNobuhle resident a lousy R10 a day. Just what is this? Naked black-on-black exploitation! **NB**

Somalian refugees are spilling over into neighbouring Kenya fuelling accusations by Kenyan farmers that Somalis are stealing their cattle

Labour Website of the Year 2007

In this year's competition — Labour Start's tenth — 7,866 votes were cast, which was 1,000 more votes than were cast last year. Voters were asked to confirm their votes by email and 6,137 (78%) did so.

Among the top ten websites were three from the developing world (for the first time) and three from the United Kingdom (for the first time). They include some of the very best union websites in the world and all are worth a close look.

The threshold for making the top 10 this year was considerably higher than in previous years, and the leading ten sites were as follows:

10. **NAPO**

(www.napo.org.uk) - 118 votes.

The first of three British trade union sites to make it to the top ten, the website of the probation officers union has at least two features you won't find on most union sites: the first is a blog, updated daily, by its general secretary, Judy McKnight. And the other is a discussion forum which is wildly popular among the members.

9. **HEU**

(www.heu.org) - 162 votes.

The oldest and largest health care union in British Columbia is also this year's sole Canadian entry into the top ten. (Two years ago, four of the ten were Canadian unions.) HEU has some 40,000 members and is part of the **Canadian Union of Public Employees (CUPE)**, the only union to ever have won the Labour Website of the Year twice.

8. **NUMSA**

(www.numsa.org.za) - 206 votes.

The National Union of Metalworkers of South Africa is one of two South African unions to make it to our top ten this year, the first time that's ever happened. A **COSATU** affiliate, this

216,000 member union has a long history of standing up for workers' rights — and a website to be proud of.

7. **CPSU**

(www.cpsu.org.au) - 231 votes.

For some of us with long historic memories, the initials 'CPSU' do not automatically conjure up the 'Community and Public Sector Union' in Australia, but for the union's 160,000 members they obviously do. Two years ago, the union also competed for the website of the year award and also wound up in seventh place.

6. **LHMU**

(www.lhmu.org.au) - 236 votes.

The LHMU got more votes this year than any other Australian trade union website — and not for the first time either. A campaigning site, it has just recently announced a major innovation: you can now join the union online.

5. **UnionReps**

(www.unionreps.org.uk) - 268 votes.

The UnionReps website in Britain, sponsored by the **Trades Union Congress**, is unique among this year's top ten in that nearly all of its content is user-generated. The heart of the site is its forums, which are filled with daily exchanges among union reps (shop stewards) about the things that matter to trade unionists. The site is so special in this way that it has been the focus of academic research — and should also be the model for other unions looking for ways to involve members and to encourage the sharing of information and experience.

4. **IWW**

(www.iww.org) - 318 votes.

The Industrial Workers of the World is a relatively small union with a very long history and an outstanding website (which won this competition 7 years ago). The more than 300 votes it received this year come not only from its members but from many who admire the effort the union is making to become increasingly relevant — such as the extraordinary effort to **organize Starbucks**

Numsa in top ten!

International trade union solidarity website, Labour Start, traditionally runs a competition for the best website of the year in January each year.

While Numsa made it into the top ten for the first time ever, we always want to renew and improve our website. Please visit Numsa's and the other winning web sites (addresses given on these two pages) and tell us what you would like us to add to or change on Numsa's website.

workers. For an example of a powerful open-source content management system being used by a union to promote community and solidarity, you couldn't do better than check out the IWW site.

3. KMU

(www.kilusangmayouno.org) - 339 votes.

The KMU is a national trade union center in the Philippines. It is, in their own words, "an independent labor center promoting genuine, militant and patriotic trade unionism. It is genuine because it recognizes the struggle between labor and capital and upholds the legitimate interest of the working class; militant because it relies on the workers collective struggle in defending trade union and democratic rights; and patriotic because it seeks to end imperialist domination and control over the Philippines."

It ran a vigorous campaign to promote its new website to a well-deserved international prominence. Please check out their site to show your solidarity with their efforts to **end political killings** in the country.

2. UNISON

(www.unison.org.uk) - 809 votes.

With over 1.3 million members, you'd expect the largest union in Britain to have a first rate website, and it does. UNISON very nearly won this year's competition following up on last year's win by another British union, but fell only a few dozen votes short.

1. Solidarity

(www.solidarity.co.za) - 872 votes.

The winner this year is the South African union Solidarity. Solidarity placed second in last year's competition and this year won in a close race. Its highly professional website is fully bilingual (English and Afrikaans), you can join online "in under a minute", and the union has a mailing list of 30,000 email addresses. Its members are obviously enthusiastic and are proud of the effort their union is making online. **NB**

(from Labour Start www.labourstart.org)

2007 NUMSA YEAR PLANNER



	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Monday	1									1		
Tuesday	2				1					2		
Wednesday	3				2			Fincom	1	3		
Thursday	4				3				2	4		
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Tuesday	9				8				7	9		
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Tuesday	30				29				28	30		
Wednesday	31				30				29	31		

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2 EKURHULENI Tel: 011-918 4275 Fax: 011-918 4291	5 MPUMALANGA Tel: 013-656 6732 Fax: 013-656 1119	8 NORTHERN CAPE Tel: 051-448 4639 Fax: 051-448 4648
3 HLANGANANI Tel: 012-343 3284 Fax: 012-343 3054	6 WESTERN CAPE Tel: 021-945 3540 Fax: 021-945 1808	9 KWAZULU NATAL Tel: 031-202 9155 Fax: 031-202 5535

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3 HLANGANANI JHB NORTH Tel: 011-786 8609 Fax: 011-887 7649	5 MPUMALANGA TSHWANE Tel: 012-326 6237/8 Fax: 012-326 6242	6 WESTERN CAPE WITBANK Tel: 013-690 2847 Fax: 013-690 2519	8 NORTHERN CAPE KLERKSDOOP Tel: 018-464 1676 Fax: 018-464 2133
4 SEDIBENG WEST RAND Tel: 011-760 1055 Fax: 011-760 1057	6 WESTERN CAPE ROSSLYN Tel: 012-703 3749 Fax: 012-703 3768	9 KWAZULU NATAL EMBALENGLE Tel: 017-634 6466 Fax: 017-634 7382	UTENHAGE BLITTERWORTH Tel: 047-491 0110 Fax: 047-491 0111
5 MPUMALANGA TEMBSA Tel: 011-393 4950 Fax: 011-393 4505	6 WESTERN CAPE BABELG Tel: 012-719 5005 Fax: 012-719 9079	9 KWAZULU NATAL MIDDELBURG Tel: 013-243 1933 Fax: 013-243 4473	UTENHAGE EAST LONDON Tel: 043-743 1460 Fax: 043-722 8498
6 WESTERN CAPE KEMPTON PARK Tel: 011-394 3613 Fax: 011-975 4996	6 WESTERN CAPE MADIBENG Tel: 012-252 1750 Fax: 012-252 4209	9 KWAZULU NATAL NELSPRUIT Tel: 013-752 6287 Fax: 013-752 3795	UTENHAGE BLOEMFONTEIN Tel: 051-447 9964 Fax: 051-448 0071
7 EASTERN CAPE GERMISTON Tel: 011-825 3515 Fax: 011-825 5167	7 EASTERN CAPE POLOKWANE Tel: 015-297 4409 Fax: 015-297 1115	9 KWAZULU NATAL BELLVILLE Tel: 021-945 1805 Fax: 021-945 1820	UTENHAGE WELKOM Tel: 057-352 1661 Fax: 057-352 3358
8 NORTHERN CAPE ALBERTON Tel: 011-907 8319 Fax: 011-869 8675	8 NORTHERN CAPE RUSTENBURG 0300 Tel: 014-592 4751 Fax: 014-592 3380	9 KWAZULU NATAL CAPE TOWN Tel: 021-945 1784 Fax: 021-945 1796	UTENHAGE KIMBERLEY Tel: 053-831 1639 Fax: 053-831 2216
9 KWAZULU NATAL WADEVILLE Tel: 011-827 9366 Fax: 011-827 9396	9 KWAZULU NATAL VANDERBULPARK Tel: 016-933 1160 Fax: 016-981 5880	9 KWAZULU NATAL ATLANTIS Tel: 021-577 1590/1 Fax: 021-577 2500	UTENHAGE DURBAN Tel: 031-301 4145 Fax: 031-301 0138
9 KWAZULU NATAL BENONI Tel: 011-845 1939 Fax: 011-845 4121	9 KWAZULU NATAL GEORGE Tel: 044-874 5698 Fax: 044-873 5836	9 KWAZULU NATAL NEWCASTLE Tel: 034-312 3842 Fax: 034-315 1779	UTENHAGE PORT SHEPSTONE Tel: 039-682 2148 Fax: 039-682 2660
9 KWAZULU NATAL IMF CC Tel: 011-872 7715 Fax: 011-872 0699	9 KWAZULU NATAL PORT ELIZABETH Tel: 021-872 7715 Fax: 021-872 0699	9 KWAZULU NATAL LADYSMITH Tel: 036-631 1750 Fax: 036-631 1225	UTENHAGE RICHARDS BAY Tel: 035-789 1348 Fax: 035-789 1355
9 KWAZULU NATAL PORT ELIZABETH Tel: 041-586 2983 Fax: 041-586 3355	9 KWAZULU NATAL PIETERMARITZBURG Tel: 033-342 4596 Fax: 033-394 5300	9 KWAZULU NATAL PINETOWN Tel: 031-702 5424 Fax: 031-702 6849	UTENHAGE ISTHEBE Tel: 032-459 1770 Fax: 032-459 1771

NUMSA
20th
Anniversary

Confronting the
logic of capital
through collec-
tive bargaining!

Your Numsa leaders: Philemon Shiburi, National Treasurer; Cedric Gina, Second Vice President; Ben Khoza, First Vice President; Bheki Magagula, Deputy General Secretary; Silumko Nondwangu, General Secretary; Mtutuzeli Tom, President