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COSATU CO-OPS

Workers Build Democratic Workplaces

In February this year the COSATU Education Department called a meeting of co-operative projects linked to the COSATU affiliates. At this meeting were comrades from ACTWUSA, NUM, NUMSA, NUWCC, and POTWA. The comrades explained how it came about that their union started co-operatives or started to think about initiating a co-operative project.

SAWCO was formed in 1985 after the mass lock-out of 960 Sarmcol strikers.

1987 was the year of the miners strike and saw one of the biggest strike waves in the history of our country. On the mines, the bosses of Anglo fired more than 13 000 workers. More than 3 500 POTWA members were dismissed by the government bosses of the post office.

But not all projects started because of mass dismissals through strikes.

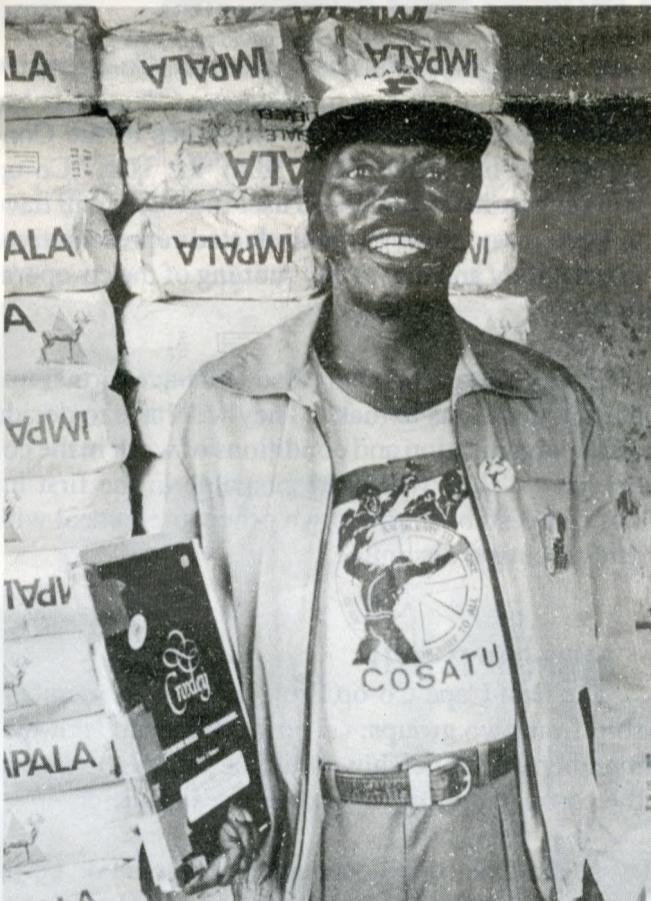
In 1986 a bulk buying project was formed by union members at the General Motors Engine Plant in Port Elizabeth. They took their initiative back into the union for discussion. Towards the end of 1986 ex-NAAWU was looking at how to use the organised strength of the union to the benefit of members outside the shopfloor. Today, in NUMSA, the union is in the process of establishing a giant consumer co-operative, Siyanda, which means, "we are growing".

In 1985 ACTWUSA vowed that it would never accept any retrenchment package from Frame that would result in workers losing jobs. And so in 1988, ACTWUSA negotiated a retrenchment package with the Frame bosses. The agreement said that the Frame company would provide the money to start a factory which would be owned and controlled by the union and which would provide jobs for the retrenched workers.

This is the beginning

All the comrades explained that their projects are very new.

The two co-operatives in NUMSA are involved in different activities. SAWCO has five different projects which employ a total of 60 workers and service the community of Mpophomeni where many of the BTR strikers live. The Siyanda Consumer Co-operative in Port Elizabeth will employ 80 members



A member of the SAWCO bulk buying project taking stock.

and is looking towards servicing membership in the Port Elizabeth/Uitenhage area.

In NUM there are three projects. PAWCO - the Phalaborwa Workers Co-operative, is a T-shirt printing co-operative. PAWCO has 50 members who all work half day shifts to allow as many people as possible to benefit from the project. PAWCO started after the dismissal of 360 workers from Foskor in 1986.

But there are also brick making co-operatives in the Transkei and Lesotho where many of the 1987 strikers live. The project at Quthing in Lesotho employs 40 workers. In the Transkei there are

projects at Flagstaff and Umtata. Together they employ 63 workers.

POTWA is looking at the best way to set up co-operatives for its members. In the Transvaal 28 members of POTWA are learning how to do laundry work. They hope to gain the skills to take orders from factories to wash workers' overalls in their own machines. They are also looking at the possibility of starting other projects.

ACTWUSA will start to employ workers in groups of 60. These workers will be trained to learn new skills. The co-operative, Zenzeleni Basebenzi will eventually employ 300 workers.

Can co-operatives help with mass dismissals?

Although many of the co-operatives were started with the aim of creating an income for dismissed or retrenched workers, many co-operatives are now asking if this aim can be achieved.

Most of the co-operatives employ only a few workers. The only hope for the co-operatives is that they could link larger numbers of ex-members to the union through their work and the service which they provide. But this is no longer the same goal as providing jobs for the mass of dismissed members.

For this reason, a big question for the co-operatives has been how the co-op should select members when it starts. In SAWCO membership has been open to all strikers and has been voluntary. The Siyanda Consumer Co-operative will employ ex-union members who have the necessary skills or who can be trained to acquire the necessary skills for the co-operative.

The NUM co-operatives say that membership is open to ex-members whose families are suffering the greatest need for an income.

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EAST CAPE CO-OPS

The idea to form a NUMSA co-operative project in the East Cape, grew out of initiatives of workers at the General Motors Locomotive Plant. At the plant workers made regular contributions to a savings fund. The money which accumulated in the fund over the year, allowed them to buy food and other household articles in bulk. The workers elected a committee from amongst them to administer the fund and at the end of every year, divided goods equally amongst all those workers who had saved with the fund.

Comrades Koos Magielies, Thobile Dunjwa and the late Eddie McCarthy played a leading role in organising this fund. Early in 1986 workers began to debate in the NAAWU structures, the idea of co-operation and organisation to look after and defend the needs of workers outside the shop floor.

Later in the same year, the Management Committee of NAAWU began to look at the viability of co-ops in the East Cape. The idea to form a consumer co-operative project was researched and future projects in the areas of transport, housing, funeral and medical services were investigated.

PROGRESS in the CO-OP

PROGRESS in the CO-OP Planning for the Consumer Co-operative Project

The Consumer Co-operative Project grew out of the initiatives of organised workers in the factory. Planning for the start of the project has since its inception, been linked closely to the organised workers in the factory. Members of the NAAWU Management Committee who were based in the East Cape, together with secretariat, formed a Planning Committee for the project.

For the first time workers, albeit workers with strong organisational experience, have had to make decisions which are usually the prerogative of management.

The Planning Committee has had to think and make crucial decisions on as many different issues as : the architects' plans for the co-operative, financing the project, the layout of the consumer co-op, health and fire regulations as well as other legal requirements.

They have had to think about employment and employment practice. They have had to interview co-op worker members. And they have had to participate in planning education and training for co-operative worker members and the future co-op user members.

The Planning Committee also had to look at how to establish and maintain a market for the co-operative. They had to investigate buying patterns of working class households in the Port Elizabeth and Uitenhage area. They have had to look at the average household income in this area and at the percentage of that income which is spent on food and household articles. They have also had to establish what are the kinds of household articles which future buyers needed. At present the Planning Committee has to look at the difficult job of establishing prices for articles.

It is important for the Consumer Co-operative Project that the work of the Planning Committee becomes closely linked to the structures of the Consumer Co-operative right from the start. Co-op worker members and co-op user members will have to have a say, through their elected representatives in the policy and day to day running of the co-operative.

Co-op worker members also will have further important decisions to make. They will have to decide on the organisation and conditions of work in the co-operative. They will be responsible in the first instance to establish their own procedure to deal with grievance and discipline.

MEMBERSHIP

The East Cape Co-op Project draws its membership from two groups: co-op workers and NUMSA members. Membership would be linked to work in the co-op and/or the use of services of the co-op.

In the case of the consumer co-operative, co-op workers are selected from ex-union members on the basis of the skills that they have for the job and/or their ability to be trained for the job.

Should the co-op still have vacancies, the co-op would look for employment of skilled persons elsewhere. The co-op also makes a commitment to train unemployed youth.

Over time the co-op would open its membership to any person in the working class community, who would follow its principles.

MEMBERSHIP CONTROL

MEMBERSHIP CONTROL *Co-ordinating Control of Co-op Projects*

The East Cape Co-op Projects are committed to build and develop co-operative membership control over the co-op projects.



BUILD WORKERS CO-OPS



EAST CAPE CO-OPS

During the beginning stages of the project, planning for the co-operative was tightly linked to the NAAWU structures, in particular the Management Committee of NAAWU.

At the Inaugural Congress of NUMSA, support was given for co-operative projects. Since that time, the Planning Committee of the co-operative in the East Cape Region has expanded to include two shop stewards from each of the locals in the East Cape region.

The regional office bearers of NUMSA and a delegate from the regional finance committee also participate in the Planning Committee Meeting. Care has been taken to allow a flow of information to the regional structures of NUMSA.

In the process of building democratic membership control of the co-operative projects, the members of the present Planning Committee is seen as temporary. The job of the Planning Committee is to organise and plan to set the projects on the path to become effective and economically viable.

Once the co-operative projects are operating, the work of the Planning Committee would be taken over by a democratically elected Co-ordinating Council and sub-committees of co-op members.

One of these sub-committees would be responsible for finances and pricing. Another sub-committee would have the job of overall planning and evaluating the activities of the co-operative.

Co-ordination by NUMSA has been through the National Co-op Meeting where projects submit reports on their activities for discussion. And in NUMSA nationally, through the National Automotive and Co-operative Department, which reports to the NUMSA Central Committee and NEC. As well as through the representation of co-op educators on NUMSA national education structures.

At a local and regional level, there is continued representation from NUMSA on the co-ordinating structure of the co-operative.

A further link between NUMSA and the co-operative would be through reports tabled by the co-operative in the NUMSA REC and Regional Congress. And through NUMSA regional membership education programme around co-operatives.

Internal Control of Consumer Co-op Project

Structured and representative control by co-op workers and users in the consumer project, is a process and would involve detailed discussion among co-op members once the project has been launched. The following are broad principles the Planning Committee would recommend for discussion around co-op membership control of their project:

- representation of elected co-op worker delegates on co-ordinating structures and management planning committee of the workplace
- training of co-op worker delegates to develop management and organisational skills to control co-operative
- financial control of the co-operative by co-operative members

THE WAY FORWARD

The Consumer Co-operative Project is still very young and has many lessons to learn. The aim of the project is to build effective and democratic management through full participation in all aspects of the project. And to render effective service to members and the working class community as a whole. This means the project has to work very hard to become economically viable. The project sees these goals as essential in achieving its political objectives.

A well developed education and training programme is essential in giving the project the necessary support to achieve its goals. The programme will have to focus on developing the skills of co-op members around their work in the co-op, as well as developing the necessary management skills to control the project. The programme will also have to work at developing the political understanding of members around the activities of the co-operative.

The project recognises the importance of feeding back the lessons around democratic membership control of the project into NUMSA as a whole. For this reason the project links closely with NUMSA education in the region and nationally and will continue to build this link.

**East Cape Co-op Projects
Planning Committee
17 March 1989**



The Co-operative Centre in Korsten, Port Elizabeth, is the home of NUMSA and other COSATU affiliates in the East Cape region. The building also houses progressive organisations and plans are afoot to develop a resources centre. On the right hand side of the photograph is the warehouse, which is being developed as the Siyanda Consumer Co-operative. The development of this giant complex is an example of what worker power and organisation can achieve.

SAWCO CULTURE

The players from the Sarmcol Workers Co-operative are touring the Eastern Cape with their plays: The Long March and Bambatha's Children in June and July this year.

The plays will be performed in your factory, local, and community. Tickets are sold at R3 each to help the strikers.

Ask your shop steward for more information. Support the struggle of Sarmcol workers in the longest strike in the history of our country!

SARMCOL WORKERS ON STRIKE SINCE APRIL 1985



Worker to Worker Contact

NUM and NUMSA Co-operatives Meet

In March this year workers from SAWCOS T-shirt project met with workers from the NUMs T-shirt project - Phalaborwa Workers Co-operative (PAWCO). The meeting was set up to discuss how the projects could develop the progressive T-shirt market.

The bosses in their greed for super profits compete with one another for the biggest share of the market. And in the factories the capitalist bosses increase their profits by making workers compete with one another. In fact the capitalist system is based on competition and exploitation.

This meeting of co-operatives shows us that there is another way: workers co-operatives like SAWCO and PAWCO, are based on the principle of co-operation. Workers from different co-operatives can come together and discuss their difficulties and their needs. Together they can find a way to solve their problems. Workers co-operatives are not based on the principle of competition.

COSATU decided in 1986 to support the struggle of Sarmcol workers by placing orders for T-shirts with SAWCO. After this PAWCO was formed. Both SAWCO and PAWCO were now making T-shirts for the same market. But, workers together decided how to solve the problem of competition.

They agreed that:

1. SAWCO should retain its historical market: NUMSA, ACTWUSA (this means the new merged union too), CWIU, FAWU, PPAWU and T&GWU. As well as orders commissioned by COSATU nationally.

PAWCO would then sell T-shirts to NUM, SAMWU, CAWU, SARHWU and SADWU. When SARHWU and T&GWU merge, the new union would be part of PAWCOs market.

2. If a local or a region commissions a T-shirt, then all local and regions in the Transvaal and OFS would go to PAWCO. Natal or Cape regions of COSATU and its affiliates would place orders with SAWCO.

3. The non-COSATU and the NACTU market is open to both co-operatives. But the co-operatives agreed not to compete in the selling price of a T-shirt. They will both sell their T-shirts at R10 per T-shirt. And they will jointly review the selling price of T-shirts from time to time.

4. SAWCO and PAWCO would put this joint agreement to the COSATU CEC. They would also ask that other affiliates of COSATU agree not to set up yet another T-shirt project without the issue being discussed in the COSATU CEC.

5. A disputes procedure was also agreed between PAWCO and SAWCO. All disputes would be investigated by a committee of 1 person from SAWCO and PAWCO, 1 person from NUMSA and NUM and 1 person appointed by the COSATU CEC.

This agreement between workers is an example for us of how workers through democratic discussion can together solve their problems. These are some of the practical political lessons the co-operatives can teach the labour movement.

COSATU CO-OPS

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Once the co-operatives have been set up, they struggle to pay members a living wage. Sometimes members do not receive any income, or they have a very irregular income.

PAWCO members explained that before Christmas their co-operative could pay members R2.00 per hour. But in January wages dropped to R1.00 per hour. In the beginning members got paid only once every two weeks.

In SAWCO co-op members work voluntarily and receive a weekly allowance of R10.00. The co-operative is working to achieve a position where it would pay members from the income of the co-operative. The T-shirt project has this year started to produce a surplus. Soon the comrades would be able to win this victory!

Both Siyanda and Zenzeleni will have to pay their members the basic minimum in their industry from the start. The law will require this from the co-operative, no matter whether workers are still learning how to manage their own workplace.

Co-operatives need skills

And this brings us to another challenge which co-operatives face. The comrades explained some of the difficulties in starting and running co-operatives which are controlled by the members.

For most co-operative members, the work they do in the co-op is very different from the work they did in the factories or on the mines. The comrades do not always have the right skills for this new work.

Bantu education has helped the bosses to keep knowledge and skills in their greedy hands. In the factories the bosses control and plan production.

And workers have to struggle and organise to have a say in issues which affect their work and their lives. Co-op workers have to start from the beginning.

This has been difficult, but NUM and NUMSA co-op members report that this problem has had one good result. The comrades had to think very hard about how to establish democratic decision making structures in their co-operative. And how to gain the skills which they need to control their co-operatives.

The way forward

The struggle to build democratic worker controlled workplaces is long and hard. But this struggle has important and practical lessons for workers around workers control over all aspects of their lives.

Workers can learn the skills which are always under the control of capitalists managers. Workers can learn how to plan and co-ordinate work in the short and long term, how to market products and distribute them, and how to build financial control by workers over their project.

The democratic organisation of the workplace teach important political lessons to the workers movement. Such lessons form part of the mass struggle to achieve a society based on the Freedom Charter and socialism.