

FOCUS South Africa



COSATU's Ninth Congress

The challenge of a diverse political agenda

"The real problems faced by the people of South Africa include the fact that although there is 40 per cent unemployment in South Africa, millions of those who work have no quality jobs."

Willie Madisha, President of the Congress of South African Trade Unions

At its 9th Congress in September 2006 COSATU, South Africa's biggest Trade Union Federation, discussed the organisation's direction for the next three years. More than 3.000 delegates from the federation's 22 affiliated unions came together with international labour guests, representatives of civil society bodies, labour-allied research institutes, co-operating partners and representatives from political allies.

The task was to review the current programmes of the federation, analyse the challenges that emerged and formulate a programme of work that will enable the federation to promote and protect the interests of its members and the broader working class in the period ahead. But the federation's focus was distracted by political issues within the ruling African National Congress that found their way into the union federation.

Introduction

In 2007 the ANC will decide over its next president, who will most probably be elected President of the country two years later. The debate has left the ANC and its coalition partners heavily divided between supporters of President Thabo Mbeki and Jacob Zuma. Zuma was dismissed as South Africa's Deputy-President due to corruption allegations but the case was dismissed by the Pietermaritzburg High Court during the course of the COSATU congress. A congress resolution asked for Jacob Zuma's re-instatement as Vice-President of the country.

The Congress of South African Trade Unions, as part of the tripartite alliance with the ruling African National Congress (ANC) and the South African Communist Party (SACP), plays an important role in South African politics, not only in labour questions. It tends to influence government on a broad range of issues, from the economic and social policy to HIV/AIDS and the South African foreign policy. But the interest of workers and the poor have not featured prominently on government's agenda and a lot needs to be done to ensure they benefit in the second phase of South Africa's democratic transition. COSATU would like to play a bigger role again and urges government to consult and involve labour in its decision. COSATU's support for the ANC in future will depend on government's performance and not be unconditional any more.

The Congress of South African Trade Unions (COSATU) was established in 1985, at the height of the struggle against the racist minority regime that ruled the country. The majority of COSATU's members were active in political and community struggles waged by the democratic forces, led by the African National Congress (ANC). It was the role of those politically active officials and members of COSATU that influenced the decision of the federation to immediately take its place in the struggle against apartheid, alongside the liberation movement.

COSATU managed to play a significant political role and was simultaneously effective in defending and promoting interests of members at the workplace, through building a strong, militant and democratic

shopfloor-rooted organisation. This process included gathering a critical mass of members and their political and organisational consolidation, in democratic member-controlled structures. It also involved successes in building strategic and often sophisticated capacities of engagement, campaigning and forming strategic national and international alliances.

Today COSATU is a member of a political coalition involving the ANC and the South African Communist Party (SACP). COSATU played an important role during the processes of the re-establishment of the ANC, after many years of operating underground and in exile. It contributed significantly too in ensuring ANC victory in all political elections since 1994. The union body almost single-handedly drafted the ANC's election platform – the Reconstruction and Development Programme (RDP) during the first national elections, and also seconded a big number of experienced union leaders to Parliament on an ANC ticket. COSATU expected that the ANC's dominance of government at all levels, and its control of state resources, would enable it to implement policies and programmes able to uplift the situation of workers and the poor.

Among positive achievements, COSATU has celebrated the enactment of a democratic constitution promoting fundamental civil liberties, universally acclaimed worker rights, policies to end racial and other forms of discrimination, as well as extension of social services and grants. All these have gone some way in restoring human dignity and bettering the lot of the historically disadvantaged majority. But COSATU's assessment of the first decade of ANC rule, indicates a mix of positive achievements, as well as problematic setbacks for workers and the poor.

Organisational profile of Cosatu

COSATU has about 1,8 million members organised in 22 affiliated unions in the private and public sectors. While Cosatu's membership was drawn in the past from among the African semi- and under-skilled blue-collar workers based in mining and manufacturing, over the years the national centre has been attracting professional workers like teachers, nurses and doctors, and is gaining a foothold among the ranks of non-standard

employees like taxi drivers, casual workers and farm workers.

COSATU and its affiliated unions have a division of labour, in terms of which the federation handles broader policy and cross-cutting issues, while the affiliated unions take care of issues on behalf of members in the respective sectors. In terms of this division of labour COSATU plays the role of engaging central government and the national employers association around labour, social and economic policy – mainly in the national tri-partite forum, the National Economic Development and Labour Council (NEDLAC). COSATU also monitors the legislative programme of government and develops submissions around proposed legislation of interest to labour, through its parliamentary lobby office. It is around these issues that the federation leads national campaigns, including general strikes.

On the other hand, the affiliates engage employers and government around policies and trade issues affecting their sectors, and conduct collective bargaining on behalf of members. Collective bargaining takes place at sectoral level – in sector bargaining councils, in mining, metals, textiles, municipal and the general public services. Bargaining takes place at company level in the other sectors, especially in the private services sector. Collective bargaining processes are stipulated in labour legislation, which also outlines procedures for resolving labour disputes. Labour disputes are handled - depending on their nature, by sector bargaining councils, labour courts or the semi-legal labour dispute resolution institute called the Commission for Conciliation, Mediation and Arbitration (CCMA).

COSATU and the other smaller union federations account for the country's 36 per cent union density. The other federations are:

National Council of Trade Unions (NACTU) – with about 350 000 members and operating in the same constituency as COSATU.

Federations of Unions of SA (FEDUSA) – with about 500 000 members, drawn mainly from among white skilled and professional workers.

Confederation of SA Workers Union (CONSAWU) – they have about 300.000 members, which form a mix of blue-collar, white-collar and highly skilled technical workers.

The Labour Market context

The South African economy has been experiencing rapid and intense structural and technological changes. The structural changes have seen shifts in output away from the primary and secondary sectors, which are the traditional key job creators, to the fast-growing service sector, whose growth has been underpinned by strong technological input. The decline of agriculture, mining and manufacturing, has resulted in immense haemorrhaging of jobs, that were mainly low-skilled. On the other hand the growth of the service sector, has been characterised by a huge demand for highly skilled labour. The changes created a huge army of unemployed people, with low levels of skills. The unemployment problem has been exacerbated by a high number of new job seekers that enter the labour market every year. These new entrants possess low levels of skills or hold qualifications that are not industry-relevant.

These developments created a mismatch in supply and demand of skills. On the other hand, while the economy has been on a growing spree, recording 30 quarters of uninterrupted growth, the growth has been slower and lower – at between 3 to 4 per cent, and therefore unable to supervene on the unemployment situation. The unemployment rate stands presently at 39 per cent using the broad definition, that includes those who gave up looking for new employment. It is much higher among the youth, expected to be at 70 per cent of people under the age of 35, among women and in rural areas. Jobs evolving from the recorded growth, were created mainly in the construction, telecommunications, whole-sale and retail sectors, which have usually grown through use of casual and sub-contracted labour.



Image source: COSATU

COSATU-President Willie Madisha

The new report of Statistics South Africa (StatsSA) said that 554.000 new jobs have been created in the year to March but first, between 2001 and 2003 more than 700.000 jobs have been lost and second, most new jobs seems to be casual labour in the agricultural sector. Some of the people falling out of the formal sector jobs and some of the new labour market entrants, that have been finding work, have been absorbed in the strongly growing non-standard and informal employment. Non-standard employment refers to employment relations like casual work, temporary work, seasonal labour, sub-contracted work for example. It is a form of work attributed to corporate restructuring with the aim of reducing labour costs and ensuring flexible deployment of labour. This form of employment is notorious for paying low wages and not providing any no-wage benefits like pension and health care for example.

Apart from the problem of unemployment and underemployment, the country is facing equally worrying levels of poverty and inequality. A UNDP Development Report from 2003 reveals that the Ginicoefficient increased from 0,596 in 1995 to 0,635 in 2001. Between 40 and 50 per cent of the population live in poverty, while a total of 60 per cent of all officially employed workers earn less than 2500.00 Rand (250,- EUR) a month. It is the employment situation, and especially the growth of atypical form of work and the poor conditions of employment accompanying it, that engendered long and sometimes violent wage strikes - by security guards, cleaners and casual workers - this year. According to the country's Reserve Bank, these strikes contributed to the highest number of lost man days in the past decade, with a rise from 700.000 in the first half of the last year to 1,6 million in the first half of this year.

sational, campaigning and policy level. At present, the unions are not seen to be doing much to confront these alarming developments.

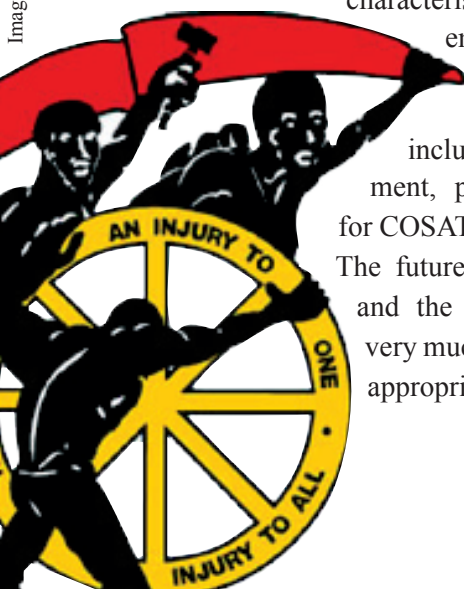
After the honeymoon

The adoption of the Growth, Employment and Redistribution (GEAR) strategy in 1996 – the government's macro-economic policy regarded as conservative and pro-business by COSATU - delivered the most serious setbacks for the poor. GEAR promoted privatisation, deregulation and liberalisation of trade and financial markets. According to government, the objective of GEAR was to promote macro-economic stability, create a conducive environment for private sector growth and investment and ensure the economy became efficient, modern and internationally competitive. COSATU believes the inevitably negative consequences of the policies were borne by the poor, as evidenced in rapidly declining essential services, like public health, transport and education, a surge in cheap imports from Asia and huge job losses. COSATU believes also that GEAR failed dismally in achieving its targets on growth, investment, employment and redistribution. Worse was that, as capital was showered with such pro-market changes, it rewarded the country by investing and even listing outside the country, thereby effectively ensuring the exportation of much-needed capital and jobs.

What made COSATU especially disappointed and bitter, and later more actively critical of government, was that the ANC refused to open itself up for discussion and consultation on its economic policy. This left COSATU with no option but to mount public criticism and mass actions against government. Its views – often based on well-researched analysis and alternatives – created space for other progressive voices within the ANC, to call for a serious review and reform of policy. A report, released one week before the Ninth Congress by the National Labour Economic Development Institute (Naledi) found that COSATU's role within the tripartite alliance is marginalised.

COSATU's views on governance were not confined to labour and economic policies, but extended to critical aspects of government's social and foreign policies. The most well-received engagement of policy included

The emerging employment patterns in the economy, characterised by declining formal employment, demand for highly skilled labour, rising non-standard including informal employment, pose a huge challenge for COSATU and the other unions. The future outlook for COSATU and the other unions, depends very much on their ability to find appropriate responses at organi-



the federation's effective challenging of government's HIV/AIDS policies and the poor handling of the situation in Zimbabwe. The union was also praised for taking a strong public stance against corruption and misuse of public office and resources.

The role that COSATU has played in consolidating democracy and in promoting sound governance, and especially by representing the plight of the poor, has earned the union body tremendous accolades both locally and internationally. COSATU essentially took over the role of a political opposition to the ANC that other political parties in SA failed to play. Of course the union's public attacks on government has never gone down well with the ruling party, which has started to insist that COSATU should focus on workplace issues and leave politics to political parties.

Playing an active social, political and labour role has, however, left the union federation at times highly stretched and with a heavy social burden, plus huge expectations from the whole of society. The federation has gone some way in beefing up its engagement capacity, by among others expanding policy research, setting up a parliamentary lobby office, developing renewed focus on union education and forming civic alliances, for example with AIDS lobby groups, churches and social policy NGOs, to deepen and expand its handling of social policy. COSATU believes that through these myriad of actions, it is able to drive a multi-dimensional strategy of engagement with the democratic state, such that it is able to maintain strategic autonomy from business and government, at the same time as it can maintain strategic relationships to benefit its members and the poor in society.

Some analysts – inside and outside of the ANC – have levelled strong criticism at some of COSATU's approaches. Adam Habib, research professor in the School of Development Studies at the University of KwaZulu/Natal, argues that “the shift to the right on the macroeconomic policy has been facilitated by the strategic choices of COSATU.” The federation gives the ANC unconditional electoral support which leaves the ANC room to direct policy as it wishes. Joel Netshitenzhe, member of the ANC National Executive Committee, thinks the federation has not been able to adjust its methodologies to the current strategic terrain

unleashed by the 1994 democratic breakthrough. He points to the inability to use workers pension money to influence investment decisions in the economy, inability to contest workplace decisions and restructuring through use of workplace co-determination forums provided for in labour law, failure to influence industry training institutions to ensure massive skills upgrade for their unskilled members – as evidence of the fact that the unions continue to live in the past, relying excessively on the use of strike action as the primary form of pressure.

The Jacob Zuma Distraction

Another setback for COSATU revolves around its support for Jacob Zuma, the deputy President of the ANC, who was fired a year ago as the country's deputy President, after it was determined by a court of law that he had a corrupt relationship with his personal financial advisor. Zuma was later charged with corruption. COSATU believes that his dismissal was politically motivated, and was part of class transformation in the ANC which has seen the party getting dominated by business interests. Zuma, who is seen as a traditionalist with low education levels, is not seen to be able to lead the diversified and modernising economy of South Africa, by pro-business elements in ANC. The conspiracy theory holds that the pro-business lobby fears that as deputy President of the country, Zuma was in a strong position to succeed Thabo Mbeki as the country's next state President. A resolution of the Congress called for his reinstatement as deputy President of the country following the dismissal of the corruption case in court. The federation's association with Zuma is seen by the media to be compromising the union's appreciated struggles against corruption and for good governance. Furthermore, the fact that the issue left the union body highly divided as it approached its national congress held during the middle of September 2006, is cited as proof of the fact the decision was flawed. In the run up to the congress the federation was seen to be divided along the lines of the so-called pro-Mbeki, led by president Willie Madisha, and the pro-Zuma faction, led by general-secretary Zwelinzima Vavi. The divisions went all the way to influencing the contest for the key leadership positions in the union, but finally both were re-elected.

Key challenges facing COSATU

The character of unionism embraced by COSATU – which combines political, socio-economic and labour issues, always ensures that the union is spread thinly around a wide range of topics. Through identifying key strategic focal issues in its resolutions, the federation ensures that it plays a meaningful role in advancing member's interests. Such key focal issues identified at the recent national congress include:

Area of organisational issues: COSATU regretted the fact it achieved a membership growth of only 4 per cent between 2003 and 2006, against the target of a 10 per cent. Consequently congress reaffirmed the commitment to a rigorous recruitment campaign that will ensure to increase membership. In particular congress mandated the federation to lead a strong focus on the recruitment of workers in atypical employment, including the informal sector. Furthermore it was regretted that COSATU has failed to lead a merger process with the other three union federations, so as to end the current fragmentation of the trade union movement. The Congress noted that the other federations went ahead with merger plans towards constituting a new united federation with about 1,1 million members, but that the merger process has since stalled due to a number of unresolved issues. The other federations excluded COSATU due to its partisan politics of aligning with the ruling ANC. Congress also resolved that the federation should undertake organisational development to ensure better management and improvement of capacity to serve members at all levels.

Area of socio-economic issues: Congress took notice of the continuing decline of formal employment, growing unemployment and underemployment, rising levels of poverty and inequality. They decided that COSATU shall proceed with its jobs and poverty campaign, which focuses on campaigning for labour-intensive industrialisation, proper skilling of workers, decent work and adequate social protection. The union will engage the relevant government departments, especially the Department of Trade and Industry, in the tri-partite negotiating forum, Parliament and co-operate with other sections of civil society and use mass mobilisation, in order to promote its views and suggestions.

Area of international politics: Congress agreed that the union body should proceed with efforts to provide support and solidarity to the struggles for respect of human and trade union rights in Zimbabwe, Swaziland, Palestine and Lebanon. Delegates to the Congress have agreed to call once more upon government not to accept any kind of compromise multilateral formulas for the reduction of industrial and other tariffs proposed under the non-agricultural market access plan (Nama). They noted that tariff cuts proposed in the negotiations posed a threat to quality employment and the existence of a manufacturing base in developing countries. Further congress thanked government for its decision to impose quotas on Chinese textile imports.

Conclusion

Congress resolved that COSATU will continue within the tripartite alliance, based on retention of organisational and political autonomy. But following its criticism of ANC's delivery record the Central Executive will this time put in place strong benchmarks for the achievement of pro-workers and pro-poor policies. COSATU will also continue with its struggles against corruption, against neo-liberal policies and against centralisation of power in the presidency and the effective undermining and weakening of the authority of the ANC and of elected bodies like Parliament.

Furthermore COSATU wants government to consider the introduction of a constituency-based electoral system. Currently the South African system promotes party-based elections that disadvantages direct accountability to citizens.

Despite the political divisions that dominated the congress and the many socio-economic challenges COSATU emerges with a promising guidance going forward. The federation still needs to tackle the challenge of reconciliation and find a proper implementation plan to put its resolutions into practice. This will be done by the Central Executive Committee coming in November 2006. This will inevitably require a better monitoring, focus and unity. ■

Editorial

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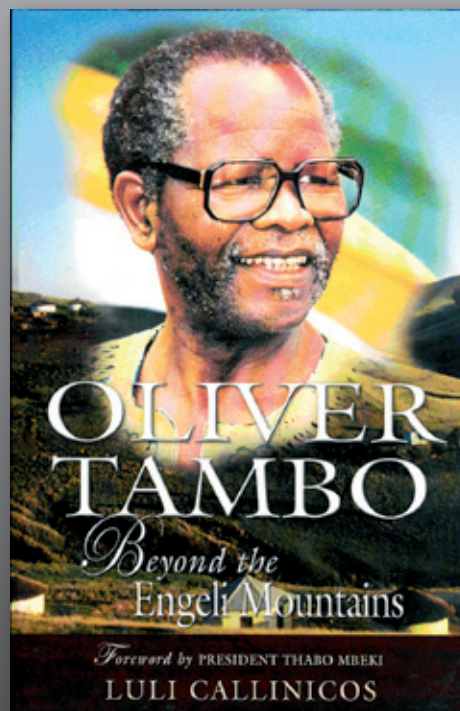


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