The Quest for “Flexible” Trade Unionism in Post-Apartheid South Africa: Engaging Neo-Liberal Hegemony

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Preface

This dissertation is the result of my own work, unless specifically indicated to the contrary in the text.

The completion of this project would not have been possible without the help of the following people. First and foremost I would like to extend many thanks to my supervisor, Dr Laurence Piper, for his meticulous editing, intellectual encouragement and friendship throughout this thesis. Special thanks also goes out to all the staff of the Political Science Department at the University of Natal, Pietermaritzburg for your scholarly advice. To all my friends and family, thank you for your encouragement. Last, but by no means least, to Yuveka- thank you for your belief in me. This dissertation is dedicated to you.

Bevelyn Seevaraj
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Abstract

The inauguration of Nelson Mandela as President of South Africa after the first-ever democratic elections, in many ways marked the end of official apartheid and the beginning of new times in the country’s history. For the labour movement it became imperative to entrench its position during this period of transition, even under an ANC led government. Despite securing a relatively labour-friendly macro-economic policy early on in the Reconstruction and Development Programme (RDP), the next few years were to see a more pronounced decline in the influence of labour in the South African political economy. The marginalisation of labour did not, however, result in an absolute dismissal of labour’s concerns, but saw a particularly narrow conception of “labour relations” being articulated, characteristic in government priority support of business elements over transformatory ideals. This paper explores the pressures and strains for labour under the new democratic dispensation by specifically examining the factors that bring about the emasculation of labour. The decline of labour is examined in three levels. Characteristic in all three levels is the hegemony of neo-liberalism that manifest in the international political economy, the South African, as well as workplace specific contexts. Firstly, the hegemony of neo-liberalism globally is examined. Individual states under pressure from the prevailing international system pressure states to adopt increasing economic liberalisation. The implications of the neo-liberal hegemony on the trade union movement globally are also considered. Secondly, the domestic variables that account for the decline in labour are considered. This is largely the domain of the institutional, policy, organisational and ideological shift in “labour relations” in South Africa. Thirdly, changes at the level of the workplace as a result of neo-liberal
ascendancy are examined. The revival of a much more progressive labour movement, it is argued, has to consider the nature of all these limiting factors, and recast itself into a much more “flexible” trade unionism.
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Abbreviations

Only regularly recurring abbreviations have been listed. More specific abbreviations are explained when first cited.

ANC  African National Congress
BCE  Basic Conditions of Employment
CCMA  Commission for Conciliation, Mediation and Arbitration
CODESA  Congress of a Democratic South Africa
COSATU  Congress of South African Trade Unions
FDIs  Foreign Direct Investment
GATT  General Agreement on Tariffs and Trade
GDP  Gross Domestic Product
GEAR  Growth, Employment and Redistribution
IMF  International Monetary Fund
LRA  Labour Relations Act
NATO  North Atlantic Treaty Organisation
NEDLAC  National Economic Development and Labour Council
NICs  Newly Industrialised Countries
PAC  Pan Africanist Congress
PPWAWU  Paper, Printing, Wood and Allied Worker’s Union
RDP  Reconstruction and Development Programme
SACCAWU  South African Commercial and Catering Worker’s Union
SACP  South African Communist Party
SAPs  Structural Adjustment Programmes
TNCs  Transnational Companies
UDF  United Democratic Front
UN  United Nations
UNDP  United Nations Development Programme
Introduction

On the 29 and 30 August 2001 members of South Africa’s biggest trade union federation, the Congress of South African Trade Unions (COSATU) embarked on nation-wide strikes in protest against the privatisation policies of government. The strikes by COSATU received a mix reaction: as expected the state rebuked labour for “harming the South African economy” and creating unfavourable conditions for investments (www.cosatu.org.za/samwu/apfcosatustrike). More crucially, for some the strikes by COSATU merely represent a trade union movement in weakened defence against capitalism, that only a decade ago, saw union power pressuring management and the state to rethink oppressive workplace policies (Myers 1997, Adler 1998, Macun 2000). However, post-apartheid South Africa has presented a host of impediments to overtly progressive trade unionism. Central to the decline of labour in South Africa is the government’s embrace of economic liberalisation and subsequent increased support of business interests over labour. The hegemony of neo-liberalism in post-apartheid South Africa has profoundly affected labour. The most apparent indication of a weakening of labour in post-apartheid South Africa, is the decline in the quality of service provided to workers (Buhlungu 2000, Baskin 2000). Not only has the trade union movement struggled to provide clear strategies of engagement with new management initiatives, but there are growing indications of a lack of unity and cohesion in the movement in dealing with these issues (Baskin 2000). This is contrasted with the highly unified structures of the labour movement established under apartheid, where strong linkages were established between the unions and their shop stewards, and with the workers on the shopfloor. In the apartheid era, labour was able to marshall considerable workplace support at strategic points in the negotiations against management. In the post-apartheid era, there are also strong indications that unions have not developed effective strategies of engagement with management (Buhlungu 2000, Baskin 2000, von Holdt 2000). Furthermore, where strategies of engagement were embarked on such as strikes, they appear to be poorly led and unplanned (Baskin 2000: 50). This weakening of labour is carried over to the institutional avenues of co-determination, where opportunities do exist for labour to generally democratise the “apartheid workplace regime,” but at the threat of co-option. At
policy level, the input of labour is only considered so far as the present prevailing macro-economic strategy is not jeopardised, limiting overtly progressive trade unionism. It remains an open question whether labour can manage to transcend the limitations in the post-apartheid era and develop innovative strategies against capital.

This thesis explores these pressures and strains facing labour in post-apartheid South Africa. More specifically, this study accounts for the weakening of labour in the new dispensation ie. what are the factors that limit progressive trade unionism? Put another way this paper explores the limits to a progressive trade union movement. In Marxian terms, it is submitted that the factors that generally emasculate the politics of trade unions in South Africa are in need of careful study, not merely to describe the general state-of-affairs, but importantly, to transcend them. Before unpacking the dynamics of this study, it is important to briefly determine what is meant by a progressive or powerful trade union. This is so as to set the parameters of this study, to understand not just how labour has declined, but from what did labour decline. This is crucial to deconstructing the limits to a vociferous, more effective trade unionism. Historically, labour was characterised by strong cohesion and militancy in the workplace, and an adversarial stance against management. The size, general unity, and the assertive style of the labour movement were all crucial to labour securing the upper hand against management. This kragdadig strategy, however, is on the wane. As Chapter Three will illustrate, simply relying on old strategies of engagement with capital is not a panacea for advancing worker rights. The new conditions placed by capital on the workplace require a different unionism, and thus a broader definition of union strength than simply relying on historic strategies. Following Macun’s cue “assessing union strength and power cannot, however, be done on the basis of any simple equation between numbers and strength, but has to take into account a range of organisational, political and social factors” (2000: 58). Thus, this should be borne in mind throughout this paper’s references to union “strength,” “power” or a “progressive” trade unionism.

What are the parameters of this study? This paper applies a three dimensional approach to examining the factors which limit progressive trade unionism ie. examining the
international, the national and workplace factors. Each factor is meant to complement the other and generally contribute towards an explanatory matrix on the decline of labour in South Africa. The central assertion of this paper is that the rise of neo-liberalism internationally, in South Africa, as well as the workplace, emasculates progressive trade unionism. The hegemony of neo-liberalism globally, aided and abetted by forces of globalisation, impact on the policy choices of individual nation-states. As Habib et al maintain, “In the case of South Africa, [the] redistribution of capabilities across states crucially shaped the context and form of the country’s transition. This transition represented a classic example of what Samuel Huntington termed “transplacement,” which results when the dominant groups in both government and opposition realise that they are incapable of unilaterally determining the nature of the political system in their country” (1998: 102). This does not mean that the prevailing international factors are the only cause for the increased economic liberalisation in South Africa. Domestic factors did also crucially feature. But it should be emphasised that the form of neo-liberalism in South Africa impacted on by international forces sought to create better conditions for local business as well as for foreign investment. This ability to create uniform global conditions for capitalism is a fundamental feature of the new global order. The hegemony of neo-liberalism, globally and nationally, was to also impact on workplace proceedings, where increasing “flexible” management practices arose. Generally, the rise of neo-liberalism internationally, nationally and in the workplace generally impacted on trade union assertiveness.

Applying a Gramscian schema to the study provides compelling insight into the dynamics of not just the international political economy, but the South African as well. What becomes apparent is the rise of the policies of neo-liberalism to hegemonic proportions, dictating the structure of the international economy, as well as those of individual states. A Gramscian understanding of “hegemony” is used throughout this thesis, of a ruling class (or part of a class) maintaining power over subordinate classes through use of force, but also more importantly through “intellectual and moral leadership” (Bocock 1986: 12). It becomes essential for such a ruling group to also dominate the economic activity ie. the mode of production. The hegemony of neo-liberalism globally is secured by the
"winning over" of individual states, but is also crucially maintained through the International Financial Institutions (IFI's), MNC's as well as powerful state's prescription of capitalist policies. The last twenty years in particular has seen the rise of capitalism to dominant proportions, and the subsequent weakening and marginalisation of labour. For the trade union movement globally, the hegemony of neo-liberalism threatens to eradicate the traditional membership base, as a result of unemployment, as well as increased "flexible" work arrangement. The South African trade union movement has not been left unscathed by these global processes. Neo-liberalism has had debilitating effect at macro and workplace levels in South Africa.

Chapter One entitled "The Global Hegemony of Neo-Liberalism: The Trade Union Movement Within the International" accounts for the effect of the prevailing international economy system on domestic policies. Globalisation has produced a number of pressures on the national economies of states. The most profound result of globalisation is the increasing inability of states to determine policies that best suit their own domestic contexts. Globalisation has effectively undermined the nation-state and the status of labour. Liberalisation results in increased unemployment that significantly weakens the bargaining position of labour, and that reduce the regulation of labour in the workplace. Also, in the quest to maintain optimal conditions for capital (investments), states have essentially marginalised trade unions, either by adopting less labour-friendly policies or simply reducing the influence of trade unions in civil society. Globalisation has also changed the very nature of work, resulting in much more contingent and unstable working conditions as a result of flexible specialisation. In sum this chapter argues that the restructuring accompanying globalisation has effectively "hollowed out" the nation-state, thereby undermining traditional trade union strategies.

The hegemony of neo-liberalism has manifested in the South African political economy, and had debilitating effect on the fortunes of labour. Chapter Two turns to examine the conditions facing the South Africa labour movement more specifically. By applying a particular theoretical framework to the South African situation, this chapter analyses the myriad of complexities and challenges facing labour in South Africa. This chapter
examines the institutional, policy, organisational and ideological shifts in “labour relations” and illustrates how these changes are part of the broader strategy of government’s increasing support of business elements. Furthermore, this chapter illustrates that the gains that have been made for labour are indicative of reformist workerism, characteristic in a capitalist “winning over” of the state. The term “reformist workerism” is used in the Gramscian sense, of the practices of the ruling class in maintaining dominance; the economic concerns of the dominant group prevail but only up to a certain point, stopping short of narrowly corporate economic interests. The dominant group in maintaining business interests does only enough so as to sustain its hegemonic project, but not substantively meeting the material needs of the subordinated groups. This chapter will also illustrate that in the pursuance of the ends of capital, radical elements within the labour movement are subject to emasculation. These reformist gains for labour include changes in workplace relations that at best advance worker interests narrowly, while neglecting more substantive transformation of the South African political economy.

Institutionally, the advent of the Labour Relations Act (LRA), the Commission for Conciliation, Mediation and Arbitration (CCMA) as well as National Economic Development and Labour Council (NEDLAC) provide opportunities for labour to advance more rights for workers, especially the LRA and CCMA which are designed to bring about a general democratisation of the “apartheid workplace regime.” But these forums also crucially serve as nodes of institutionalising conflict and pose the risk of the co-option of trade unions. For NEDLAC, economic and social issues are only discussed so long as the prevailing macro-economic strategy is not threatened in any substantive way. Generally, these new institutions can be regarded as gains for workers, but these gains were short-term and detracted from more fundamental transformation, perhaps intentionally so. The shift from the Reconstruction and Development Programme (RDP) to the Growth Employment and Redistribution (GEAR) is typically cited as reflection of the ideological commitments of the ANC towards increasing neo-liberalism. Furthermore, an increasing elite character to policy-making became evident. The policy processes surrounding GEAR was virtually non-existent, with no consultation occurring
between the ANC and the labour movement, let alone with many of its own members. Perhaps the most debilitating effect of the government’s adoption of GEAR, felt throughout socio-economic life in South Africa, is unemployment. The transition from the so-called old economy to the new has not realised the expected growth rates but has instead achieved jobless growth.

Whereas Chapter One and Two represent more broader depictions of the factors accounting for a decline in the trade union movement, Chapter Three focuses more specifically on workplace accounts for a reduction in effective trade union strategies. Drawing from a wealth of studies, this chapter illustrates the impact of management strategy on the organisational capacity of trade unions. A major theme in this chapter is the rise of “participatory management” which generally result in traditional trade union strategies facing severe dilemmas, the most crucial being how to deal with the new management initiatives and the various workplace changes as a result of general processes of restructuring. Trade unions could not effectively challenge capital, and still continue to grapple with strategy issues, as a result of the changing workplace regime. This chapter examines one aspect of the changing conditions, namely the increase in casualisation and other temporary sources of employment. What becomes evident is that unions have not secured clear enough policies to deal with flexible specialisation strategies. This opens up wider questions of the union’s inability to effectively service membership despite indications of high membership.

This thesis intends to illustrate hegemony of neo-liberalism, as manifested in the international political economy, the national domains, as well as the local, workplace contexts. Chapter Four entitled “Into the New: Towards a More ‘flexible’ Trade Unionism” presents key strategies for labour to transcend the limitations placed on it. A Gramscian schema is not only applied to the South African situation but to the international trade union movement as well, to suggest routes of advance from the quagmire which labour finds itself in. For the workplace, ways to enhance trade union organisational capacity are suggested, such as policies to respond more effectively to management strategies and ways of increasing unionisation of temporary workers. These
propositions are not ideological "wish lists" for a future trade unionism, but represent future viable strategies for labour to pursue, to build its capacity to challenge capital and become more relevant.
Chapter One

The Global Hegemony of Neo-Liberalism: The Trade Union Movement within the International

The trade union movement world-wide is faced with pressures like never before, that not only threaten to nullify the hard-won gains exacted from its struggles, but also to reduce its influence and legitimacy in the contemporary age. As workers face the tidal waves of corporate downsizing and increasing government cutbacks, labour all the while is significantly limited in its role of advancing worker rights. Related to this, governments globally are pressured into liberalising their economies, as part of the predominating norm in the international political economy system. This chapter examines what role the international factors, such as the dramatic liberalisation of economies, play on domestic programmes, for instance, the South African government’s macro-economic policy. Internationally there exists an ideological shift away from Keynesian development strategies towards market economies. Consequently, the trade union movement internationally has found itself marginalised by this ideological shift. Some of the specific challenges facing labour are the uneven shift from an industrial to an information and service capitalism and the increasing contingency of work as a result of flexible specialisation brought about through globalisation.

This chapter has two objectives. The first is to generally describe generally the character of the international economic system, as well as to examine what this means for developing countries. The second objective is to assess what these manifestations of globalisation mean for the international trade union movement. In terms of this study’s broader prerogatives, this chapter describes the hegemony of neo-liberalism internationally, so as to demonstrate the effect of the international on domestic economies and on trade union movements. Generally, this chapter will demonstrate the hegemony of neo-liberalism. A study as broad as one entailed in examining international factors can be filled with numerous stumbling blocks, with the main challenge being which aspects of the international to focus on. Thus this chapter is divided into two sections. The first section describes the character of the international economic system. By traversing the field of the international economic system, historically to the present, this section hopes to illustrate the dominance of neo-liberalism, as well as its impact on developing countries. Thus this section intends to describe the general
climate of the international political economy. The next section describes the impact of neo-liberalism on labour globally by examining phenomenon such as flexible specialisation and the feminisation of labour globally.

This study into international factors is useful in a number of ways. Firstly, it enhances studies into the labour movement in South Africa, that focus on elite choices and historical movements but which pay little or no attention to international variables (in terms of Chapter Two this chapter provides a broader depiction of the world which impacts on domestic policy). This study deepens the analyses to include trends in the international arena, but also to engage in a comparative study to better situate domestic trade unionism in relation to other events in other parts of the world, ultimately useful for a transformatory trade unionism. For as Marx prophetically remarks “national differences and antagonisms between peoples are daily more and more vanishing, owing to the development of the bourgeoisie, to freedom of commerce, to the world-market, to uniformity in the mode of production and in the conditions of life corresponding thereto” (Marx [1852] in McLellan 1977: 235). It becomes imperative to examine what these uniform global developments are.

A Historical Survey of the Rise of Free Trade Internationally

No one can doubt the sheer extensiveness of capitalism in the world today. Not only are an overwhelming majority of the world’s economies capitalist in nature, but also throughout most societies in the world, the influence of capitalism is increasingly visible. How have most of the world’s governments converged on the idea that the “market” should decide economic affairs? In answering this question I will examine the general rise of the system of “free trade” in the world, by briefly tracing its evolution from the early days of interstate trade, to the expansionist days of imperialism and colonialism. What becomes clear in the course of this chapter, is that the market is hardly “free” but is dominated by MNC’s who dictate the rules of play of the market. It was Antonio Gramsci who perhaps popularised the term hegemony. Hegemony is taken generally to mean the relation between classes and other social forces, where one class dominates by gaining “the consent of other classes and social forces through creating and maintaining a system of alliances by means of political and ideological struggle” (Simon 1991: 23-24). It also becomes imperative for such a ruling class to offer a mode of production (economic activity) for broad prescription, and which serve as a material base for
the maintenance of a system of alliances. The evolution of capitalism to dominant proportions, as this brief historical survey intends to illustrate, reflects just what Gramsci had in mind.

Contrary to conventional wisdom, free trade had not always existed in the world. Historically, closure characterised much of international trade. In places like Western Europe where free trade first arose, trade restrictions were only beginning to be removed from between 1820 and 1850 (Kindleberger 1987: 85). Before the 1820’s in Western Europe, polices were in place that restricted the export of food (Italy), wool and coal (Britain), rags and firewood (Germany) to other towns. Several factors began to result in the restrictions steadily becoming less desirable. Influential trading groups like the Dutch First Hand sought to remove restrictions on trade, as they perceived the economic benefits that trade with other economies would bring for themselves (ibid: 86). At first some firms sought to be exempted from the trade restrictions by being allowed to trade with other countries, at the same time objecting to others being allowed to trade. It became increasingly difficult for rulers to govern whose interests predominated, they just gave in to entrepreneurs’ pressures. In France, the interests of the industries initiated this move towards free trade. Other factors that prompted the move to free trade, were the improvement of transport efficiency, which made trade between countries more physically possible, as well as ideological motivations, for instance some leaders simply argued that free trade was now more desirable (Kindleberger 1987: 103). Of course the drive towards free trade was not absolute, as periods in history existed where countries sought to derive benefits from trade openness but placed restrictions once the conditions were less conducive economically. For instance despite the US insistence that all states should realise the benefits of openness in trade with other states, large sectors of the US economy, particularly those that potentially face competition from other equally strong states are presently protected by trade restrictions. This tendency of opting when to open or close is still very much a feature of international trade presently.

Hand in hand with the increase in openness in international trade, many European nations began dramatically expanding their territories into Africa, Asia and the Americas, in what became known as classical imperialism (Gallagher and Robinson 1987, Armstrong et al 1991, Smith 1981, Chamberlain 1998). The intentions of these nations was to tie up as many countries as they could into their economies so as to ensure that these countries depended
very much on trade with them as well as for the provision of raw materials (Gallagher and Robinson 1987: 117, Lenin 1939: 112). A significant feature of imperialism is the monopolisation of capital, characterised in the creation of cartels, syndicates and mergers. As Lenin asserts, in these less developed countries, “profits usually are high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap” further disadvantaging the host country (Lenin [1939] in Frieden and Lake 1991:110). These characteristics are true of the expansionist strategies of TNC’s who span the globe in search of low production costs (such as cheaper raw materials and more especially cheaper labour costs). However, for the large part, despite the search of TNC’s for low production costs, much of the trade and investment flows over the last decade has occurred within the Triad (Europe, North America and Japan) [see Hay and Marsh 2000: 5], consequently marginalising, developing states. Below, we turn to examine the establishment of the post World War Two institutions of Bretton Woods, which constitute much of the central pillars of the present day global economic system.

The aftermath of the Second World War marked not only the start of the Cold War which was to last for some 45 years, but also signalled the start of a pattern of economic relations under US leadership - a leadership largely emanating from a World War victory which propelled her both politically and economically. Dubbed the Bretton Woods System, the features included the (1) establishment of the International Monetary Fund (IMF) which sought to facilitate global monetary co-operation, direct currency arrangements, and to promote fiscal discipline; (2) the World Bank, which sought to provide loans to developing countries, to bring about growth in their economies for over-all development; and (3) the General Agreement on Tariffs and Trade (GATT) which aimed to bring about wider international trade liberalisation (Habib 1998: 100, Barber 1998). All of the above, in general terms, brought about increased economic growth and development for most non-communist economies, “...all within a general context of international co-operation under American political, economic and military tutelage” (Barber: 100).

Despite the strains on the economic relations between the advanced nations by the 1970s largely concerning issues of American and European access to the Japanese market, it was the collapse of the Soviet Union in 1990 which heralded a significant strengthening of the Pax Americana and the free market economic system. Some commentators (the most well known
of them being Francis Fukuyama) prematurely argued that the war of ideologies which had been waged for some forty-five years had finally come to an end, that this represented the triumph of Western liberal democracy and the ‘end of history’ (Fukuyama 1991). Meanwhile others like the American President George Bush remarked that the era of bi-polarity was over, and that it was the start of a ‘New World Economic Order’ (Barber 1998: 33). However overstated this triumphalism is, the demise of Soviet Socialism did certainly harm the reputation of commandist-type economies as well as the long standing welfare tradition of some states, and served to significantly enhance the image of liberal democracy. The Bretton Woods institutions of the IMF and the World Bank began to play a central role in the reconstruction of the free market economy. The IMF more particularly, has the power to sanction developing economies from obtaining any funds, and advocated programmes of “devaluation, reduction of fiscal deficits, privatisation, and decreases in real wages, relaxation of controls on trade and capital flows in the international sphere, and the elimination of subsidies and other government interferences” as mechanisms to “free” their economies (Habib et al 1998: 101). All of these mechanisms were intended to limit inflation and generally bolster the resources of the private sector. However, as will be shown, the call for greater openness only exposed developing economies to the rigours of international competition. Before we turn to examine more substantively the pressures exerted by the prevailing global economic system on developing countries, below we describe the African condition generally, and the failures of the International Monetary Fund (IMF) and World Bank. In the grand scheme of this chapter, this is essential to describing the predominating influence of the international economic system on national economies.

The Liberalisation of the African Economies

The imperialist domination of Africa from around the end of the nineteenth century was in many ways the genesis of a history of economic subjugation of Africa. The basic logic of the imperialist powers was to secure as much land as possible, a scramble accelerating towards the start of the 1900s. But the imperialist domination, in as much as it represented a rapid plunder of the African resources, was also the start of a more systematic appropriation. As Freund notes “the circumstances of the conquest brought the colonial rulers to grips with a basic contradiction: only a long, intensive process could create conditions within Africa that could bring about substantial opportunities for investments, sales and profits” (1998: 97). In
this light, the layers of colonial administrators and chiefs sought to maintain the system of capitalism, with each playing its part in the maintenance of the status quo. The various mechanisms and strategies to maintain the subjugation of the African people is, of course, vast in the literature on colonialism and post-colonialism (see for instance Prakash 1995, Jinadu 1986, Freund 1998, Osterhammel 1997). For instance, in order to create a conducive environment for substantive exploitation of the African states, Mbaku argues that the Europeans set about combining different ethnic cleavages (each with their own language, culture, traditions, political and economic system) to form a political, economic, and administration unit that could be effectively utilised by colonial authorities (Mbaku 1999:120). Despite the waves of independence throughout many African colonies from the 1940s to the 1960s, the domination by the old colonial powers continued to shadow development in Africa. Freund (1998) argues that development for Africa continued to depend on the old colonial power’s technology, trading strategies and expertise. For instance, property rights of Western enterprises were often guaranteed, as were certain strategic military arrangements (ibid: 20). Also, African government officials, much as their colonial predecessors, sought to utilise their positions for their own benefit. These problems, compounded with the significant declines in oil prices in the aftermath of the Iranian crisis of 1978-1979, caused severe economic crises for many African states. Consequently, many African leaders submitted requests to the World Bank for assistance, thereby opening up a new chapter in Africa’s dependence on the West.

After more than eighteen years of Structural Adjustment Programmes (SAP’s) of the International Monetary Fund, little development has occurred for Africa. Instead of seeking to identify the range of alternatives crucial for the African contexts, the programmes of the IMF and the World Bank are regarded by many policy makers in the West, as a panacea for development. As Mbaku (1999) and Olukoshi (1996) maintain, the majority of studies have concluded that SAP’s, as administered by the IMF, or the World Bank, have had little impact, or have made conditions worse. Mbaku (1999) maintains that successful implementation of the programmes resulted in a “net outflow of funds from Sub-Saharan Africa to the developed market economies and failed to deal effectively with the region’s massive debt” (33). He goes on to argue that the evidence illustrates that despite some sixteen years of adjustments for some African states, they have failed to reverse the deterioration in living standards, or alter the growing gap between the rich and the poor. Broad (et al 1995) confirm these criticisms by
arguing that structural adjustment in practice has produced ecological disasters (for instance the overproduction of prawns in the Philippines). Below I turn to examine more specifically the compounding pressures exerted on developing countries to open their economies, brought about through globalisation.

The Global Economy

Globalisation has truly become one of the buzzwords over the last twenty years, proliferated by a range of actors, resulting in very little unanimity as to what it actually entails. Any study seeking to understand the concept of globalisation will have to wade through the morass of myths and misunderstandings surrounding globalisation, to establish the nature of globalisation. Where uncertainty, complexity and polarisation abound any issue, in the words of Emery Roe, there is need to “evaluate conflicting stories about highly uncertain policy issues that increasingly dominate political life…” (1994: 3). There is need to examine all the arguments around the issue, to develop a position that would illuminate the controversy. This section will endeavour to present some of the major interpretations of globalisation, thereafter proceeding to discuss the limitations of these dominant interpretations, and thereby develop a position on globalisation.

Of specific importance is the discussion on the impact of globalisation on developing economies in general and on the trade union movement specifically. But how does one demystify the many myths and exaggerated claims surrounding globalisation and present an understanding of the nature of globalisation? Hay and Marsh (2000) point us towards a way forward from the many disciplinary shackles that have come to surround studies on globalisation. They posit an understanding of globalisation that seeks to transcend highly exaggerated views on globalisation, for instance, those associated with certain triumphalist views on neo-liberalism, that there is no alternative to neo-liberalism. They also ask us to surpass understandings of globalisation that dogmatically argue that the state is withering away at the hands of footloose MNC’s (2000: 4). They advocate a position between, what they term, the “second wave” and a “third wave” that challenges the “first wave” suggestions (the latter the exaggerated and empirically weaker view of globalisation that attests to the prevalence of a homogenous global culture, usually found in the media). They argue that the
"second wave" attempts to challenge the assumptions held by the "first wave." Generally, the "second" and "third wave" are intended to illustrate the multiple processes of globalisation that interact in specific and contingent ways. This chapter will attempt to hold true to this position and provide an assessment of globalisation "with subjects" ie. how the insertion of subjects into processes might help explain globalisation (Hay and Marsh 2000: 6). What globalisation entails is crucial to debunking notions of its inevitability, that this is a phenomenon which "we have no control over."

For some globalisation entails the significant advances in technology and communications which generally revolutionise the transport of goods and services (Thompson 2000, Strange 2000, Herman and McChesney 2000). Others focus on the developments in the global economic sphere, and the impact these developments have on people (Barry Jones 1995, Ash Narain 1999). Some approaches focus on the social implications of the increase in multiculturalism brought about through people and communities coming into closer contact (Mann 2000). Despite these differences, most concur that there are certainly changes in the economic sphere leading to increases in the global free market trade (Busch 2000, Hay and Marsh 2000, Dunning and Hamdani 1997). The statistical data appear to confirm these agreements. Foreign Direct Investment (FDI's) regarded by many to be the main generator of economic growth is estimated to have grown at an average of 34% per annum between 1983 and 1990 (Barber: 42). Furthermore, it is estimated that this growth reached US$2 trillion by 1992 (ibid). An estimated US$ 1.5 trillion is traded in foreign exchange world-wide daily, FDI's topped US$400 billion in 1997, seven times that the level of the 1970's (Mills 2000: 35). Despite the shared assumptions as to the changes in the nature of the global economy, differences however exist as to the interpretations of interdependence. Below, we turn to examine two interpretations of globalisation. By no means are these two positions taken to be the only positions on globalisation, but rather they represent the dominant positions in the literature. Also, the dominant positions below themselves contain nuances and differences in the literature, but it is possible to present certain common themes within a certain position.

The first interpretation of globalisation highlights the gains that economic liberalisation brings to the world (This is the liberal or minimalist view of the state). Largely following the liberal democratic idea of the right of the individual to effectively pursue the good life, this position regards property rights (the cornerstone of the free market system) as a crucial part of the freedom of the individual. For instance, based on advances in the technology of
communications, Kenicki Ohmae argues for the benefits that a globalisation of knowledge and capital flow can bring to the world at large (Ohmae in Barber 1998). He sees the role of governments to be small, only for them to create better conditions for the market to thrive (see also Summers and Thomas 1995, Dunning and Hamdani 1997). This is the prevailing view in the world, promoted by the US government, as well as other developed countries, in addition to a range of international organisations and agencies. This group views the global restructuring process as possessing potential benefits for states, in that it allows each to specialise according to its own strengths. Developing economies can provide low-cost, unskilled labour, while the more developed countries provide the management, technical, and financial resources with the end result being cheaper goods and services for all consumers (Dunning and Hamdani 1997). Less-developed countries are encouraged to manufacture for export as this would lead to industrialisation and development. Thus although these countries may enter the global economy at a disadvantage, proponents of the free market promise that they would be able to participate in the export of goods which would enable them to accumulate their capital and increase their economic well-being. The experiences of Japan and the Asian NIC's (Hong Kong, Taiwan, South Korea and Singapore) are often cited as the potential economic path that other developing countries can follow. Bonacich et al argue that in order for companies to be competitive today, they must produce small quantities of differentiated goods for diverse customers (1994: 8). They state that “globalisation contributes to this process by enabling firms to produce a vast range of products in multiple countries simultaneously” (ibid: 8). The liberal view thus underscores the value of comparative advantage in a globalised world. In general those who hold to the above benefits of globalisation argue that the market should decide economic affairs, and that the only role of the state should be to support these market endeavours.

But such perspectives on the restructuring process, accompanying globalisation, fail to consider adequately the negative repercussions for developing economies. A moderately optimistic position attempts to remedy the wrongs of globalisation, although still largely agreeing with much of the liberal view. For instance, Garrett and Lange (1991) argue that despite the internationalisation of goods forcing governments to open up, certain supply-side policies remain to enable governments to follow their own domestic policies. But both of the above positions fail to explain developing countries' inferior position in global markets, nor the problem of dependency that Africa is subjected to. Despite conflicting claims surrounding
globalisation in the literature, there are negative repercussions felt throughout the world. Below, the consequences of globalisation will be examined in three short sections that, in their own way, explain globalisation in keeping with our earlier claims to pay due attention to structure and agency. The first will examine more broadly the issue of states increasing drive to secure investments and secure export of its goods, and crucially how this diminishes the authority of the nation state. Pressure on government result in trade union movements increasingly being placed under pressure. Secondly, the decline of the social-democratic tradition as a result of a neo-liberal hegemony will be examined. Lastly, the implications for developing countries in terms of inequality and dependency will be examined.

A significant feature of global economic activity today is the increase in competitiveness amongst states to acquire foreign investment. Once investment has been successfully acquired, it becomes imperative to create continued enabling conditions for capital to optimally function under. Thus both the developing economies of South Africa and the Soviet Union are both competing to bring about the most favourable conditions for capital to thrive. In the quest to provide the lowest possible labour standards they also aim to bring about a low-cost, disciplined and unorganised work force, a process underway since the Reagan and Thatcher heydays in which labour was blamed for the stagnation of some economies (ibid: 10). Investors span the globe in search of these low cost conditions. There is striking resemblance to Marx's portrayal of the expansionist tendency of the "bourgeois" in *The Communist Manifesto*:

> Exploitation of the world market [has] given a cosmopolitan character to production and consumption in every country...All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries...that no longer work up indigenous raw material but raw material drawn from the remotest zones, industries whose products are consumed not only at home but in every quarter of the globe. In place of old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands... In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations...” (Marx [1852] in McLellan 1977: 224).

Thus to survive, national capitalism must continuously expand and acquire new locations in order to maintain itself. Also, liberalisation forces are triggering a process of general
convergence of governments to pursue more or less similar policies in the quest to enhance their national or even regional competitiveness. Held and McGrew argue that the history of the modern world is the history of Western capitalism’s ability to divide and re-divide the world up into exclusive economic zones (2000). They argue that today imperialism has been replaced by “…new mechanisms of multilateral control and surveillance such as the G7 and the World Bank…[which represent] a new mode of Western imperialism dominated by the needs and requirements of finance capital within the world’s major capital states” (ibid: 5).

But this dissemination and infiltration of capitalist social relations geographically has not only placed pressure on states to secure investment, but has also impacted on workers throughout the world. Bonacich et al examine the view that globalisation is largely in the interests of the capitalist class, especially those linked to multinational corporations and those capitalists found in the developed countries (1994:10). Despite the differential effect of globalisation on countries throughout the world, the working class in all countries is exposed to the risk of globalisation. They argue that globalisation enables employers to “pit workers from different countries against each other” (ibid: 10). Generally though, globalisation is that attempt by capital to “put labour in its place” by reducing labour costs and restoring profitability, weakening the power of unions to exact benefits for workers.

This weakening in the power of labour is but part of the process of the general decline in the legitimacy of the social-democratic tradition. Bonacich et al (1994) highlight the American example where attempts were made from the 1980s to limit programs protecting workers’ standards of living. According to government officials, the tax based programs characteristic of welfare economies were hindering capital accumulation as profits in these economies declined. Kelly (1998) similarly examines the exhaustion of the progressive potentials of the government in Britain as a result of an increasing culture of individualism and consumerism. Rodrik (2000) states that the welfare state has been under attack for some two decades. Significantly, the increasing mobility of capital has rendered “an important segment of the tax base footloose” resulting in governments “increasing tax rates disproportionately on labour income” (325). Effectively this has resulted in the state shifting from its role as provider for its people to ensuring that the market dominates economic life, or in Yergin and Stanislaw’s words a government increasingly shifting towards “…setting the rules of the game to ensure, among other things, competition” (2000: 321). As Held and McGrew contend, globalisation has effectively ‘hollowed out’ the state, resulting in state institutions and political agents
increasingly "acting out the motions of politics but failing to determine any substantive, welfare-enhancing public good" (2000: 34). Instead the state increasingly cedes economic resources to the private sector. This similar logic of investing resources to the private sector, as examined earlier, dictates the International Financial Institution's award of loans to developing economies. This has effectively exposed workers to aggressive capitalism, bent on creating conditions for the optimal functioning of the market. Added to this, globalisation has effectively resulted in a surplus of immigrants spanning the globe in search of employment as a result of restructuring in their own countries. These immigrants are faced with harsh immigration regulations, racism, and sexism that perpetuate their already disadvantaged positions. As Bonacich et al state: "...those who favour globalisation promote the free movement of commodities and capital, but not the free movement of labour, in the form of open borders" (1994: 11). The impact of restructuring for developing economies has been profound.

Globalisation, understood as the extension of free trade globally, has had a profound impact on developing state's economies. The United Nations Development Programme (UNDP) found that the income gap between 5% of the world's richest people and 5% of the world's poorest people was 74 to 1 in 1997, significantly raised from the 1913 figure of 11 to 1 (Mills 2000). Africa contributes a mere 1.2% of the worlds' GDP, down from the 1980 figure of 1.8% (ibid). As neo-liberalism continues to pressure African states to open their economies and dismantle trade barriers, African states become increasingly dependent on foreign aid. Food imports in sub-Saharan Africa rose by 185% and food aid by 295% between 1974 and 1990 (ibid). Exacerbating this already fragile position, the overwhelming interdependence of national economies, ensures that events in far off places have an effect, as the 1997 South East Asian crisis illustrated. The financial institutions of GATT, as well as the IMF and World Bank are used to standardise the international trade and monetary system, while the political/military use of the UN and NATO are used to instil internationalisation. Held and McGrew (2000) state that 50% of the world's population and a two-thirds of its government are bound by the strictures of the IMF or the World Bank (30). But even this insistence to liberalise has not been met with the anticipated economic benefits for Africa. As the German Vice Chancellor and Minister of Foreign Affairs Joschka Fischer maintains "globalisation...opens up entirely new opportunities for the exchange of goods and information for Africa too, but also brings with it great vulnerability to external influences,
against which the poorer African states are often far less well protected than other regions of the world" (Mills 2000: 4).

**The International Trade Union Movement**

What has globalisation meant for the trade union movement internationally? What becomes apparent is that globalisation has effectively marginalised labour, making trade union politics less favourable. This occurs on two levels. The first one is at a state level where governments are compelled or feel compelled to limit their interference in economic affairs, sometimes directly targeting worker rights or freeing up the market by maintaining policies of non-interference. The second level is at the workplace where the changing face of production globally has resulted in a shift away from labour friendly policies. Increasingly, in the quest for flexible specialisation, companies resort to temporary sources of employment, such as outsourcing and casualisation, which diminish the traditional power base of trade unions.

**The Restructuring of the Global Economy**

The restructuring of the world economy began in the late 1950s on a limited scale, but accelerated significantly in the 1980s when industrial production shifted from the West to Japan and then to the Asian NICs. Before this, post World War Two industrial production was largely dominated by the US and Western Europe, while the less-developed economies concentrated in the production of raw materials (Perraton et al 2000, Bonacich et al 1994). This shift outwardly is a characteristic feature of developing economies which do not manufacture mainly for their own domestic market, but manufacture for export primarily, what is termed the “new international division of labour” (ibid: 5, Wood et al 1998). For the developed economies, their manufacturing base is moved to less-developed countries, but they also face pressures domestically from imports that compete with their own domestic products. Intimately tied to this scenario is the role of Transnational Companies, because of their advanced communications and technology in transport and informations, are able to co-ordinate manufacturing in various locations throughout the world (Fieldhouse 1995, Caves 1995). For instance Caves illustrates the inability of states to control the actions of TNC’s. The latter make decisions based solely on profit-making criteria and neglect the input of representative governments (1995). Over the last ten years a feature of liberal democracies is
precisely the input from representative governments who have given business the mandate to operate optimally. Crucially though, TNC’s are able to establish networks of global production without owning or even having direct control over their various branches by engaging in subcontracting, licensing or franchising. The design, production and distribution of goods are divided and geographically dispersed, effectively diffusing power differentially along the various centres (Bonacich et al 1994: 5). Not only do countries strive to get these firms onto their soil because of the technological, capital, employment benefits, but these countries continually strive to improve their attractiveness to these firms, who have the freedom to leave when conditions become unfavourable. In the quest to secure investments from these TNC’s, countries offer incentives, such as tax holidays as well as the establishment of export-processing zones (EPZs) where the bureaucracy impinging the import and export of goods are limited. Tied to this is the provision of a cheap and a disciplined labour force for investors by host countries. But TNC’s are not the only players attempting to create enabling conditions for the free market. As was examined above, the IFI’s of the World Bank and the IMF are also implicated in the liberalisation of economies just as much as TNCs, by offering developmental loans to states based on increasing privatisation. The United States similarly has supported regimes that adopt the liberalisation of their economies and has frequently compelled these regimes to adopt austerity programs intended to bring about low production costs such as a cheap labour force (Barry Jones 1995).

**Global Unemployment**

A highly visible and most debilitating repercussion of the post-national production is unemployment, felt throughout the entirety of the international political economy. Unemployment is not a unique trend only visible over the last ten years. It is increasingly a phenomenon arising out of the need of high capitalism to heighten its profitability and subsequently resorting to a much more vociferous disciplining of labour to achieve these ends, essentially an unemployment mutating out of the present condition of capitalism. According to Rifkin “throughout the world there is a sense of momentous change taking place- change so vast in scale that we are barely able to fathom its ultimate impact” (Munck 1999: 4). For Munck (1999) these changes in the workforce will result in the continuous decline in the working class population globally, resulting in a consequent weakening or irrelevance of trade unions (see also Rodrik 2000). *The World Employment Report 2001* of
the International Labour Organisation (ILO) cites that in 2000 some 160 million workers world-wide were unemployed with a massive 110 million unemployed in the South (www.iло.org/public/english/bureau/inf/phits). They further estimate that in places like China the unemployed are estimated to be around 22 million. These redundancies in the South are matched by workerless factories and virtual companies in the North where the very nature of work has changed “as has the social cohesion and consciousness of workers, and thus the possible role of trade unions” (Munck 1999: 4). In short, post-national production has meant a smaller, cheaper labour force, but with higher unemployment and under employment. Ultimately, a smaller work force places pressure on the activity of trade unions.

The Changing face of Work

The global changes in the nature of production, which began to occur more significantly from the 1980s, impacted on not only unemployment levels, but also the nature of jobs, changing the traditional role of trade unions. Piore and Sabel are perhaps best known for describing this change in industrial organisation in the contemporary age (Tomaney 1994). For them the dominant Fordist approach to production characterised as “the use of single purpose machinery and chiefly unskilled labour in the production of highly standardised goods” has been replaced with more skilled, efficient and flexible working practices (Ajam and Nattrass 1993: 161). Termed “flexible specialisation” this new form of production is based around the benefits of craft practices and advanced manufacturing technologies (Tomaney 1994). For Piore and Sabel this rise in more flexible working practices is as a result of the failure of mass production in meeting an increasingly differentiated, more circumspect consumer. Below we turn to examine more closely the forms of flexibility as well as to assess its implications.

Munck (1999) cites the Organisation for Economic Co-operation and Development (OECD) identification of the five main forms of the flexibility of labour:

1. External numerical flexibility- employers decide how many employees they want at any given time.
2. Externalisation- various forms of sub-contracting or putting-out of work.
3. Internal numerical flexibility- working hours and shifts, etc. decided according to employers’ needs.
4. Functional flexibility- job assignment and rotation according to employers' needs.
5. Wage flexibility- wages adjusted according to "performance" and productivity.

(ibid: 6)

Flexibility is thus that attempt by capital to remain as "lean and mean" as possible without the demands of a permanent labour force.

Rodrik argues that globalisation ensures that the services of large segments of workers can be replaced by the services of other people in other parts of the world. He divides the working class population into two parts: the first part is comprised of the owners of capital, highly skilled workers, and professionals who can take their skills wherever they are in demand. The second category is comprised of unskilled, semiskilled and most middle managers. The latter are easily substituted by other sources of employment, such as outsourcing. Worker rights are increasingly eroded in this process in favour of higher productivity and higher profit margins. Rodrik states that:

1. Workers now have to pay a larger share of the cost of improvement in work conditions and benefits (that is, they bear a greater incidence of non-wage costs).

2. They have to incur greater instability in earnings and hours worked in response to shocks to labour demand or labour productivity (that is, volatility and insecurity increase).

3. Their bargaining power erodes so they receive lower wages and benefits whenever bargaining is an element in setting the terms of employment (Rodrik 2000: 323-324).

Trade union relations with the state and capital have also been significantly affected as a result of this erosion of worker rights. Munck (1999) argues that as the workforce itself became more differentiated as a result of the increased drive towards de-regulation, workers demands became less easy to collectively articulate. This was brought about through a management focusing more centrally on the level of the firm in the quest to remain flexible, thus reducing significantly the strength of collective centralised bargaining (ibid: 6). Before
this stage, Munck argues that trade unions had been weakened by the economic and political transformation of the 1970s, and now employers sought to “translate this into a decisive change in the balance of forces in the workplace, under the watchword of labour “flexibility” (ibid 1999: 6). Thus flexibility in all its forms was intended to not only achieve higher productivity at less cost, but also to shift the balance of forces significantly over to a more aggressive neo-liberal labour process. To achieve this, trade unions could not be allowed to pursue traditional strategies such as centralised collective bargaining, and thus had to be effectively marginalised. While trade unions were directly marginalised by firms they also marginalised themselves by challenging capital on a terrain that had already shifted.

For workers of the North restructuring has also had its toll. Increasingly, the face of work in the United States has become less certain as corporate down sizing and billion-dollar firms buckle under the pressures of low productivity and increased competition brought about by mergers between larger firms. Labour economists in the US have recognised the temporary nature of American employment, as indicated in the term “contingent work.” According to labour economist Audrey Freedman who first coined the term, it refers to those “conditional and transitory employment arrangements as initiated by a need for labour-usually because a company has an increased demand for a particular service or a product or technology, at a particular place, at a specific time” (Freedman in Barker and Christensen 1998: 1). The fact that the largest US employer is the temporary help agency “Manpower” is indicative of the extent of contingent work in the US. Generally despite the controversy surrounding contingent work, as Barker and Christensen illustrate, its advocates argue that its benefits are increased staffing flexibility; low direct labour costs; reductions or elimination of benefit costs; and enhancement of worker’s leverage in the marketplace, especially those skills that are in demand (ibid 1998: 1). But at what costs are these supposed benefits? The most significant repercussion of contingent work is that it greatly limits organised labour’s ability to represent workers, leaving an increasingly large, and vulnerable, workforce with no safety net against aggressive capitalist practices, nor the protection of pensions or unemployment taxes.

Women, significantly have been the most affected by this growing contingency, concentrated in temporary and part-time work, often under uncertain contracts and atrocious working conditions (Barker and Christensen 1998, Munck 1999). As Munck notes “the integration of
women into the economy is closely associated with new types of jobs and types of employment: women have provided the main source of new labour for the growth of services and part-time work” effectively resulting in the feminization of the labour force (ibid: 6). According to him women make up “over eighty percent of the total of home workers, working long and hazardous hours for little reward” (7). Ultimately this limits the capacity of governments, trade unions and women’s organisations to improve women’s employment opportunities and working and living conditions.

Conclusion

This chapter sought to examine the role of international factors generally on the domestic, but more specifically for the trade union movement world-wide. The first section provided a descriptive account of the international system, especially the prevailing institutions that make up the international political economy. This section focused on the historical progression of neo-liberalism to dominant proportions, and has assessed what globalisation entails. The latter section provided more of a normative assessment of these factors by examining what the restructuring accompanying globalisation has meant for the nature of work globally, as well as the trade union movement internationally. Evident in this section is that the aggressive policies of neo-liberalism result in not only a decrease in the working class population globally as a result of unemployment, but also trade unions are being significantly marginalised. As governments endeavour to secure foreign investments, and thus create enabling conditions for firms to thrive under, capital’s demands are given predominance over union concerns. Ultimately, this leads to a marginalisation of labour, thereby affecting labour’s progressive strategies. This shift of allegiances has carried over to the workplace where the changing nature of work (towards increasing flexible specialisation) has impacted on employment levels, thereby affecting the trade union’s ability to unionise workers as a result of the increasing contingency of work (more of this in Chapter Three).

This study into the international is crucial in a number of ways. Firstly, it presents a model by which to understand the present strategies of trade unions. This study enables one to note what the challenges are to a substantively progressive trade unionism by examining the context in which states function under. The international factors discussed above do impact on workers: unions are ideologically at odds with the economic policies of liberal
democracies and are marginalised. This effectively limits worker participation in trade unions. Also, the restructuring of business is bringing about an increase in the contingency of work. As firms endeavour to bring about flexible specialisation, the rights of permanent workers are eroded as a result of the increase in part-time work and casualisation (not the least being the limited monitoring of unionisation for these workers). This chapter, thus, has illustrated much of the factors impacting on trade union movements globally. The next chapter will examine the extent of this trend in South Africa.
Chapter Two

The National Factors: The Trade Union Movement within a Reformist Workerism

The last chapter established the argument that the international economy plays a considerable role in domestic contexts, now more than ever, as a result of globalisation. While these international factors might explain what pressures are brought to bear on government’s choice of macro-economic policy, and indeed, why assertive trade union politics world-wide are in decline, this chapter assesses the more domestic related variables to account for the decline in progressive trade unionism. This does not mean that the international factors discussed before pose no relevance. Rather, pressure from the international factors provides the general context within which more domestic variables arise. The dominance of capitalism within the South African political economy has widespread ramifications for the domestic trade union movement, the most significant being the marginalisation of labour in the pursuance of increased market competitiveness. Apartheid not only saw a vociferous and militant trade union movement wrestling periodic victories for oppressed workers against capital, but crucially linked these workplace struggles to the broader liberation movement. However, the new dispensation has placed a significantly different spin on labour’s strategies. The Apartheid State, replaced by a democratically elected liberation movement in the ANC, legitimated and produced much of labour’s post-apartheid dilemmas. Much of the pressures that were to impact on labour in post-apartheid South Africa, in general terms, arise out of the creation of neo-liberal hegemony.

This chapter examines the domestic factors that result in an emasculation of the trade union movement in South Africa, by examining the institutional, policy, organisational and ideological shift of “labour relations” since 1994. Labour Relations in South Africa has not been bereft of some progressive features. This chapter demonstrates, however, that the gains that have been exacted for labour are indicative of a reformist workerism, characteristic of government predominant support of business interests, and the subsequent emasculation of radical elements which might pose a threat to the pursuance of such an agenda. These reformist gains include changes in workplace relations, which at best advance worker interests narrowly while neglecting much needed transformation of the South African political economy. This chapter endeavours to examine these short-term gains for labour, and
relate them to the wider institutional, policy, organisational and ideological shifts in the
domain of “labour relations”, in the hope of providing an accurate assessment of the state of
labour. This is best achieved, it is hoped, by illustrating the short-term gains in relation to the
wider reformism of government. What will become clear is that at certain points in the
negotiations between government and the unions, the concerns of trade unions are only
adhered to so far as they conform to the government’s macro-economic policy. This, as
perhaps the negotiations around Nedlac illustrate best, is typical of the government’s
reformism, and subsequent moulding of the labour movement to fit within the project.

Institutional Shifts

Since 1994 there have been a number of institutional changes (structures and procedures)
generally aimed at creating a basis to replace the exploitative ‘apartheid workplace regime’
and advance more worker-friendly policies. For the unions that sought to exact substantive
reform in the labour sphere, and for the ANC who sought to validate its election victory by
ushering in the first of genuine economic changes, the legislative changes marked a symbolic
break from apartheid. Below, we will discuss the establishment of the Labour Relations Act
(LRA), the Basic Conditions of Employment Act and the National Economic Development
and Labour Council (Nedlac). Of course 1994 was not the beginning of gains for labour.
Amidst the growth of new unions (especially the newly formed FOSATU) under the
recommendation of the Wiehahn Commission, the government passed the Labour Relations
Act (LRA) in 1981, which formally recognised trade unions for African workers (Innes 1999,
de Villiers and Anstey 2000). This sparked off a series of events, the most significant being
the establishment of COSATU following the amalgamation of other trade unions. Other
changes included the Wage Amendment Act and the Basic Conditions of Employment Act in
1983. But although these changes made significant in-roads into extending worker rights,
particularly in view of the oppressive conditions workers had to face before, they were still
largely on the side of capital.

After the first popular elections in 1994, the ANC set about to make a decisive break from the
exploitative past for workers. In terms of the RDP worker rights were given particular
attention, and the RDP committed the ANC to producing a single set of labour statutes that
would provide equal rights for all workers. In August 1994 the government appointed a
Ministerial Legal Task Team to draft a new Labour Relations Bill, as reflected in the RDP. The Task Team comprising of labour lawyers as well as the trade unions set about the drafting of the Bill. On 2 February 1995 the Task Team produced the “Draft Negotiating Document (a draft of the Labour Relations Bill) that was intended to “initiate a process of public discussion and negotiation by the social partners to reach consensus on a new labour relations dispensation for South Africa” (Explanatory Memorandum to the Labour Relations Bill in du Toit et al 1998: 27). However, sharp divisions began to develop between business and the unions, specifically over issues such as centralised bargaining, the question of strikes and lock-outs as well as statutory worker participation (workplace forums). Negotiations consequently ensued between the parties, but the Minister of Labour reiterated the government’s commitment to passing the Bill if the NEDLAC negotiations did not meet its deadline. Reaching an impasse in the negotiations, COSATU embarked in nation-wide mass action on 19 June 1995. Negotiations continued in an attempt to resolve the points of contention, but the 21 July 1995 deadline was looming. Despite not reaching agreements on a number of issues, the new LRA was tabled in parliament in September 1995. The new Act sought to monitor and manage collective bargaining relationships and ‘industry-wide bargaining’ (Lodge 1999). According to Sakhela Buhlungu:

> The Act includes provisions which allow labour to exercise rights which they would have had to fight for in the past, including rights to consultation, joint decision-making and the disclosure of information. But one of the most significant innovations of the new law is the introduction of rights and structures for co-determination (Buhlungu 1999:111).

The context of the new bargaining structure in South Africa (heralded by the new LRA) follows a compromise between capital, labour and the state which already began to formulate as early on as the Kempton Park negotiations. The Reconstruction and Development Programme (RDP) held that effective implementation of the RDP requires “a system of collective bargaining at national, industrial and workplace level, giving workers a key say in industry decision-making and ensuring the unions are fully involved in designing and overseeing changes at the workplace and industry-levels” (RDP 1994: 114). This, as Klerck states, meant “balancing competitiveness with a stable and redistributive growth path” and thus signalled the general compromise between labour and capital that was intended early on
in the transition (Klerck 1998: 87). Against this backdrop, the labour movement and the
government signalled their commitment to greater centralisation in labour relations. The
collective bargaining structure that emerged is a result of the specific compromise between
capital, labour and the state. The new LRA and CCMA did indeed provide more rights for
workers in the newly democratic dispensation- now management would have to consult with
workers before decisions are made. But there is certain ambivalence in the new LRA. The Act
can be lauded as a success for workers in its extension of government monitoring over
industry bargaining and generally making grounds in the democratisation of the 'apartheid
workplace regime', but in exchange for this, employers require that the unions recognise their
"right to make other rules unilaterally " (Klerck 1998: 90). As Blyton and Turnbull put it:

As well as according legitimacy to both the specific areas of joint agreement and...to
wider areas of managerial action, collective bargaining also represents a potential
source of managerial control in the way it institutionalises conflict by channelling the
power of organised labour into a mechanism which, while acknowledging that power,
at the same time circumscribes it and gives it a greater predictability (Blyton and

Buhlungu (1999) arguing similarly maintains that the new LRA presents the trade union
movement with both opportunities in pushing back the frontier of managerial control, and
challenges in that co-determination may lead to eventual co-option. Generally, despite the
genuine in-roads that the ANC sought to make in terms of establishing a break from
apartheid, the structure of the LRA was such that it did not allow for overly assertive trade
union involvement. This was done by providing structures that compelled trade unions to
function within the available avenues of co-determination, thereby effectively limiting them.
The short-term gains included the extension of more rights for workers in negotiation with
management in reaching decisions (ie. reach co-determination) but at the real risk of
institutional co-option. As Chapter Three will illustrate, this institutionalisation of trade
unions compelled them to function under the ambiets of the law, for instance, what the law
defined as a legitimate 'labour dispute' or 'unfair dismissal,' but which effectively reduced
the independence of labour in contesting what validity these general laws possessed in
disputes. They had of course participated in the creation of these laws, but the general
independence to contest laws was limited. As Hassim and Jack (1999) state "...the
hegemonic political discourse in post-apartheid South Africa is one that locates political contestation and transformation within specific legal boundaries” (3). The law is that framework that sets the horizons on what is possible. This is significantly different to the independence that unions enjoyed under apartheid.

Other institutional changes came about with the implementation of the Basic Conditions of Employment Act (BCE) in 1997, which regulated employer relationships with their employees. In terms of the gross exploitation that had occurred during apartheid, government recognised the crucial need to provide clear institutional reforms in this area. The Department of Labour in implementing the Bill firstly published a green paper on employment conditions, which was discussed for a period of six months at Nedlac. Negotiations at Nedlac reached a deadlock over the forty hour a week and six months maternity leave issues. As a result of this deadlock government took the initiative and published a draft bill in October 1996 and invited public comment and debate. This was followed by mass action by COSATU who were not satisfied as to the terms of the Act. In October 1997, despite not obtaining full consensus from COSATU, the government declared that sufficient consensus had been reached at Nedlac, followed by the subsequent tabling of the Bill in parliament.

In 1995 government also established the National Economic Development and Labour Council (Nedlac), composed of the three constituencies of government, labour and business, as well as of the community (comprised of women, youth, rural, disabled and civic structures). The forum, having its origins in the authoritarian National Manpower Commission and the National Economic Forum (NEF) of the 1980’s, is similar to its predecessor in its intention to give business and labour a voice in the economy. As a negotiating forum, Nedlac marks a formal institutionalisation of corporatism, typical to other countries where the classic ‘Big Three’ negotiate on economic issues (Webster 1995). The role of Nedlac is to discuss, debate and reach agreement on economic and social policy before reaching parliament. The structure of Nedlac consists of four chambers (development, labour market, trade and industry and public finance and monetary policy), and these chambers serve as the engine room of the corporatist processes. The co-ordination and synchronicity of all four chambers in addition to the general direction of Nedlac, is conducted by a management committee, comprised of convenors of each chamber. The highest decision-making body is
the executive council, which ratifies agreements reached in the chambers, and forwards to parliament.

There can be little doubt as to the potential benefits of Nedlac for labour, in terms of extending Union influence over to areas of the economy. Upon its establishment in 1995, despite a few fears expressed by some COSATU members that participation in it would result in co-option, it was generally regarded as a potential source of influence for labour. But the ideological shift of the ANC to the right was to place a different spin on Nedlac. Nedlac, as the CCMA and the LRA also threatened, could (and has been) utilised as a source of institutionalising conflicts, ultimately to further the particular agenda of government to “keep labour in its place.” As will be illustrated below (under the ‘organisational’ section) Nedlac transformed from being a source of influence for COSATU to being a source of institutional emasculation. The use and function of Nedlac as a neutral bargaining forum was to alter more decisively upon the balance of power shifting away from trade unions to business, at the prompting of government.

Government is key to the way in which Nedlac functions, as it is the most powerful player. Clearly a class that is able to ensure that its interests are secured in this forum, would be in the position to extend its influence over to parliament and the economy at large. Of course the ANC could not completely neglect the demands of labour, as this would risk chronic mass action. But Nedlac was used precisely to include input from labour, to present to them first hand the pressures presented by international factors such as globalisation and the need for privatisation policies, as well as making frequent references that GEAR would “guide all other sectoral growth and development programmes...aimed at achieving the objectives of the RDP” (Marais 1998: 16). But Nedlac is still a functional body and despite its reservations, COSATU still debates rigorously within this forum. Generally though, Union concerns are only accommodated to so far as they conform to the government’s policy rationale and ideology.

If Nedlac, a type of corporatism, poses a number of stumbling blocks for labour, how are the wider dispute resolution processes fairing? Since the tabling of the LRA, co-determinist or mediatory innovations were preferred by government, rather than the old school, confrontational mass action. Buhlungu maintains that the countless participatory process of
the LRA could result in co-optation of trade unions, but holds that there are both dangers and opportunities for workers in these structures. Generally, the LRA, BCE and NEDLAC illustrate that there were some gains to be realised for workers, but these gains were short-term and detracted, and perhaps distracted from the struggle for fundamental economic transformation in favour of the working class. The LRA, BCE and Nedlac had the effect of providing the institutional mechanism needed to establish the reformist workerism by government, which sought to give primacy to capitalist demands.

Policy Shifts

The preceding discussion already reflects certain key themes of this thesis, namely the institutional manifestation of reformist workerism. Below, the policy shifts within the ANC will be examined to locate the source of these manifestations in the policy directives. Policy, in the form of the RDP, saw the input of a vibrant trade union movement seeking to make gains for workers, and a government committed to making good on its election promises, but seeking to create enabling conditions for business to thrive under. Under the RDP, this increasing hegemony of capitalist interests was less evident. With Gear however, came overt government support of market liberalisation.

Many commentators have argued that the RDP marked a significant gain for labour, pointing to the document’s progressive stance on economic issues. Certainly the broad ideal of the RDP was to create “an integrated coherent socio-economic policy framework” aimed toward the final eradication of apartheid by redressing poverty and deprivation (RDP 1994: 1). But as the document stood, and perhaps along with the consultation processes that arose around it, it was not an instance of the ANC merely conceding to union demands, but rather a matter of an ANC compromise with COSATU. What remained after debate was a policy framework, which despite its emphasis on being a “people driven programme” (ibid) still contained ambiguities, evident in the concern to preserve business interests. According to Lodge (1999) as early on as the Multi-Party Negotiating Forum and CODESA, conservative economists within the ANC disapproved of certain trade union ideas, such as their ‘growth through redistribution’ ideas. In 1991 ANC leadership began assuring certain sectors of the business community that nationalisation would still be a conciliatory affair (remembering that at that time fears were expressed by business over the nationalisation processes). Lodge maintains
that this was as a result of the numerous workshops and “think tanks” sponsored by the International Monetary Fund (IMF) and the World Bank for some intellectuals and leadership of the ANC. This early commitment to supporting business interests was further confirmed when Trevor Manuel at a conference remarked that labour would play a limited role in shaping macro-economic policies. This sparked off huge trade union dissent, which resulted in COSATU committing the ANC to the RDP as the basis of the election programme for the upcoming elections.

Essentially driven by COSATU intellectuals, drafts of the original RDP were submitted, debated within the tripartite alliance and subsequently went through seven drafts, before being finally accepted. The ANC increasingly sought to diffuse its particular development model in macro-economic policy, in-line with its commitment to business interests. Lodge argues that compromise was a hallmark of the RDP, evident in its ambiguities over issues such as privatisation and nationalisation. He further holds that the RDP represented a careful balance between “the growth through redistribution policies advocated by the Left and the emphasis on growth as the harbinger of redistribution in more orthodox economic analysis” (Lodge 1999). In many ways the ANC began its dress rehearsal for the more stringent stance it was to take two years later in pursuance of more capitalist friendly policies. But for the moment, the RDP typified the sort of negotiation that COSATU saw as important in extending worker interests.

The adoption of GEAR in June 1996 was always shrouded with uncertainty and controversy. Many top ANC figures themselves claimed that they were not familiar with the details of the document or even consulted before its release, while others (such as COSATU and many others within the left) could not believe that such a conservative economic policy could be implemented so soon after the first democratic elections. For instance, Sam Shilowa’s striking remark that “something has terribly gone wrong in South Africa if such a document could be placed on the table” (Innes 1999: 11). But the sharpest criticism levelled at GEAR was that the policy processes surrounding it were almost non-existent. The presentation of GEAR as a fait accompli marked the more rigid stance government was to take on issues of economic strategy. But in many ways GEAR marked the beginning of more overt support of neo-liberal policies in the South African political economy, with business interests taking centre stage in macro-economic policy making and a more overt mandate now given by government. The
broad objectives of GEAR were to reach a 6% GDP growth by the year 2000, as well as to create 400 000 jobs per annum by the same year. To attain these objectives, it was envisaged that the deficit was to be reduced to 3%, the tax structure was to be revised, tariffs on clothing, textiles and vehicles were to be reduced, as well as rightsizing of the public sector wage bill. Furthermore, exchange controls were to be gradually relaxed and increases in wages were to be set below productivity growth. In many ways South Africa took on the economic and ideological commitment of liberal-democracy more profoundly than before, as it sought to bring about development through primary focus on growth, leading many commentators to remarked that South Africa had placed a self-imposed Structural Adjustment Programme (Myers 1998, Cole 1994).

According to Lodge (1999), absent from the GEAR programme was the idea of a ‘people driven’ document that the RDP contained (see also Gotz 2000). Now the development rhetoric of government focused on the role which firms could play in the bettering of people’s lives. Furthermore, the ANC appeared to have left in the lurch its advisors and researchers who had contributed valuably during the struggle, opting now to consult with its own choice of advisors, moreover to do it in secrecy (ibid). Despite extreme reservations from labour in the nation-wide mass action and strikes, GEAR became South Africa’s new macro-economic strategy. More significantly, GEAR provided the conditions, as well as the rationale, necessary for the pursuance of a more overt reformist capitalism where business interests were to take centre stage, marking a significant policy break accompanied by a significant procedural break. There was no consultation surrounding GEAR. For the ANC this was essential firstly to setting the macro-economic outlook for the country as a whole, and together with the institutional structures of co-determination established (most strategically that of NEDLAC), was crucial to pushing the worker movement into accepting reformist gains.

Organisational Shifts

Before examining the specific shifts that were to occur within the organisational capabilities of trade union themselves, it would be worthwhile at this point to examine briefly the role of COSATU in the run-up to the first elections in 1994. This is so as to illustrate COSATU’s particular role in the ‘tripartite alliance’ which will be useful in contrasting the level of
influence which COSATU had to the conflict of interests that were to follow later. The beginnings of the alliance between the ANC and COSATU began at a Lusaka conference in 1986, where the latter acknowledged the exiled ANC as the leading protagonist in the liberation struggle. With the intensification of the Union campaigns, protests and strikes, together with the civil disobedience of the United Democratic Front (UDF), F.W de Klerk signalled his intention to unban the ANC, PAC and the SACP. Consequently, the alliance was further formalised at the Fourth National Congress of COSATU in July 1991 where the COSATU took on an organisational commitment to join the ANC at the crucial negotiations. Up and until the 1994 elections the resistance movement was spearheaded by the ANC, despite the sometimes-differing views held on negotiation issues at the transition. The ANC began to assume a leading position at the transition stage. But labour would soon demand its “pound of flesh” in return for its contribution to the struggle against apartheid, evident in the policy formulations surrounding the Reconstruction and Development Programme (RDP). But this influence of COSATU on policy formulation was to radically shift upon the government’s adoption of GEAR, and as will be underscored below, impacted on the union’s ability to wrestle victories for workers (dealt with more substantively in Chapter Three). Below the effect of unemployment on trade unions as well as government’s relationship with labour is examined. Lastly the implications of these changes in union organisational ability for ordinary workers is noted, with an eye to Chapter Three which attempts to examine more specifically how these broader shifts impacted on workplace proceedings.

Perhaps the most damaging effect on trade union organisational ability are high unemployment figures. An increase in unemployment not only creates a sense of disillusionment at the union’s inability to secure their employment, but also results in a decline in paid-up memberships, which affect the organisational ability of unions to function effectively. Most certainly this is the trend internationally where unemployment reduces the size of the unionised workforce. In 1997 the International Labour Organisation (ILO) found that fewer than one in five workers in 48 of the 92 countries surveyed belonged to trade unions, as well as memberships topped 50% in only 14 of the 92 countries (Hazelhurst 2000: 43). But has this really been the case with COSATU? Has unemployment resulted in a decline in memberships, and in turn, a weakening of its power base? Statistical data from a range of sources point towards an increase in paid-up memberships (the sources ranging from COSATU, to independent labour consultancies, to Statistics South Africa (SSA). Chapter
Three will examine this issue at length, and will demonstrate how despite the prevalence of high memberships, real problems with trade union organisational ability exists. For the moment what do the statistics convey?

The marshalling power of COSATU during apartheid is of course widely known, as COSATU was able to mobilise a mass array of workers at strategic points of struggle against capital. In 1991 COSATU membership stood at 1,21 million and leapt to 1,89 million in 1996 (Malala 1997: 23). Furthermore, COSATU is the largest trade union federation in South Africa. Note Macun’s depiction of the phenomenal strength of COSATU in relation to the number of affiliates and memberships compared to the other federations in 1996.

**Figure 1: The number of COSATU affiliates and memberships compared to other federations**

<table>
<thead>
<tr>
<th>Federation</th>
<th>Affiliates</th>
<th>Membership (as percentage of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congress of SA Trade Unions (COSATU)</td>
<td>20</td>
<td>1 743 172 (58%)</td>
</tr>
<tr>
<td>National Council of Trade Unions (NACTU)</td>
<td>18</td>
<td>220 000 (7%)</td>
</tr>
<tr>
<td>Federation of SA Labour (FEDSAL)</td>
<td>17</td>
<td>255 206 (9%)</td>
</tr>
<tr>
<td>Other Federations and unaffiliated unions</td>
<td>-</td>
<td>798 555 (27%)</td>
</tr>
</tbody>
</table>

The surge in union membership has been aided by increased unionisation of the workforce in all sectors, particularly in the previously unorganised areas such as the government, agricultural and domestic sector. The official figure presently stands at 1,8 million (SSA 2000/2001 survey). But this figure disguises the effect unemployment has had on trade union membership. According to COSATU general secretary Vavi, this upsurge in union membership is as a result of previously unaffiliated unions seeking inclusion in the major federations as well as growth of individual unions (Malala 1997: 24). The only drop in membership has come from individual sectors in COSATU, for instance the National Union of Mineworkers (NUM) who report a drop of 50 000 in its memberships (SSA 2000/2001 survey). Also, a survey conducted by the International Labour Organisation (ILO) and the Labour Report, cite the latest figures showing total membership across all federations dropping from 3,8 million in 1995 to 3,35 million in 1999 (Hazelhurst 2000: 43). Amalgamations of smaller unions into larger ones have helped in keeping the figures looking
more respectable, but unions have still lost many of the workers as a result of unemployment. Despite these problems, however, COSATU has maintained a high membership base. We will return to this question of union memberships in Chapter Three to note problems that continue despite high indications of memberships.

The losses in trade union membership that have occurred can be attributed to two significant factors. Firstly, productivity enshrined in the rationalisation processes in the workplace have always been put forward by government as necessary and vital for business to remain nationally and globally as competitive as possible. In the quest to remain competitive, businesses are increasingly streamlining their workforce by only utilising the minimum of workers, or sometimes replacing them with more cost effective, more efficient computerised systems. A further factor contributing to the loss of jobs is the increase in the casualisation of workers. According to Haffajee casual workers are difficult to unionise (2000). This is because, unlike full time workers, casual workers do not possess the money for union membership dues, or a full time workplace where shop stewards can sign them up. Commenting on the increased casualization of workers, Crankshaw maintains that:

The historical, racial and class basis of the trade union movement is changing. Most workers organised by COSATU affiliates are employed in unskilled and semi-skilled manual work and in menial service sector jobs. These are precisely the occupations which are either declining as a proportion of the total workforce, or which are expanding at a slower rate than other occupations. Sectors which are losing their share of total employment are usually those in which African workers, who have traditionally formed the core of COSATU’s membership, are concentrated. (Crankshaw 1997: 32)

It is estimated that at least one in five workers in the hotel and retail sectors are employed as casual workers, as well as the mining sector where subcontracting is on the increase (Haffajee 2000: 50). To add to this, many clothing employees work for labour brokers who aim to bypass the union avenue and exclusion from bargaining council wage rates. This effectively reduces the capacity of unions to regulate workplace activities. But if international trends are anything to go by, Cosatu will have to continue maintaining a consistent high growth rate while unemployment figures increase. We will, however, return to this question of the strength of memberships in Chapter Three.
The changing style in the politics of trade unions, now having to adapt to the changing conditions must surely also impact on the union's relationship with its workers. Firstly, there arose an increasing gap between the organised workers and the trade union leadership. Adler (1998) refers to this as a growing gap between rank-and-file and leadership. This is contrasted with the highly effective mass organisations of the unions in the 1970's and 1980's, where strong linkages were maintained with shopstewards and with the workers on the shopfloor. As Adler and Webster maintain, the activists succeeded in "marshalling popular discontent, translating it into a strong, shopfloor-based union movement with the capacity to challenge management and- later- the state itself" (Webster and Adler 2000: 1). Having their finger on the pulse of the working class, they were able to mobilise workers at strategic points in negotiations, to place significant pressure on business. This historic capacity of labour to play a significant role in the demise of the Apartheid State has been neglected in most transition theory accounts, which focus rather on the success of elites and historical processes. Marie (2000) holds that more significantly, the skillful organisational tactics of the unions "brought together the needs of the individual and the collective, linked the short-term interests of workers to their long-term goals and integrated a programme of reform with a programme for transformation" (Marie 2000: 3 www.cosatu.org.za/shops/shopst/Marie).

The most obvious repercussion of this burgeoning gap is a steady decrease in worker participation and involvement in COSATU decisions. Webster (1998) highlights this gap between leadership decisions and grassroots awareness of the decisions. Workers become more disillusioned and oblivious of the decisions made at the leadership levels, and unlike the strong linkages which COSATU leadership had with workers in the 1980's, important decisions are made by just a handful at late-night debates, decisions that have important ramifications for workers. COSATU has also reaffirmed its ideological commitment to socialism, and has, particularly over the last few months, taken on a much more aggressive style of politics in response to the high levels of unemployment, as well as with privatisation. But there is a real danger in COSATU (as with the SACP) bemoaning the evils of neoliberalism, and the high unemployment levels, while the situation remains relatively unchanged, as this might lead to a workers becoming increasingly disillusioned as to the role of unions. As Crankshaw (1997) maintains, rising unemployment could mean a growing alienation of unions from their natural constituency.
Also, fears have been expressed as to the formulation of a new political class of unionists or "gurus"; former unionists now "comrades in business" (Adler 1998, Adam et al 1997) lavishing in the benefits of top positions in government and business while neglecting their grassroots commitments (Haffajee 1999). Even since GEAR's inception, top union leaders have been being pushed into important political positions, for instance, Sam Shilowa, Alec Erwin and Enoch Godongwana. Mbeki has succeeded in pulling the most influential and dynamic leaders of COSATU into his own ranks, what Webster refers to as a "brain-drain." It is remarkable to see the dramatic transformation of these leaders, changing from a mentality vehemently opposed to economic orthodoxy, to a mentality of 'governmentality'; that to support capital, despite the problems which it might bring, is the right thing to do. And while these leaders might be of considerable benefit to the country in parliament, it might leave the labour movement with "a shortage of strategic thinkers at the moment when their input is needed more than ever before" (Adler and Webster 2000: 14).

**Ideology**

One of the most debilitating effects on union organisational ability and effectiveness was the shift of allegiances of government towards business more overtly with the adoption of GEAR. As Eddie Webster so succinctly asks, "what happens if the new government starts to implement economic and social policies that are in direct opposition to what the members thought they had struggled for?" (1998: 39) The policy shifts that the ANC made produced conflicts and contradictions within the alliance, with COSATU attempting to assert its socialist, worker friendly vision for South Africa against government's business-friendly approach. Nedlac illustrates, unions are expected to operate and reach consensus on issues not different to the government's macro-economic policy. Consequently, the "constraints" of the New World Order, especially globalisation and increased competitiveness, are referred to in justifying present economic positions. These global imperatives can also be useful in highlighting the "unpragmatism" of Unions demands. This it is submitted, is crucial in shaping the fields of possibilities that unions have in altering the status quo. With the advent of liberal democracy and the subsequent increase in neo-liberal, free market policies throughout the world, there has been a growth in the ideology of pragmatism (Hyslop 1998, Sitas 1998). Pragmatism as an ideology, which holds that unless a policy has real value in the
world, we have to realign our abstract ideas on the world with our practical notions (to see what work our words do). For the ANC the world of globalisation and increased market competitiveness compel unions, and other radical elements, to function under its norms and dictates. “Unpragmatic socialist” policies have little place in pursuance of such goals. Increasingly, citizens are reminded that they have a “responsibility” to support government and business, which in effect renders them open to pursuing government policy without question; that it is indeed pragmatic to support business, despite their socio-economic needs which might require some other alternative other than neo-liberalism. But the crucial point is that this ideology also effectively eliminates as a possibility economic alternatives other than the neo-liberal path to development, effectively silencing any debate by presenting it as a fact. Pragmatism as an ideology is crucial in maintaining the dominance of liberal-democratic ideas in policy and in many ways forms the glue needed to achieve the consent from the masses, or as Marais contends:

Hegemony is achieved when this ideology is spread throughout the whole social surface, determining not only the unity of economic and political ends but intellectual and moral unity- by locating questions of intense concern not only on the corporate level but on a ‘universal’ level (1998: 241-242).

Unions are increasingly rebuked for their anti-social demands on the new economy, and are repeatedly instructed to co-operate within the available structures instead of relying on mass action to meet their demands. But as Adler comments, such co-operation “may over time grow into a shared vision between capital and labour- this is the risk of co-optation.” (Adler 1998: 76) Also, for business to avoid a highly unionised workforce, lobbying is seen as a crucial element in bringing in workers on production decisions (Marie 2000), which by giving them a voice or interpelling them, has the effect of weakening any militant, independent ideas.

Jobless Growth

Perhaps the most debilitating effect of the government’s adoption of Gear, felt throughout socio-economic life in South Africa, is unemployment. The transition from the so-called old economy to the new has not been met with the expected growth rates of 400 000 jobs per
annum. It is remarkable to observe unemployment figures ballooned up along with the start of GEAR. ‘Redistribution through growth’ strategies, which has been described by critics as having a ‘trickle-down’ effect for the poor, has not been met with the anticipated surge in jobs provided by the private sector. According to Statistics South Africa (SSA) since 1994 over 500 000 jobs have been lost (315 000 in the private sector, 100 000 in mining and 100 000 in the civil service (Innes 1999: 14). Ravi Naidoo (2001) from the National Labour and Economic Development Institute (NALEDI) depicts the unemployment rates for both strict definitions and expanded definitions below (www.naledi.org.za/public.htm):

**Figure 2: Unemployment rate (strict definition)**

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>1999</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population, 15-65 years old (1 000s)</td>
<td>24 657</td>
<td>26 279</td>
<td>1 622</td>
</tr>
<tr>
<td>Econ active (1 000s)</td>
<td>11 511</td>
<td>13 527</td>
<td>2 016</td>
</tr>
<tr>
<td>Participation rate (%)</td>
<td>46,7%</td>
<td>51,5%</td>
<td>4,8%</td>
</tr>
<tr>
<td>Unemployed (1 000s)</td>
<td>2 224</td>
<td>3 158</td>
<td>934</td>
</tr>
<tr>
<td><em>Unemployment rate (%)</em></td>
<td>19,3%</td>
<td>23,3%</td>
<td>4,0%</td>
</tr>
</tbody>
</table>

**Figure 3: Unemployment rate (expanded definition)**

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>1999</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Econ active (1 000s)</td>
<td>13 853</td>
<td>16 251</td>
<td>2 398</td>
</tr>
<tr>
<td>Participation rate (%)</td>
<td>56,2%</td>
<td>61,8%</td>
<td>5,6%</td>
</tr>
<tr>
<td>Unemployed (1 000s)</td>
<td>4 566</td>
<td>5 882</td>
<td>1 316</td>
</tr>
<tr>
<td>Discouraged (1 000s)</td>
<td>2 342</td>
<td>2 724</td>
<td>382</td>
</tr>
<tr>
<td><em>Unemployment rate (%)</em></td>
<td>33,0%</td>
<td>36,2%</td>
<td>3,2%</td>
</tr>
</tbody>
</table>

GEAR’s goal in 1996 was to create 833 000 jobs by the new millennium, but in terms of its original target, stood at a net loss of almost 1.2 million jobs. The latest figures read 20%, or if based on an expanded definition, of nearly 40%. These figures, according to Hazelhurst may
be worse as a result of certain events that are statistically invisible and make the task of SSA more difficult, such as the steady influx of illegal immigrants (2000: 43).

Also, according to Viljoen (in Hazelhurst 2000) the sustained unemployment in the formal sector reflects that cyclical economic upswings are no longer accompanied by job creation or re-employment that make up for job losses, leading the jobless growth as we know it. In view of this decline, she argues that cyclical unemployment is being converted to structural unemployment (see table 1.1) as it becomes harder for people to find work again after being unemployed. To add to this Slabber (2000) holds that the economic restructuring that accompany privatisation, can eliminate certain jobs, or significantly alter their nature, thereby resulting in unemployment.

Conclusion

In sum, jobless growth is the Achilles heel of the ANC’s reformist workerism, linked to the pervasive crime problem, the inability to deliver the necessary economic transformation, as well as unemployment. This chapter has considered the tendency of the institutions of the LRA and Nedlac to stultify radical impulses from trade unions, so as to ensure that its agenda is pursued. Policy wise, the interests of business began to take central stage, not totally ignoring union demands, but only doing so, so long as its agenda is not altered. The ruling class ideology also serves to maintain the status quo, by attempting to create “responsible” citizens who would unquestionably support GEAR, or at least maintain the centrality of GEAR as macro-economic policy. Generally, the institutional, policy, organisational and ideological shifts in South Africa illustrate the hegemony of capitalist elements, and the decline in overtly labour friendly policies. The next chapter turns to examine more specifically the ramifications of this shift for workplace specific activities.
Chapter Three

THE WORKPLACE FACTORS: MANAGEMENT STRATEGY AND TRADE UNION ORGANISATIONAL CAPACITY

Both Chapters One and Two thus far have already provided this paper with explanations as to the weakening of the trade union movement in South Africa. Internationally, globalisation has significantly weakened the ability of nation-states to opt for policies based on welfare-enhancing motives. As most states strive to secure foreign investments or create enabling environments for business to optimally function under, trade unions domestically are marginalised. This paper has demonstrated this trend in the South African situation where the governing ANC in the quest to create enabling conditions for business to thrive under, effectively sidelined labour. This chapter focuses more particularly on the workplace specific factors for a decline in the role of trade unionism. As such this chapter focuses on the factors which arise out of the workplace, to account for the weakening of trade unions. What becomes evident is the localising of neo-liberal hegemony in a workplace specific context. A major theme of this chapter is the rise of “management strategy” or what Buhlungu (2000) refers to as “participatory management.” As part of the general reformist labour processes that were to gain momentum around the 1990s, the various strategies adopted by business in the workplace weaken trade union capacity to mobilise workers and serve to strengthen the upper hand of business in the workplace. For as Gramsci strikingly maintains “hegemony here is born in the factory” (Forgacs 1988: 276). This paper will argue that the declining capacity of trade unions to effectively “service” its members properly, as well as the management strategies that arose, are two sides of the same coin. Unions have generally failed to modify or adjust their strategies of engagement with management, just as management began to heighten its own strategies. Furthermore, this chapter will discuss the related question of trade union memberships. Despite indications of a high COSATU membership, this chapter will demonstrate how deceptive simplistic binaries of membership equals union strength are, particularly in an age of increasing flexible specialisation that elude traditional strategies. The format of this chapter is as follows: the rise in participatory management as a strategy to remove trade unions from the shopfloor
will be discussed first. Important in this regard is the study of Buhlungu (2000) who offers a lucid and compelling probe into the challenges that participatory management possess for trade union capacity. Thereafter, other issues of declining "quality" of trade union service will be examined as a consequence of the heightened management techniques.

The Challenge of Management Strategy

Management's drive to secure cooperation from the workforce had always been a feature of capitalism, both old and new. As Marx held "the control exercised by the capitalist is not only a special function arising from the nature of the social labour process...but it is at the same time a function of the exploitation of the social process, and is consequently conditioned by the unavoidable antagonism between the exploiter and raw material of his exploitation" (Marx 1976: 449). The 'hidden abode' of capitalism- Marx's reference to the labour process, had always been crucial to capital maintaining its control over the workforce. However, labour's strategy of increasing militancy and adversarialism in South Africa from the 1970s to the late 1980s effectively placed considerable pressure on apartheid capital. As Marais (1998) argues, the state was regarded as that site of power which if seized and controlled could be distributed for broad purposes. However, the Post-Fordist era of increasing flexible specialisation practices towards the 1990's in South Africa produced several dilemmas for the labour movement. The labour movement had not adequately foreseen the role it would play in a democratic South Africa, nor the specificities of its engagement with capital in a new era. In part this was as a result of the broader liberation movement's socialist vision to transform the economy for the benefit of all that lived in it. The center stage which business was to take in a democratic South Africa was not expected. Participatory management, that process that arose from about the 1990s by management to restructure workplace relations by supposedly ceding more decision-making powers over to workers, effectively took the initiative away from trade unions.
Before examining the problems and challenges faced by the trade union movement presently, it would be beneficial to assess the circumstances of the 1990s which in many ways revealed the things to come in terms of trade union capacity problems. As Marie (1992) succinctly sums up “union organisation that grew in this period was not only an agent of change but subject to changes itself” (20). The literature on the organisational weaknesses of the trade union movement began as early as 1991. As Jeremy Baskin stated at that time “the federation must re-define its political role now that organisations such as the ANC have been un-banned” (1991: 455). This conveys in some ways the challenge facing COSATU to define its role, especially in relation to an un-banned ANC, as well as an apartheid state seeking to make more reforms in the workplace. Baskin (1991) identified three problems with the trade union movement: an increasing lack of professionalism, almost a total absence of staff training, and constitutional structures inappropriate for the 1990s (458-461). For Baskin the lack of professionalism was revealed in many ways and in both regional and branch levels. Not only are information systems inadequate or non-existent (such as information on signed wage agreements or statistics on the amount of shopstewards in a particular union) but also where unions have tried to address these problems were not adequately considered (see also Keet 1992). He also maintained that almost all of union officials ie. organisers, educators and administrators did not receive any training. While this did lead to staff becoming inventive in order to function under these conditions, it however, resulted in poor administrative and organising methods as well as weak negotiating skills on the part of the union in general (458). Lastly, Baskin argues that the constitutional structures of majoritarian hegemony of COSATU required fundamental rethink as it lead to the inability of the union to periodically debate and address any particular issue. The latter is characterised by the resolve of all members to debate thoroughly any particular issue, but decisions are binding on all once consensus is reached.

The problems identified in the early 1990s persisted as Marie (1992) and Keet (1992) revealed. Marie’s (1992) account generally focused on the weaknesses in the organisational capacity of unions as well as the rise in the strategies of management. Crucially, Marie argues that in as much as the 1990s opened up opportunities for unions
to expand their influence beyond industry to the national economy, it took away "the political challenge which provided a national bond and coherence" (23). These words truly capture the frustrations of COSATU, both in the 1990s, and to the present day. The crucial question became how soon could the trade union movement respond and adjust its traditional strategies to the changing social context? We turn to examine some of these continued frustrations.

Sakhela Buhlungu in "Trade Union Organisation and Capacity in the 1990s: Continuities, Changes and Challenges for PPWAWU" (2000) offers an insightful and compelling account of these challenges facing trade unionism in a post-apartheid era. It would be beneficial to locate some of his arguments in terms of this chapter's broader study. For Buhlungu the major problem with the trade union movement was its failure to anticipate some of the changes that were going to occur in a democratic South Africa as a result of its own successful struggles and campaigns, particularly at the shopfloor level. He states that this weakness was further exploited when the state began to institute certain political and shopfloor changes, as well as when management embarked on certain "change processes" as part of the drive towards participatory management (ibid: 76). He locates much of the capacity problems of the trade union movement under these changing social contexts, generally where the "enemy" for trade unions became less clear or where management claimed increased participation for workers. The capacity of trade unions to deal with these general shifts was limited. As Buhlungu states "On the shopfloor this meant opposing and/or obstructing employer plans, demanding improvements to wages and conditions and fighting racial discrimination on the shopfloor. The capacities needed to achieve these were few and relatively simple: agitation, basic negotiation, and mass mobilisation" (ibid: 77). These traits during apartheid of course proved to be highly successful, placing tremendous amounts of pressure on business at strategic points in negotiations. But the changing conditions of a transition to democracy were to place different strains on these traditional strategies.

Much of Buhlungu's research was based on a case study done on the Paper, Printing, Wood and Allied Workers' Union (PPWAWU) as well as the companies PG Bison and
Nampak, in order to assess capacity problems with the union. Generally the case study illustrates that the “change process” implemented by both companies brought about a number of weaknesses with PPWAWU’s capacity. As companies geared towards positioning themselves for increased competition, it was found that the union lacked in a number of respects. The points below represent a summary of the weaknesses with the union as cited by Buhlungu (2000: 84-87):

1) They did not have clear strategies to respond to management’s restructuring of the shopfloor or management strategies that attempted to increase participation of workers.
2) They lacked the skilled expertise to conduct research or produce proposals dealing with these issues.
3) Their negotiation strength was significantly weakened as a result of the above failures.
4) They could not, thus effectively monitor the agreements reached, nor coordinate uniform responses by members at other factories to deal with the new conditions.
5) They failed to educate workers and shop stewards to deal with these new management strategies.

These findings of Buhlungu confirm the study of Macun et al (1997) who conducted a survey (The Worker Representative Survey) amongst worker representatives in 96 establishments in the manufacturing sector in Gauteng as part of the broader South African Labour Flexibility Survey (SALFS). An important finding of the study was that unions were not well established nor serviced in the companies in which they organised. The study found that there were not many full-time shop stewards in the company, there was very little research being provided to shop stewards or workers, and contact with management tended to be scarce (39). More crucially, the scope of the bargaining tended to focus on issues such as wages and conditions of employment, but very little bargaining over issues such as contract labour, promotion, productivity and training. As Macun et all crucially point out “...representation of temporary,
casual and contract workers by established unions is also low, despite the increased use of these forms of employment by firms” (ibid: 39). Below, we turn to examine more specifically the challenge of increased casualisation for present-day trade union strategy.

**Flexibility in the Workplace: The Challenge of Casualisation**

The quest for increased flexibility in the labour market globally has produced an increase in the flexible work arrangements, and South Africa is no stranger to these trends. Flexible arrangements include flexitime, sub-contracting and casualisation (Klerck 1991, Klerck 1994, Barchiesi 1998). Note the forms of employment by sector in the figure 4 below, and the increase in casualisation in figure 5 (Macun 1997: 37).

**Figure 4: Forms of employment by sector**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage establishments employing temps/casuals</th>
<th>Percentage establishments employing contract labour</th>
<th>Percentage establishments employing part-time workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foods</td>
<td>100%</td>
<td>71%</td>
<td>0%</td>
</tr>
<tr>
<td>Clothing, textile and leather</td>
<td>55%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Wood, furniture and paper</td>
<td>73%</td>
<td>36%</td>
<td>14%</td>
</tr>
<tr>
<td>Chemicals, rubber and plastic</td>
<td>80%</td>
<td>50%</td>
<td>10%</td>
</tr>
<tr>
<td>products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal products and motor</td>
<td>65%</td>
<td>49%</td>
<td>19%</td>
</tr>
</tbody>
</table>
The above tables illustrate a high reliance on temporary/casual workers in 1995 already (Macun et al 1997: 37). The retail sector in South Africa has seen a marked trend in the use of casual labour, evident in the South African Commercial and Catering Workers’ Union (SACCAWU) taking it up as a bargaining issue since the late 1980s (Kenny 1998, Rees 1997, Valodia 1991). Bridget Kenny (1998) highlights some of the challenges presented to trade unions by casual workers. In her study, she found that the majority of the casual workers interviewed had worked for the company for less than six years (these were usually found to be single young females). These casuals were subject to a host of abuses, ranging from having to work holiday hours at standard rates to even being forced to work unpaid at times. These workers were also subject to random dismissal. Furthermore, Kenny found that “flexitime” was used to similarly avoid paying permanent workers weekend rates. Crucially, her study found that 90% of the permanent workers were part of the local trade union, whereas a mere 37% of casual workers belonged to the local union. The predominating feeling from the casual workers was that the unions only represented the permanent workers and they felt that they would not be allowed to join the union. The problems which casualisation presented did not only affect the casual workers but the permanent workers as well, that feared losing their permanent jobs for casual positions. Generally, the case study illustrates the fragility of this workforce, who are the worse paid and receive no benefits, but who urgently need union representation. Casual workers are difficult to unionise but also undermine the power of organised labour Haffajee (2000). There is the threat of a two-tiered labour market that opens up crucial questions for trade union memberships. As unemployment and increasing flexible
arrangements continue to ravish the traditional base of trade unions, membership figures will be under threat. Thus far, however, membership figures of COSATU appear to be numerically high, with no drop in the figures reported. But there are indications of a major decline in the “traditional” sectors of mining and railways which continue to reflect same membership year after year, suggesting that officials are not keeping up to date with the latest figures (Innes 1999). Below, we however question simplistic conclusions of the higher the membership the more powerful the trade union.

**Quantity versus Quality: Does Size Really Matter?**

Statistical data on trade union memberships in South Africa is not in shortage, and propagated from a range of sources, all of which are generally reliable. Chapter Two has already reflected the growth in COSATU membership from the 1990s to the present. However, the growth experienced by COSATU begs certain crucial questions, the most significant being, what role does high membership play in relation to the wider struggles of advancing worker rights? Marxists down to the present day have debated the role of trade union membership in terms of the wider class struggles. Some operated on simplistic understandings, that the higher the trade union membership is, the more powerful the trade union movement (for instance see Filita 1997, Coleman 2000- www.cosatu.org.za/shop0905.html). And yet others have maintained that membership constitutes just one part of other important factors, such as organisational, institutional and indeed working class consciousness (Macun 2000, Hobsbawn 1978).

But as the above has already demonstrated, these illustrations of a high membership disguise far more crucial problems. Eric Hobsbawn in his famous essay “The Forward March of Labour Halted” (1978) sought to illustrate how deceptive reliance on healthy trade union membership could be. Analysing the British labour movement in the 1940s and 1950s, the British working class had not achieved unity and consciousness
but had registered no advance or had even regressed. It is not the intention of this thesis to engage in the *Forward March* debate, but Hobsbawm does valuably illustrate how dangerous it can be simply relying on high membership can be, or how these high membership can disguise problems in the trade union movement. High membership only work *in combination* with a number of factors, such as strong internal structures, capacity to engage management in the workplace, and as will be examined in Chapter Four, unity with other groups outside of the trade union movement. The strategies of labour during apartheid very much depended on a large membership in order to place significant pressure on capital, but the high membership worked in conjunction with other factors; such as a strong shopfloor-based union movement with the capacity to challenge management; unity within the movement as well as linkages with other anti-apartheid groups (such as civic movements, youth). But the significant difference in post-apartheid South Africa is the absence of an “apartheid workplace regime” legitimated by an apartheid state that typified much of labour’s adversarial stance in the workplace. It now becomes crucial for the labour movement to focus more specifically on quality of service to members, since it would have to play a role in the institutions of a democratic South Africa.

**Conclusion**

Thus, this chapter has examined the strategies adopted by management towards the 1990s that have had the effect of emasculating the trade union movement. Towards the 1990s trade unions adopted strategies based on adversarial and militant engagements with the Apartheid State, but failed to modify these traditional strategies in a democratic era. Consequently, as management restructured much of its own traditional relationships with workers by allowing for increased worker participation, unions failed to win the initiative back and continued to engage with capital on a terrain that had already shifted. In addition to this, Post-Fordist practices, such as increasing casualisation, left unions with no clear strategy to win over these workers. Despite these problems, COSATU membership has not declined but has shown consistency, if not marginal growth. But these statistics of COSATU memberships disguise very
alarming problems with COSATU capacity, the most significant being the quality of service provided to its members. There is always the fear of COSATU becoming a bureaucratic monolith, effectively co-opted by the institutions and structures of the state. As Marcus Toerien states, the experience of trade unionism around the world seems to be "better fewer, but better" (The Shopsteward 2001: www.cosatu.org.za/shop/ss).
Chapter Four

INTO THE NEW: TOWARDS A MORE “FLEXIBLE” TRADE UNIONISM

The preceding chapter left off with the sobering reminder that despite high membership of COSATU, deep organisational weaknesses largely brought about through the changing context from the 1990s, continue to beset union capacity to operate. One of the crucial capacity problems for unions is articulating strategies to deal with changing management styles, specifically regarding issues of flexible specialisation which transform the traditional shopfloor. This chapter points towards routes of advance for the trade union movement from this impasse. But future strategies for labour is a contested terrain and constitutive of a diversity of approaches, as I will demonstrate below. This chapter begins with a short critique of the Marxist strategies for trade unions and highlights the weaknesses with this historically dominant approach. Thereafter, a Gramscian schema is applied to the South African situation as well as the international. Applying a Gramscian understanding to the politics of labour opens up a profound way of understanding the current state-of-affairs, but it also points to a way of modifying the situation. As we will note, it offers a novel way for trade unions to escape the limiting strategies presently pursued, by linking trade union strategies with other social movements.

What has been the response of the left towards the increasing aggressiveness of capital? The dominant response, according to Waterman (1999) has been to recognise the severity of capitalism and reassert the prominence of the capital-labour contradictions. This approach is largely rooted in a Marxist paradigm and continues to challenge capitalism under the strategy of the working class being the sole element for transformatory politics. But even notions of a ‘working class consciousness’ is rife with contingency (see Bonnin 1999 and Barchiesi 1998), as is rooting transformatory politics solely on the abilities of the working class. The past two decades has seen a wave of new theories that depart in significant ways from the dominant Marxian approaches. Generally, postmodernist theories reject the broad interpretative schemes or grandnarratives of Marxism that claim to provide us with the ‘truth’. Instead of these “totalising,” “all encompassing” accounts about social reality, postmodernists point towards a “deconstruction” of these narratives
and an understanding of the radical contingency of life. Generally, the decline in the appeal of the theories of modernity results in society displaying a “new or heightened degree of fragmentation, pluralism and individualism” which result in new social movements (Kumar 1995). They point to the changes in work organisation and technology (examined in Chapter One and Two) as well as the decline in the nation-state as factors bringing about these new social movements. Some of these new movements are found in human rights, peace, ecology, women, and children groups. Perhaps the sin qua non of the strategies of the new social movements is found in the work of Ernesto Laclau and Chantal Mouffe (1985) who offer valuable theories on the contingency of political identities and struggles. For them the working class is but one of a series of identities in society, and radical politics for them should abandon a narrow productivist logic, and adapt broader strategies aimed at giving voice to new democratic political identities across society. Crucially, for them the working class as central in socialist strategies should be abandoned and replaced with pluralist politics that is more in tune with the multiplicity of identities in society (Kumar 1995, Cooper 1998).

Postmodernist theories have thus generally enabled us to understand the plurality of interests and the myriad identities in society, which Marxism either failed to recognise or deliberately ignored. But this paper argues that these postmodernist theories, despite making significant inroads into deconstructing essentialist categories, lack in a sufficient enough political base. It is submitted that the plurality of interests envisaged, while leading to societal compromise, detract from sufficient transformatory ideals. Beneath the postmodern world of plurality politics, power relations continue to limit substantive economic transformation as a result of a disaggregation of identities and a lack of sufficient enough solidarity to challenge capital. Below we examine the work of Antonio Gramsci whose theory on hegemony posits a way forward by suggesting a system of alliances. The position I am ultimately advocating is one characterised by a broad social democratic movement (incorporating some of the postmodernists requirements) but with a base in labour. I argue that this is not a return to the metanarratives of Marxism or a glorification of the working class, but taking the cue of Waterman (1999) a position that “looks both backward and forward, and because it works up and out from an impasse the
unions are presently in” (248). It is to the theory of Antonio Gramsci that I now turn. It must be emphasised that no simplistic examination of Gramsci’s concept, specifically that of hegemony, would be adequate, as it relates to a family of concepts. Thus we need to consider the family to understand his over-all argument.

A Gramscian Schema

In order to fully understand the significance of Gramsci’s theory, it would be useful to illustrate how it transcends classical Marxism, as developed by Marx and Engels. This is crucial in illustrating the limitations of a solely Marxian conception currently pursued by many trade union movements around the world. Marxism, despite presenting a radical and profound way of examining society, and altering it, has been dogged for decades by the spectre of *economism*, and has since been seen as having not developed an adequate theory of politics or an effective strategy against capitalism (Bocock 1986, Simon 1991, McLellan 1979). According to Bocock (1986) economism maintains that within a capitalist system the material and economic interest of the working class contradicts with that of the capitalist class, eventually this contradiction will lead to class fractions and eventually to a breakdown of the capitalist system. As evident in the metaphor ‘base and superstructure’ in the *Communist Manifesto*, the state is described in purely instrumental terms, as “nothing but a committee for managing the common affairs of the bourgeoisie” (McLellan 1977: 223). Thus the state is nothing but an instrument of class domination. Political developments were viewed as the expressions of economic developments. In “What is to be Done?” (Lenin [1902] in Bocock 1986: 41) Lenin severely criticised “economism” for only producing trade union consciousness: “an awareness of the unavoidable conflict of interests between worker and employer” (Bocock 1986: 91). Under conditions of economic and political crisis this trade union militancy tends to be weakened by an unfavourable balance of forces (such as during processes of restructuring and rationalisation). For Lenin, it was crucial for a group to educate trade unionists out of their limited consciousness. But of course Lenin had not adequately explained under what circumstances and what types of action a revolutionary class consciousness would be developed. One application of the limitations of economism, as highlighted by Gramsci,
was the failure of the Italian Socialist Party in 1919-20 to give the kind of leadership necessary to defeat the Fascists (McLellan 1977). The Italian Socialist Party wrongly believed that as the contradictions of capitalism arose, so would a militant and vibrant working class to overpower the bourgeois state. Thus a solely economistic outlook does not fully discern the nature and extent of capitalist domination, and the necessary socialist strategy needed to defeat it. By developing his concept of *hegemony* Gramsci was able to transcend the limitations of classical Marxism, and give socialism its full potential.

The starting point in constructing an analysis of Gramsci’s concept of hegemony begins with his assertion that a ruling class and its representatives exercise power over the subordinate classes through the combined use of *coercion* and *persuasion*. He illustrates this point by making reference to the mythical creature: the half human and half animal (the latter representative of force and the former consent) needed to maintain control in a society. Thus relying on coercion to rule really becomes secondary, especially in modern rule. Hegemony as a concept perhaps began with Lenin in his furtherance of the theories of Plekhanov and other Marxists. For Lenin, in order to overthrow the autocratic Tsarist regime, the working class needed to maintain leadership over a broad alliance of social forces. In this way the relatively small population of the working class in Russia could be able to gain support from a broad spectrum of society.

But where Gramsci was unique and surpassed Lenin, was his extension of Lenin’s concept to include *the practices of the capitalist class in winning state power and ensuring that that power was maintained*, through use of force, but also more importantly through *“intellectual and moral leadership”* (Bocock 1986:12). It also becomes imperative for such a group (a class or part of a class) prior to acquiring state power to: “gain the consent of other classes and social forces through creating and maintaining a system of alliances by means of a political and ideological struggle” (Simon 1991: 24). The idea of establishing a system of alliances is crucial to any group maintaining dominance. Thus crucially, the working class can only become hegemonic once it identifies the concerns and interests of other classes and social groups, so as to unify their struggles in one broad bloc of social forces. It becomes imperative for the working class
to transcend its own economic/corporate struggles and actively seek to incorporate the various other struggles into its own strategy, to achieve hegemony. This, as will be illustrated below, is no simple matter of merely adopting matter-of-factly other struggles, but to identify with these struggles in common vision to bring about social justice.

Gramsci also identified groups in society which did not arise directly out of the relations of production (thus not people in the strict “class” sense, or even politicised people) but who still needed to be won over. The capitalist class also recognised the need to win over this group of people, to achieve hegemony. This is essential in not only instilling a consumer culture within people that is needed to maintain the system, but also for people to familiarise and identify themselves with the capitalist system so as to solidify its position. In this light, the real struggle is not simply between the two classes of labour and capital, but is rather a complex struggle of both classes endeavouring to maintain alliances, and to win over elements from the opposition, so as to strengthen its unit of alliances, ultimately to shift the balance of forces in its favour.

Consequently, civil society as well as the state becomes the terrain of struggle, and it becomes vital for any ruling group to actively win over key elements from here. As Marais (1998) illustrates, civil society is defined in conjunctural terms as “…the thick web of interpersonal relationships and [representing] the social surface over which is extended the cultural hegemony of the ruling elites” (242). Civil society includes all of those institutions, organisations and movements outside of the state and the relations of production, but this does not mean that there exists a divide between civil society and the state, for as Marais remarks, “civil society is not ‘independent’ and ‘separate’, and that the spatial opposition between state and civil society serves to disguise the processes by which class and other forms of domination are achieved and maintained” (203). As in the instances of schools and universities, although they are part of civil society, they are also part of the state. This is evident in the way educational programmes reflect government policies. The significance of this dissemination of state influence through civil society will be discussed in the latter part of this chapter.
Important to understanding how consent is maintained in civil society (in South Africa’s instance how a reformist workerism is pursued despite a largely frustrated majority) is for the state to identify itself with civil society and for civil society to identify with the state:

“The dominant group is coordinated concretely with the general interests of the subordinate groups, and the life of the state is conceived of as a continuous process of formation and superseding of unstable equilibria between the interests of the fundamental group and those of the subordinate group—equilibria in which the interests of the dominant group prevail, but only up to a certain point ie. stopping short of narrowly corporate economic interest” (Simon 1991: 32).

In this way, a state does not substantively meet the demands of a majority of the population, but only does so in so far as is minimally necessary, in order to pursue its own objectives.

Related to the Gramscian conception, one of the most profound developments in the study of the notion of ‘government’, specifically how it is that consent of the majority is achieved, has been the work of Michel Foucault in “Governmentality” (first published in Ideology and Conscience 1979). In a time where there began a steady recession of the welfare state and a rise in economic liberalisation, Foucault attempted to account for government unwillingness to meet its welfarist ideal. Mitchell Dean in “Governmentality. Power and Rule in Modern Society” (1999) offers a concise study of Foucauldian theory. He defines the term ‘governmentality’ to be “the particular mentalities, arts and regimes of government and administration,” (2) essentially taken to be the activity undertaken by government which has specific goals, interests or agendas in mind, and seeks to work through individual preferences so as to shape or mould their actions to make suitable for smooth governance. In a sense, the study of governmentality is not only concerned about how it is that we are governed (ie. the various programmes and practices through which we are governed) but how we govern ourselves as a result of government influence. Dissidents to the status quo are often criticised for being anti-social or anarchist. In Gramscian terms, for a ruling group to maintain its position, it has to actively win over,
and forge allegiances with social forces and other classes (especially a class that would pose a serious threat to its hegemony). Alliances, however, cannot be made with all sectors of society, and it becomes crucial for the ruling class’s ideology to disseminate throughout civil society, such that its programme and world-view becomes hegemonic or common sense, where common sense is the site where the dominant ideology is constructed (but also the site where resistance can occur). The extent to which resistance can begin depends largely on the extent to which the dominant ideology has been entrenched in popular mind-sets.

Towards a Future Strategy for Labour Internationally: A “Flexible” Trade Unionism?

The theory of Antonio Gramsci not only enables us to assess the degree of dominance or hegemony capitalism achieves in society, but also points towards a future strategy needed by trade unions to overcome the weight of dominance. Firstly, the changing face of work, as Chapter Three has examined, places pressure on stereotypical definitions of the working class. Thus the traditional image of a male, full-time factory worker that had for so long adorned trade union banners (and still sometimes do) is increasingly losing relevance. For South Africa, although large-scale full-time factory workers still feature much in production, Chapter Three has examined how sub-contractors and part-timers challenge this stereotypical trade unionism. Flexible specialisation is thus shifting the traditional terrain of labour in South Africa. But as Waterman holds, “any self-proclamation by the unions or labour movement of the priority of their struggles leads to the danger of self-marginalisation, where capital and the state can caricature them as a small minority of the people, self-interested and anti-social” (250). Labour has, thus, not only to articulate the interests of the entire workforce (ie. part-timers and full-timers alike) but also other groups outside of labour. Below, we turn to examine more specifically the implications of a Gramscian analysis for South Africa.
Towards a Future Strategy for Labour in South Africa

A Gramscian conception of contemporary South African labour relations opens up insightful analysis of the state of affairs, and illuminates the avenues of advance. For what is submerged beneath the common view in South Africa that regards global competitiveness and South Africa’s place in it as crucial, is a class struggle between the forces of labour and capital. Gramscian thinking was prevalent during the apartheid years, especially during the 1980’s, as the youth, civic and union movements sought to temper the Apartheid State individually, but with the individual attacks under one common struggle of being commonly oppressed by apartheid (Marais 1998, Mayekiso 1996). The common front with which they tempered the Apartheid State was under the banner of the United Democratic Front (UDF), but in their own domains, such as youth, civic, they challenged the state. However, by mid 1980’s, the struggle was being increasingly led by the ANC. As expressed in the Freedom Charter of 1955, the broad ideal of the National Democratic Revolution (NDR) was to reach national liberation of the oppressed people in South Africa, carried out through a two-stage revolution. The first stage envisaged the destruction of the existing state institutions which were designed to maintain and defend minority white rule, and to replace them with new democratic institutions. The second stage entailed an economic revolution characteristic of the raising of the living standards of people, in order for the people to achieve popular control over vital sectors of the economy, needed to substantively eradicate the economic aspect apartheid. The latter vision was, in part, encapsulated in the RDP and typified some of the labour movement’s ideas on future South African society.

Certainly the broad ideal of the RDP was to redress poverty and deprivation, evident in the attempt at the empowerment of ordinary people as well as the proposed mobilisation of the country’s resources towards the eradication of apartheid. But business interests also began to assert themselves in policy making, calling for increased privatisation. In Gramscian terms, the balance between the “growth through redistribution” and “redistribution through growth” policies, evident in the RDP, in many ways signalled
capitalist intentions to preserve itself (transformation would impinge on its interests). It was essential for apartheid capital to entrench itself within the South African political economy in the face of a black liberation movement intent on removing any vestiges of apartheid. It became imperative for business to win over key sectors of the ANC and the state (especially policy) in order to maintain its agenda, notwithstanding the latter's development priorities, or its strongly militant labour wing.

This assertion of capitalist interests on ANC policy making was to have significant repercussions for the newly formed democratic institutions derived in part by the ANC. As Chapter Two has shown, despite the potential of the LRA to further worker interests, the countless participatory processes posed a real threat of co-option. Trade unions are increasingly assuaged, sometimes threatened, to abide by the structures and procedures of co-determination of the LRA (and CCMA). But perhaps more alarmingly, despite Nedlac being a forum for reaching consensus on socio-economic policy, the demands of labour are only considered so far as they fit in with government macro-economic policy.

The "struggle for the heart and soul" of the ANC by business interests reached more serious and dramatic levels with the exclusionary policy processes surrounding GEAR (Cronin 2000). Gramsci used the example of the Risorgimento movement (unification) in Italy that gained ascendancy without the mobilising of the majority of the population by relying mainly on the state of Piedmont and its army, monarchy and bureaucracy. He suggests that when the hegemony of a group is seriously challenged, or they need to further entrench their hegemony, they resort to modifications in the social and economic structure from above. This was precisely what GEAR was. Preferring to develop the policy in secret, GEAR was prepared by a technical team of economists supervised by the South African Reserve Bank and the World Bank (Lodge 1999). What remained from such a 'closed sitting' was a policy that emphasised the role which privatisation and big business would play in bringing about development. The policy processes surrounding GEAR were highly controversial, even amongst ANC members themselves, as a result of the manner in which the strong 'people-driven' emphasis which characterised the RDP was rejected for more exclusionary forms of policy making. What we have in effect,
despite the multiple 'people based' development programmes is the highest decision making body in South Africa. Increasingly “labour relations” is more about “working conditions” than economic policy. The rise of pro-capitalist macro-economic policy has been paralleled by the “technocratisation” of labour relations.

The imperatives of capital took centre stage in policy making in South Africa upon the adoption of GEAR, and the concerns of the labour movement, though not completely rejected, saw the increasing de-politicisation of the working class demands, effectively stultifying any overly assertive trade union involvement, or any other radical element seeking to bring about economic transformation. Alliances became crucial for the ANC to obtain the consent of the majority. In this regard the tripartite alliance remains important for the maintenance of capitalist-friendly policies, by creating forums of negotiations to co-opt radical tendencies within labour. The “brain-drain” within COSATU was also essential for this task, as not only would this result in the removal of radical elements (which might create problems for its rule), but also for these leaders to be located within the camps of the ANC to further entrench links with COSATU. Of course this was all aided and abetted by the discourse of pragmatism, channelled outwardly towards South African society by government that had the effect of instilling a sense of “responsibility”, especially in the working class. As a result, even political parties sometimes became sites of reflecting that world-view, assuaging or holding back an anxious majority, or unemployed elements. This tendency was reflected in the expulsion of SACP Johannesburg central chairman Dale Mckinley, for being “a communist.” According to Mckinley, the SACP’s position is inconsistent with regard to privatisation, on the one hand denouncing wholesale privatisation, yet on the other hand, agreeing to government’s policy of restructuring (Matisonn 2000:10). This, according to Mckinley, had led to the drop in membership from 5000 in the greater Johannesburg district to 2000 presently (ibid 10). Ideologically, popular programmes of nation-building or development also taught the merits of working hard to bring about change, in a sense disciplining the unemployed and poor to “do the right thing” ultimately creating subjects who are docile and obedient to the programmes of government.
What are the possible routes of advance from this quagmire? Put differently, how can the interests of workers, and indeed the poor, be asserted in South Africa, to shift the balance of forces in favour of radical transformation? The hegemonic view at the moment, and likely to continue, is a neo-liberal development model revolving around the core themes of normalisation, social unity and African Renaissance, where the imperatives of global capitalism almost become sacrosanct (Marais 1998: 245-247). This “realist” perspective aims at extending elite alliance to a rising and aspirant black middle class, as well as to “the middle and upper strata of the labour movement and the ANC, the black petit bourgeoisie (including the ranks of NGOs) the new, emergent (black) capitalist fractions, and the new entrants into the executive and administrative layers of the state,” (ibid: 245) leaving a beleaguered poor majority to bemoan the woes of unemployment, yet at the same time, revering the popular programmes of nation-building.

Marais identifies another version of economic development that, although abated by the tides of neo-liberal policies, lies submerged, with elements to be found within the discourse of the SACP and COSATU. This version envisages a popular movement, headed by the working class, to take a centre stage in the transformation of the South African political economy, where the interests of the “poor, the marginal and the dispossessed” become hegemonic (Val Kerruish 1999). But there are significant limitations to the attainment of such a project. With the ANC heading the national liberation struggle up to the first-ever popular elections in 1994, potential class struggle become submerged and racial interests seem to take precedence in government discourse. The nationalist discourse of the ANC as the “preserver” of the “commonly oppressed” black under apartheid seriously undermines a much needed class perspective.

The challenge, therefore, remains to locate a popular movement in a perspective that recognises the need for the poor in South Africa to gain hegemonic status. How is the transformation of the South African political economy going to occur? Put differently, given the present positions of COSATU and the SACP within the Tripartite Alliance how is the necessary articulation of a broad based hegemonic project going to materialise? Crucial to any future transformatory project is the role that COSATU adopts within the
Alliance. The question is, should COSATU continue to operate within the Alliance or break from it? The compelling debate between Southall and Wood (1999), and Habib and Taylor (1999) in *Transformation* present the question of COSATU’s future in the Alliance, and it is worth visiting some of the various claims made in this debate.

The debate begins with Southall and Woods’ response to the article by Habib and Taylor entitled “Parliamentary Opposition and Democratic Consolidation in South Africa” (1999). In this article Habib and Taylor argue that the South African democracy is characteristic in a dominant part system (1999: 114). According to them a strong opposition part is necessary to challenge ANC dominance, as well as bring about real challenge to the conservative macro-economic policy of GEAR. They argue that rather than posing credible challenge to the ANC, COSATU and the SACP have instead neglected their progressive commitments. They call for a break in the Alliance as COSATU and the SACP are “well placed to break the racial divide and create a truly non-racial, and thereby viable parliamentary opposition” especially in terms of the elections (1999: 114). In response, Southall and Wood (1999) fault Habib and Taylor for their cavalier and dangerous proposal, arguing that they are “unintentionally offering a prescription for disaster” (1999: 90). Southall and Wood (1999) argue that, in general, COSATU has benefited from the Alliance and has been able to influence post-apartheid South African government policy. They also show evidence of a majority of COSATU workers not favouring a break in the Alliance. Lastly, they argue that a break in the Alliance would cause considerable division in the labour movement that would defeat the ends of worker unity.

In general, Southall and Wood advocate continuance of the Alliance, as a break in it would alter the privileged position that COSATU presently enjoys (which would be worse off if COSATU broke the Alliance) [see also Adam, H 1998 for a similar argument]. Habib and Taylor in general favour a break in the Alliance, as they believe that the ideological positioning of the ANC is at odds with transformatory ideals and democratic consolidation.
This thesis has already illustrated the many pitfalls inherent in the present processes of the Alliance. In Gramscian terms capital has "won over" the state, and power is maintained through use of force, but more importantly through ideological conquest. The many corporatist institutions such as NEDLAC only serve as nodes of institutionalising conflict, and detract from transformation. In this light the Tripartite Alliance, as a result of the ideological dominance of capital would only serve to pressure COSATU to abandon progressive ideals. The substantive contestation of capitalist hegemony in South Africa will only come about through a break within the Alliance, with the working class leading the struggle of a broad alliance of social groups. Sectoral/corporate interests currently pursued by the trade union movement are not sufficient to drive home economic transformation. It becomes vital for the working class to create a system of alliances (for instance with land, civic, labour, housing groups) so as to become the national representative of a broad bloc of social forces, to allow for the mobilisation of the majority. In light of the Gramscian perspective examined above, a popular movement will be able to significantly influence the state, since the state and civil society are interconnected. As Marais states "a popular movement is positioned neither outside nor inside the state or civil society, but in the course of its activities, traverses the two strategic fields" (Marais 1998: 250). This point is crucial for any future trade union movement to garner increased influence.

Towards a Workplace Strategy

A number of strategies have been put forward in the literature regarding strategies for labour to adopt in the workplace. There is neither the time nor the space to include all of them here. However, Peter Waterman (1999), in keeping with this chapter's objective to locate a transformatory labour movement within a broad alliances of social forces, lists some propositions for future strategies of trade unions. It is worth-while to highlight some of his suggestions for future trade unionism:
1. Struggling within and around waged work, not simply for better wages and conditions but for increased worker and union control over the labour process, investments, new technology, relocation, subcontracting, training and education policies. Such strategies and struggles should be carried out in dialogue and common action with affected communities and interests so as to avoid conflicts (eg. environmentalists, women) and to positively increase the appeal of the demands;

2. Articulated with the movements of other non-unionised or non-unionisable working classes or categories (petty-commodity sector, homeworkers, peasants, housewives, technicians and professionals);

3. Articulated with other non- or multi-class democratic and pluralistic movements (base movements of churches, women's, residents', ecological, human-rights and peace movements, etc) in the effort to create a powerful and diverse civil society;

4. Articulated with other political forces (parties, fronts or even governments) with similar orientations (ie. which demonstrate their recognition of the value of a plurality of autonomous social forces in an emancipatory and transformatory direction);

5. Articulated with other (potential) allies as an autonomous, equal and democratic partner, neither claiming to be, nor subordinating itself to, a “vanguard” or “sovereign” organisation or power;

6. Taking up the new social issues within society at large, as they arise for workers specifically and as they express themselves within the union itself (struggle against authoritarianism, majoritarianism, bureaucracy, sexism, racism, etc);
7. Favouring shopfloor democracy and encouraging direct horizontal relations both amongst workers and between the workers and other popular/democratic social forces;

8. Favouring direct shopfloor, grassroots and community contacts and solidarity internationally, both with workers and with other popular or democratic forces, regardless of social system, ideology or political identity in the struggle to create a global civil society and global solidarity culture (Waterman 1999: 260-261).

The propositions above do not stand as the "commandments" of a new labour movement that demand ultimate loyalty, but represent general proposals for labour. The propositions are intended to resonate a trade unionism that intends to shrug off narrow essentialist, productivist logic that limit its strategies with capital. What the proposals above have in common is articulating a politics identifying with a broad array of interests. This, as the Gramscian analysis has illustrated above, is crucial to attaining hegemony.

Conclusion

This chapter set out to propose future strategies for the labour movement, not just in South Africa, but for labour globally. In so doing, a "flexible" more responsive trade unionism than the traditional one, is advocated. Existing strategies to challenge capital have either overplayed the ability of the working class to transform society or failed to recognise the multiplicity of identities not just in the workforce but the world itself. Postmodernists, despite making in-roads into highlighting the failures of essentialist categorisations, it was argued, have generally failed to provide effective strategies to challenge capital. This chapter argued that it is possible to develop a middle ground between the two positions that sufficiently articulate a multiplicity of concerns without jeopardising transformative ideals. Ultimately, the "flexible" trade unionism
suggested is more attune with the pressures and constraints felt by labour as a result of flexible specialisation.
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