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An Empty Pot at the End of the Rainbow? Trade Unions and Twenty Years of Democracy

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Overview

- This paper explores the causes of the crisis in South Africa's trade union movement. It argues that the impasse is multi-layered, and can be attributed to both structural changes in the country's political economy and organizational challenges. The labour movement should develop strategies and alternative political agency, which respond to these systemic issues. This requires a paradigm shift from the current preoccupation with political contestation devoid of deeper structural analysis.

Introduction

The current crisis in South Africa's trade union movement has incited debates in broader society and academia. This discourse has been led by social commentators and various labour analysts attempting to characterize the impasse. Most of the views emerging in this debate have been informed by superficial analysis, which is mainly driven by political expediency or poorly researched journalistic narratives. The accounts place emphasis on narrow factionalism and rhetorical public statements. This creates the perception that these challenges are based solely on individuals' political ambitions. Furthermore, the experiences and views of the general membership have been marginalized in these stories. There is a need to transcend these reductionist narratives, and develop a deeper political analysis on the systemic causes of the crisis. This discussion is long over-due, and has been articulated by some scholars, activists and writers.

This paper will contribute to this debate by exploring the underlying systemic causes of the crisis. It will primarily draw from the current developments within

the biggest trade union federation: The Congress of South African Trade Unions (COSATU). The discussion will be centred on the following key arguments. First, reflections on the state of trade unionism must be related to the broader political economy of South Africa. Labour movement strength or weakness is inherently linked to the structural evolution of both the domestic and international economy. Second, political challenges in the labour movement are intertwined with deeper organizational failures. Thus, purist notions of resolving the political issues outside these systemic organizational challenges will inevitably fail. The following sections will augment these arguments by discussing four central themes: post-apartheid transition, labour fragmentation, union strength and worker control.

Transition and Fruits of Labour?

Most literature on the transition to democracy focuses on interactions amongst major political actors. It primarily discusses the major political parties and their interests. The role of non-political party actors such as trade unions, various civil society groups and

business receives minimal attention in these accounts. However, there are some authors who have explored the labour movement's experience and role in the transition. Writers such as Buhlungu, Bond and Marais have documented the contradiction faced by unions in the post-apartheid transition.¹ The introduction of democratic governance coincided with the establishment of liberal democratic rights in post-apartheid South Africa. This included fundamental labour rights and broader socio-economic liberties. For example, the passing of the Labour Relations and Basic Conditions of Employment Acts. Another positive development was the creation of labour-related institutions designed to support the realization of the above-mentioned legislation.

These were all positive policy decisions introduced as a result of trade union activism during the apartheid epoch. However, the environment within which the labour regimes were introduced has undermined these gains. South Africa's transition to a democratic political economy coincided with the dominance of economic liberalism. Government's choices on macro-economic policy frameworks have subverted both union strength and hard-won labour rights. This lies at the heart of the contradiction that Buhlungu describes as a "paradox of victory".¹ Sampie Terreblanche

¹ Buhlungu, S. 2010. A paradox of victory: COSATU and the democratic transformation in South Africa
Bond, P. 2000. Elite transition: from apartheid to neoliberalism in South Africa
Marais, H.2011. South Africa pushed to the limit: the political economy of change

captures this point succinctly by arguing that:

"While democracy emphasises joint interests, equality, and common loyalties, capitalism is based on self-seeking inequality and conflicting individual and group interests. The legal system that protects both democracy and capitalism is based on the principle of equality before the law but maintains inequalities in the distribution of property rights and opportunities in the capitalist system. The 'logic' of capitalism — given the unequal freedoms and unequal rights upon which it is based — thus goes against the grain of 'logic' of democracy".²

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The emphasis has been on neoclassical economic development policy measures such as: liberalisation of trade, increased privatization of social services, supply-side intervention, fiscal austerity, labour market flexibility, financial liberalisation and minimizing state intervention.³ Another salient characteristic of this paradigm is the prioritisation of macro-economic stability indicators over industrial

² Terreblanche, S. 2002. A history of inequality in South Africa, 1652-2002(pg. 16)

³ Hirsch, A. 2005. Season of hope economic reform under Mandela and Mbeki

Marais, H.2011. South Africa pushed to the limit: the political economy of change

Vickers, B.2011. The institutional and policy character of the current South African state

policy.⁴ All these measures have had a negative effect on labour markets, which have been characterized by increased unemployment, declining wages, atypical employment, and in some instances, the persistence of apartheid labour practices.⁵

All these negative trends have undermined both union strength, and the drive to create decent work in post-apartheid South Africa. Labour movement power is inherently linked to the structure and evolution of the political economy. This means that discussions on trade unions cannot be inward looking only. They have to factor in how state-driven economic policy choices shape the nature and agency of these organizations. Ben Scully's discussion on the post-independence African trade union movement elucidates this point. He argues that development strategies adopted by various post-colonial governments have shaped the nature, political agency and strength of unions over the past decades.⁶ Trade unionism is largely influenced by the labour movement's relationship to the state-market-power-nexus, and its effects on the production and allocation of resources in society.

In sum, the introduction of stringent labour legislation and supporting institutions is not sufficient to build vibrant unionism or improve workers' livelihoods. These measures have to be complimented by an alternative

political economy, which prioritizes social redistribution and human development. The transition established progressive labour laws; but these legislative gains will remain nominal in a conservative macro-economic framework. Thus, the challenge facing the trade union movement is to agitate for policy strategies that are more conducive for building a just political economy. South Africa's social democratic project was essentially built on participatory institutions, without introducing the redistributive economic policy choices to support this type of political economy. This has presented huge political and organizational challenges for trade unions. One of the main difficulties is addressing the labour fragmentation discussed below.

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⁴ Fine, B. and Rustomjee, Z 1996. The political economy of South Africa: from minerals-energy complex to industrialization

Chang, H. 2011. The Making of a Developmental State: Advice to Parliament by Ha Joon Chang. In Development in a Divided Country?

⁵ NALEDI 2015. COSATU Worker Surveys 2006&2012 what do they tell us?

Presidency 2014. Twenty Year Review Statistics South Africa (2014). Labour Market Quarterly Survey
Statistics South Africa (2015). Labour Market Quarterly Survey

⁶ Scully, B. Lessons from the political strategies and post-independence African trade unions In; COSATU in Crisis

Divide and Rule: Labour fragmentation in the New South Africa

The dominant view on the South African political economy claims that the country's labour market is rigid. In other words, most workers in South Africa are in decent employment because of stringent labour laws.⁷ This is perceived as an impediment to investment and development. Proponents state that economic development and growth can only be achieved with enhanced flexibility. This assertion is not based on an objective analysis of labour market trends. All the research on labour market restructuring in the post-apartheid political economy refutes this belief. Informal and precarious forms of employment are expanding, whilst formal and standard employment is declining.⁸ This indicates that the nature of work has changed drastically over the past twenty years, proving that the South African labour market is not rigid at all.

This massive restructuring of the standard employment relationship has been caused by three main factors: labour cost-reduction managerial strategies, adoption of macro-economic policies supporting labour flexibility, and technological advancements. Theron groups the labour cost-reduction measures into

two broad categories: changes in the nature of employment and externalization. The first describes the rapid increase of various types of employment contracts, and the latter refers to employers externalizing labour costs by outsourcing certain work functions—popularly referred to as non-core—to other entities.⁹ The end result has been the creation of a two tiered labour force in contemporary South Africa comprised of the following: (a) small group of workers who are in standard employment; and (b) a large number of vulnerable labourers who are in precarious atypical employment with minimal rights. The former group is mostly represented by trade unions. Benya and Ncube point out that 90% of unionists surveyed in the COSATU surveys (2006&2012) had permanent employment.¹⁰ Authors such as Guy Standing have described the latter as the “precariat”.¹¹

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⁷ Decent employment as defined by International Labour Organization (ILO) 2008: full and productive employment, compliance with international labour standards, access to social security and participation in institutions of social dialogue

⁸ Rapasta 2014, M. Atypical or Non-Standard Work: A Challenge to Workers' Protection in South Africa Mediterranean Journal of Social Sciences

⁹ Theron, J. 2014. Non-standard employment and labour legislation: The outlines of a strategy

¹⁰ Benya, A and Ncube, P. 2015 In: The COSATU's worker surveys of 2006 and 2012. What do they tell us? Naledi 2015

¹¹ Standing, G. 2016. The Precariat, Class and Progressive Politics: Response Guy Standing. Global Labour Journal, 2016, 7(2)

Trade union activists and academics have documented these trends. But this has not led to the development of an adequate response from the labour movement. Some activists have questioned the legitimacy and relevance of trade unions because of this failure. More worryingly, this fragmentation has divided workers struggles in some sectors, with employers pitting the two categories of workers against each other.

There are a number of reasons why trade union organizing has not addressed this issue. The primary cause is related to the challenges experienced when organizing workers in precarious employment. There are features of non-standard employment that present challenges for organizing. For example, it is more cumbersome to identify a single employer because of work restructuring. Accessing the workplaces of precarious workers is also difficult. The precise site of work is hard to define in some instances. Moreover, it is not easy to retain these workers as members of unions for long periods. They are in mostly short-term atypical employment, and compelled to change jobs regularly. In most instances the wages of these labourers are lower than those in standard employment. This explains the lack of political will from the union movement to effectively implement decisions on organizing employees in precarious work. There are a number of resolutions from different unions on organizing this stratum. But these have produced minimal success.

Institutions of social dialogue and collective bargaining have locked South

African unions into monolithic organizing strategies. The emphasis has been on organizing to reproduce institutional power in these structures, which are driven mainly by membership numbers rather than building working class solidarity. Thus, the ultimate solution is to review existing organizing models driven by the twin goals of representation in social democratic structures, and accumulating membership. These are core functions of a union; but they cannot supersede deeper political questions about the type of power they reproduce in the political economy and broader society. Unions must always strive to extend membership. However, this must be informed by a political ethos that builds broad working class power across society, and embeds solidarity-based values in political praxis. This is the deeper political definition of union strength, which is explored in the following section.

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Union Strength: A Movement under Siege?

Labour analysts, scholars and industrial sociologists have mostly focused on national union density as a key indicator of labour strength. These authors cite the data on the unionised section of the national workforce, which stood at 29% by 2014. It should be noted that this figure is mainly made up of public sector workers. Bhorat et al point out

that union membership in government sector increased rapidly from 55 % in 1997 to 70% by 2013. This coincided with a massive decrease in unionisation in the private sector, which fell from 35.6% in 1997 to 24.3% in 2013.¹² This data clearly indicates that most workers in the post-apartheid economy are unorganized and not represented by unions. Furthermore, it dispels the myth about unions in South Africa having peculiar strength brought about by high levels of unionisation.

This explains why the Stats SA Quarterly Labour Survey (2014) found that employers determined 53% of workers' salary increases unilaterally. Unions represented only 22% of the labour force during salary negotiations, and 6% of workers had no consistent increment. In 2015 56 % of workers had their salary increments determined unilaterally by employers. And 5% of employees had no regular salary increment.¹³

The discussion above illustrates that the organizing and membership debate has to expand. It has mostly been inward looking focusing on retention, and paid minimal attention to organizing the other 70% of the workforce which is not unionised. A good starting point is to explore the underlying political and practical reasons why most workers are not joining unions. Mosoetsa & Benchoff's work in the NALEDI report on the COSATU worker surveys (2006 & 2012) points to the following reasons:

(a) minimal presence of unions in most work places; (b) poor tracking of workers when they change employment; and (c) no history or socialisation in collective mobilization.¹⁴ This reflection will ultimately lead to the salient factor regarding the nature of organizing strategies, and their effectiveness in a restructured 21st century political economy. Many labour movements in the world have grappled with this question, and in some instances, created new innovative organising strategies. This has revived their unions or increased the influence that these formations have in the political economy. For example, IG Metal in Germany has explored various new strategies that have produced positive results. The most prominent one is organizing along value chains.

My main contention is that the current political challenges in the trade union movement are inherently intertwined with deeper organizational questions. The act of mobilizing, organizing and increasing membership is political, because it inevitably deals with the question of legitimacy. It is impossible to resolve the current political impasse without addressing these systemic organizational challenges. However, I think that the debate on organizing or union strength must not be reduced to behaviourism or quantitative statistics on union membership. It must also address the qualitative aspects of trade union strength such as worker control.

¹² Bhorat, H. et al 2014. Trade Unions in an emerging economy: The Case of South Africa

¹³ Statistics South Africa (2014). Labour Market Quarterly Survey
Statistics South Africa (2015). Labour Market Quarterly Survey

¹⁴ Mosoetsa, S & Bischoff, C. 201. Organizing the Unorganized In: The COSATU's worker surveys of 2006 and 2012. What do they tell us? Naledi 2015

This term refers to the entrenchment of a political ethos characterized by decentralized, participatory and bottom-up decision-making in a union. There are two key determinants of worker control in unions: the level of political education and depth of internal democracy. In the following section I explore both these principles that are the backbone of a democratic, vibrant and responsive union.

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Worker Control: Democracy from Below or Above?

Buhlungu places emphasis on the importance of education in reviving trade union movement activism during the turbulent 1970s and 80s. He states that: “probably the most important aspect was the education and socialisation of the new members to the culture, procedures and structures of the union”¹⁵. The quality and prevalence of political education in unions has deteriorated since the transition.¹⁶ Vally et al (2014) identify the following structural reasons for this decline: introduction of market-driven “human capital” pedagogy in worker education; outsourcing of education to private

agencies; over-emphasis on participation in national education tripartite structures (e.g. SETAs); and transforming union education outcomes to comply with highly professionalised indicators like certification.¹⁷

All these developments have replaced the values of solidarity, social justice, movement-building and transformative politics in worker education. The contemporary focus is on individualistic goals of obtaining education for upward social mobility, and on the organizational level: gaining access to state or private funds for training without questioning the epistemology of funding programmes. This culminates in the subversion of trade union intellectual autonomy by dictates of commodified training programmes created by external state and private actors. Another negative outcome is the degeneration of political education, which produces members with an inadequate understanding of the foundations of unionism. This limits their political agency within the organization, which in turn erodes substantive participation in discussions and decision-making i.e. substantive democratic control

Internal democracy has also declined in the past twenty-two years. This has created political contestation within a number of unions, and in some instances the divisions have led to the formation of new organizations perpetuating fragmentation. A number of activist and scholars have identified

¹⁵ Buhlungu, S. 2010. (Same as above pg 61)

¹⁶ COSATU 2012 Secretariat Report

¹⁷ Vally, S, Wa Bofelo, M and Treat, J. 2014. Worker Education in South Africa: Lessons and Contradictions

the following key drivers of this phenomenon.

First, the over-bureaucratization in unions characterized by power shifting from general membership to appointed officials with formal training. These union technocrats participate in collective bargaining and tripartite structures. There is growing concern that these officials prioritize technocratic researched-based solutions over the popular mandates of general membership. These decisions are based on academic research that does not incorporate the organic experiences of workers. Some authors highlight insufficient consultation with workers, who in some instances do not support conclusions reached by officials.

Second, low levels of accountability displayed by elected officials. A clear example of this trend would be the ongoing debate about shopstewards, who have the dual mandate of representing workers and linking national union centres to local membership. But this role is undermined by the contradictory structural privilege that shopstewards enjoy. As Masondo et al explain: "to sustain management's goodwill shopstewards have an inevitable interest in orderly industrial relations. The shopsteward has been characterised as the man in the middle or the man with two masters caught between employers who pay their salaries and the members they represent".¹⁸

Third, declining democratic practice within the unions. Byrne et al discussion on internal democracy in NALEDI's report (worker surveys 2006 & 2012) indicates erosion in basic structures of direct participation and democratic control within unions. They highlight that only 37% of the workers surveyed in 2012 confirmed that their organizations had meetings once a month. Furthermore, only a third of the workers interviewed felt they had sufficient influence on shopstewards. These findings are alarming because participatory decision-making and democratization can only be effective if these structures function. Both internal democracy and quality political education are essential for worker control. The emphasis on the commodified aspects of unionism such as gaining more members, without placing equal attention on socialisation and deepening participatory decision-making has produced huge challenges. These take a variety of forms reproducing the organizational-political-crisis linkage.

Conclusion and Recommendations

The current impasse in the trade union movement presents both challenges and opportunities. Challenges have been discussed at length in previous sections of this paper. But it is also imperative to focus on the possibilities for political revival. A good starting point is the rejection of a purist monolithic diagnosis, which reduces the crisis to political decisions taken by leaders of various unions. My

¹⁸ Masondo, T, Orkin, M& and Webster, E. 2015 Militants or Managers? COSATU and Democracy in the Workplace. In: COSATU in Crisis

contention with this line of thinking is that it creates a superficial boundary between political and organizational challenges. Furthermore, it presupposes that addressing major political contestations is sufficient for renewal, and overlooks the systemic challenges. This impasse requires deep political discussions, which appreciate the substantive effects of post-apartheid restructuring on trade unionism. More importantly, labour activists have to generate new ideas on political agency in order to respond to these structural challenges.

Recommendations

- Implementing all resolutions on formulating new organizing strategies in order to build working class solidarity amongst all types of workers
- Rebuilding education structures and capacity within the unions
- Reviving worker control by ensuring that structures of democratic participation and accountability function effectively
- Embedding social movement unionism which engages substantively with broader political economy issues

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