

# Secretariat\_COSATU 6th National Congress, September 1997

## 1. Introduction

*In the pre-election period when we addressed congresses outlining COSATU's vision, we used to talk about the changes we wanted to see implemented in a democratic South Now that the future democratic dispensation we always talked about has arrived, we realise that the future isn't what it used to be!*

**1.1** The Secretariat Report is divided into two parts. The Activity Report deals with the regional and departmental issues, implementation of decisions and campaigns, while the Overview Report looks at the current situation, key challenges and policy proposals. Since the Special Congress in September 1993 and COSATU 5th National Congress, four policy conferences, numerous ordinary and special EXCOs and CECs were held. They too developed and further refined our policies and campaigns taking into account the objective conditions.

**1.2** The 5th National Congress adopted resolutions relating to building COSATU, the Alliance, developing socio-economic policies which would bring an end to the misery caused by apartheid oppression and its exploitative economic policies, engaging in mobilisation, campaigns and negotiations to back the process of social transformation, deepening democracy, etc.

**1.3** Furthermore, the CEC established the September Commission, to make proposals on the strategic choices we need to make in pursuit of the movement's mammoth task of transforming the country as well as building a strong COSATU and the Alliance. Their recommendations are tabled to this congress for debate and resolution.

**1.4** In certain areas new proposals are made while in others, existing ones are emphasised. In discussing both the Secretariat and the Commission reports, we should bear in mind that, in certain instances, changes in policies, strategies and the way we operate are inevitable, in view of the changed political landscape, the need to continuously tilt the balance of forces in our favour and the character of the transition. At the same time we should be aware that, in certain instances, what we lack are not policies, but an implementation strategy. This is not to deny that in certain instances our policies have remained the same since 1985, but to urge congress to consider policies as well as an implementation strategy to ensure that decisions of COSATU are carried through by all structures, and that they situate COSATU and the entire liberation movement in a situation where we are able to deepen the 1994 breakthrough, defend democracy and continue with the process of transformation.

**1.5** The next elections are a mere 20 months away. The congress should review the past three years, develop strategies and policies that strengthen COSATU, the Alliance and our new democracy; prepare for a decisive victory in the next elections at all levels, particularly in KwaZulu Natal and the Western Cape, as well as adopt policies that will give momentum to transformation. We should strike a powerful blow against the National Party, the IFP, Holomisa and Meyer's party as well that of the bourgeoisie, the DP. We must see an ANC victory as a victory for workers.

**1.6** At the conclusion of the 5th National Congress, we felt ready to face the challenges of the transition. You are called upon to assess whether we were able to live up to those challenges. Where we were not able to achieve our goals, we need to frankly analyse what went wrong. Those of you who are not

members of any constitutional structures, who feel left out of decision making in the federation, need to ask your delegates to these structures where and how they obtained their mandates.

## 2. Political

### Strategic vision

2.1 Our political vision includes the following key elements:

- Movement from apartheid tyranny to a non-racial, non-sexist, democratic and accountable constitutional state which entrenches the fundamental political, social and economic rights of all citizens, with special emphasis on the working class in general and workers in particular;
- The creation of an unfragmented state which enables national government to effectively implement measures to overcome the apartheid legacy of division, poverty and inequality, and to set national norms and standards in all strategic areas of transformation;
- Consolidation of the Alliance as the key social force to drive the process of social and political transformation;
- Implementation of the RDP as a people-driven programme with five key areas: The democratisation of the state and society; extension of basic needs; developing a new growth path, based on improvement of living standards and respect for workers rights; human resource development; and the redirection of resources and investment to finance the implementation of this programme;

- The RDP would form the basis of the legislative and political programme of government for transformation as well as serve as the focus for mobilisation and campaigns by the broad liberation movement.

**2.2** In addition, we outlined a platform of issues which were a priority for COSATU. Specific constitutional, policy and legislative measures were needed to entrench and advance rights and programmes which were of special concern to workers. This meant entrenching in the constitution a framework of fundamental worker rights, within which legislation would be based. We elaborated a vision of comprehensive legislative reform, which entailed consolidated labour legislation for workers in all sectors of the economy to set a minimum floor of rights (BCEA); fundamental organisational rights within a framework of strong sectoral bargaining structures, which entrench the right of workers to strike, and extend bargaining power into key areas of distributional, production and investment issues (LRA).

**2.3** Furthermore, we developed an additional package of legislative measures designed to enable trade unions to drive the process of industrial restructuring. Apart from the LRA, these included the introduction of a new qualifications framework and measures for expanded training and access to all strategic information. It was envisaged that economic measures having a bearing on industrial restructuring, such as trade, tariff and industrial policy would be tabled for discussion in tripartite and industrial forums.

**2.4** Our vision included other legislative and institutional reform, which would directly involve trade unions in transformation of the economy, such as:

- Legislation to consolidate national retirement funds, and the right of workers to control and direct investment of such funds, together with regulation of the financial sector;
- Restructuring of the UIF and other social protection measures for workers as part of a comprehensive social security system;
- Democratisation of economic institutions, such as the Reserve Bank, IDC, DBSA and the Tax Commission through trade union representation on their boards and structures;

- Involvement of trade unions in decision making on key social and economic legislation.

**2.5** Through the RDP we envisaged a programme of extensive legislative and institutional reform in areas such as the public sector, health, housing, social security, public works, transport and land. The same would apply to macro-economic policies. These would be outlined taking into account the social needs of the country.

## The Alliance and governance.

**2.6** South Africans from all walks of life voted overwhelmingly for the ANC in 1994. This sent a powerful message to those opposed to deepening democracy and transformation that South Africans reject their positions in support of those put forward by the liberation movement.

**2.7** Significant gains have been made since 1994. A decisive majority for the ANC has created the potential for a strong national government to actively implement the programme for transformation outlined in the RDP. Threats by counter revolutionary elements in the security establishment and the ultra-right against the democratisation process has largely been contained. The campaign of counter revolutionary violence waged before the elections has been warded off. The process of drafting a new constitution was successfully completed, with significant advances in some areas of socio-economic rights, worker rights, and deepening of democracy, although some areas of the constitution remain defective. These remain an area of struggle.

**2.8** Most communities in rural areas now have access to water and electricity. Some communities have had their land returned to them. Most South Africans, particularly pregnant women, children under 6 years of age and the unemployed, now have access to better health care. Important policy and legislative breakthroughs were made and implemented in certain areas, particularly health, labour, water, land, education and training. There are institutional mechanisms for workers and society to influence policy formulation and legislation.

**2.9** At the same time, the transition has thrown up serious challenges for the Alliance - particularly in relation to issues of governance, mass mobilisation, policy formulation, building organisation, etc. The challenge facing COSATU is to put forward workable proposals to strengthen the Alliance, ensure involvement in processes of governance and transformation; develop political strategies to deal with forces opposed to transformation; and ensure that the Alliance develops a programme or platform to lead the transformation process.

**2.10** Furthermore, the Alliance has encountered serious difficulties in implementing the transformation agenda. The reasons for this are many and complex, relating to both internal and international factors, objective constraints as well as subjective errors in the way we have approached the transition.

**2.11** Most legislation of a transformatory nature has been opposed by opposition parties, including the PAC. The PSA and other staff associations of the old order have always used the courts to stop any changes in defence of the status quo. Employees who at one point seemed to have embraced the spirit of

give and take in negotiations with ourselves and the government have become very arrogant. In fact, relations between COSATU and employers are at their lowest ebb.

**2.12** While objective problems and constraints have been encountered in attempting to transform the state and implement our programme of transformation, the democratic movement has also failed to seize the initiative to direct and drive the process of change effectively. Elements of the apartheid era ruling class have used their power, which is still entrenched in the bureaucracy, media, and key centers of the economy, to shape the transition in their own image. These elements talk the language of democracy and transformation, but walk the path of perpetual opposition to democracy.

**2.13** One of the critical problems is the fact that the formulation of policies — in certain areas such as the economy, housing, transport and others — has been driven by technocrats, the bureaucracy, and Ministries. The ANC, and the Alliance more broadly, has found itself dealing with these policies as they emerge, rather than driving their development. The result is that we often have to react to policies which are directly opposed to the thrust of the platform outlined in the Reconstruction and Development Programme. The introduction of GEAR (the reverse GEAR of our society) in June 1996 (two months before it was discussed in constitutional structures of the ANC) followed by Maria Ramos and Trevor Manuel's pronouncement that the strategy is non-negotiable is the most serious example of this problem. GEAR in this respect, however, was not unusual. It followed a pattern of treating the Alliance with contempt by certain Ministers on issues of governance and policy formulation. This approach should be abandoned since all it does is cause unnecessary tensions within the movement as well as retard progress.

**2.14** As an Alliance, we have failed to develop a strategic approach on how to practically implement our programme in the concrete conditions of transition. What is the relationship between the Alliance and government, the ruling party and the bureaucracy, the Executive and the apartheid era public service, the democratic forces and the economy, the role of the progressive trade union movement in policy formulation? Who drives the formulation of policy, and its implementation? This failure has resulted on the whole in the strategic initiative passing into the hands of those opposed to fundamental transformation. No matter how difficult the issues may be, it is far better to have open debate to influence one another so that the Alliance takes the responsibility for implementation of such policy rather than spend our energy fighting one another instead of the opposition.

**2.15** We need to agree on a coherent conceptualisation of the current situation to ensure cohesion within the Alliance. In the absence of an agreed strategy, platform or programme, the danger exists of a disintegration of the Alliance in the long term, with all its implications. While this is not in the best interests of any of the partners in the Alliance, we can not ignore it. We therefore need to focus our energies on putting in place concrete steps which will ensure that this does not materialise. Just as the Alliance is our only viable hope for transformation, a lame duck Alliance spells disaster for transformation and democracy. As the Alliance leadership we are aware of such a danger and are looking at a long-term solution to strengthen the Alliance. We should indicate to Congress that the past few months have seen various Alliance meetings aimed at resolving most of these issues. We are putting in place structures for continued discussion, joint policy formulation and coordination, sharing of information and regular meetings as one way of keeping the Alliance intact. Where differences emerge, we should be able to address them in time, before they reach boiling point.

**2.16** A functioning Alliance with a viable programme and effective structures are interdependent. One without the other cannot work. It is obvious that a programme cannot be implemented without effective structures. But what is perhaps less obvious is that functioning Alliance structures are hollow if they are not based on a programme. This becomes clear if we consider questions of governance. If structures of the Alliance have no meaningful say over issues of policy and legislation, and no programme to drive it, these structures will become increasingly directionless and irrelevant.

**2.17** The Alliance and its constituent members need to build on the rich traditions of the 1980's. These years saw a wide variety of mass formations mobilised under one umbrella to achieve the common goal of ending apartheid tyranny, and securing national liberation. Now, under new conditions, we need to harness that tradition to build a mass movement for transformation. Such a movement is essential to take forward programmes in areas such as public sector transformation, housing, health, literacy, rural development and others. It will also be critical in neutralising those forces attempting to block or derail the transformation process. The Alliance needs to discuss, together with other mass formations, the development of such a programme, as well as fora which would help to take this process forward, including the possibility of convening an MDM Summit on transformation. We should use the Alliance partners' forthcoming congresses and conferences to finalise this approach.

## Parliamentary process

**2.18** A major focus by COSATU has been on labour legislation. Introduction of these legal reforms constitutes a major advance for workers and the labour movement. These key labour laws are: the LRA which was successfully negotiated in NEDLAC and steered through the parliamentary process with our full participation. The Basic Conditions of Employment Bill currently under debate in NEDLAC, the proposed Employment Equity statute, Skills Development Bill and the Compensation for Occupational Injuries and Disease Bill will be a major advance away from apartheid legislation.

**2.19** We have also actively supported other important pieces of progressive legislation. These include legislation to make health care more accessible and reduce the price of drugs, legislation to extend telecommunications, and the Termination of Pregnancy Bill. We have coupled our support of these Bills with proposed amendments to strengthen or improve them.

**2.20** In other instances we have engaged with legislation where a key aspect of the Bill is problematic, without opposing the entire Bill. This required targeted interventions aimed at amending specific clauses. This approach was successfully achieved in submissions on the Small Business Bill, which resulted in the removal or amendment of provisions which could have been used to undermine labour standards. A historic victory was scored with our submission on the Pensions Bill. This resulted in the mandatory (minimum) representation of workers on boards of funds being increased from the one third proposal in the Bill to one half, in spite of opposition from business in general, the industry in particular as well as their representatives in parliament. An important condition for this success has been the preparation of legal wording of alternative clauses, put forward for adoption by the parliamentary committee.

**2.21** At the same time, we have opposed legislation which we believe is not in line with the policies advanced by COSATU and the RDP objectives. We registered our opposition to legislation which deprived the SABC of revenue from the sale of its radio stations. Our approach is that revenue generated through the restructuring of state assets should be reinvested into these public enterprises, to ensure a more effective public service. In the case of legislation on tax holidays, we took the view that the proposal

to exempt certain companies from paying tax (in terms of GEAR) was problematic because it undermined the tax base of our country, unfairly threatened businesses paying tax in the same sector, and entailed a further shift of the tax burden to working people. However, we made a tactical decision, while registering our opposition to the tax holidays Bill, to put forward proposals to limit the negative effects by submitting a number of amendments, most of which were accepted, and some of which the Minister agreed to implement in regulations.

## Affiliates and the parliamentary process

**2.22** While the Federation has particular power and leverage in its engagement with the political processes, this needs to be complemented with a co-ordinated strategy of engagement by affiliates. Participation by affiliates in legislation and policies affecting their sector has been uneven, ranging from fairly effective to little or no involvement. Affiliates which have been fairly active include NUM on the Mine Health and Safety Bill; TGWU on transport policy and legislation for the security industry; NEHAWU on public service issues; SAMWU on local government; and SADTU on education. Public sector unions are more active than the private sector, possibly because they are more exposed to processes of governance.

**2.23** A number of affiliates have been discussing deploying permanent representatives to parliament to monitor legislation and policies. We have embarked on a programme to train interns from affiliates, to expose comrades to the legislative processes, and to assist in developing an affiliate strategy for their sector. This will deepen our engagement and strengthen our capacity. At the same time as encouraging affiliates to engage directly, we need to ensure that on national policy issues such as restructuring the public sector, local government, or transport, COSATU develops and push positions, rather than leave it solely to the relevant affiliate.

## Regions and the parliamentary process

**2.24** Whatever our position on federalism and the role of Provincial governments, the reality is that we now have a quasi-federal political system. This poses the question as to what role COSATU regions should play on issues of Provincial Governance. Our regions have had limited interaction with provincial legislatures. They have tended to concentrate on Development Forums. There has been some interaction on provincial budgets, as well as Provincial Constitutions in KwaZulu Natal and the Western Cape.

**2.25** With the adoption of the new Constitution, we are forced to address the reality that we ignore the role of the Provinces at our own peril. A careful process of engagement can actually result in positive results for workers from what is generally seen as a negative process.

**2.26** The introduction of the National Council of Provinces means that Provinces have a real say in national legislation, and in certain instances can effectively exercise a veto. Furthermore, the lion's share of the national budget is now allocated to Provinces. This combination of factors makes it essential for us to influence provincial policies to be as worker friendly as possible.

**2.27** Our regions are already over-stretched and have limited capacity. We have embarked on a national project of training regions in engaging with provincial legislatures. This will go beyond the holding of workshops to assistance in setting up networks and tracking policy and legislation, both in the provinces and the National Council of Provinces. We are looking at the setting up of a national database, together

with other NGOs, to assist in tracking processes in various Provinces. Regions are also being encouraged to establish forums with the ANC in the Provincial Legislatures, to ensure effective co-operation. Where there is an overlap between our regions with Provincial boundaries, our regions need to develop mechanisms to ensure joint action.

## Relationship to members of parliament

**2.28** When COSATU decided to release some of our leaders onto the ANC elections list for national and provincial legislatures, we had two main objectives. Firstly, to reinforce the ANC's election campaign and entry into governance by releasing comrades who could help to implement the programme which we jointly forged with the ANC. Secondly, to ensure that comrades with a direct knowledge and understanding of the concerns of the trade union movement would take that commitment into government and ensure that they brought a particular perspective into all government processes. However, it was always understood that once the comrades were released onto the ANC election list, they would no longer be accountable to COSATU and would fall under the discipline of the ANC.

**2.29** Because of the latter point, it is difficult to accurately assess the performance of comrades released for this purpose, problems they have faced etc, because there hasn't been a relationship of direct organisational accountability and support. In so far as the strategy was to strengthen the ANC and to ensure an election victory, at face value this appears to have paid off. It is however doubtful as to whether we are 'getting value for our money' from these comrades. Obviously their effectiveness can't be divorced from the issue of the functioning of the Alliance.

**2.30** However it is important to recognise that 'former COSATU MPs' are not homogeneous, and that COSATU's support base in the legislatures extends beyond them. While some of them have been active in maintaining dynamic contact with the federation and in supporting pro-worker positions, others have been hopeless to say the least. Their positions are so extremely right wing that one sometimes wonders whether indeed at one point they were part of us. At the same time, many ANC MPs and MPLs who were never part of COSATU have actively supported our positions. We must therefore avoid adopting a narrow approach in addressing this question.

## Policy proposals

**2.31** A number of issues have not been resolved in the Constitution, or require follow up. We need to develop a strategy to take forward the labour, socio-economic and other rights contained in the Constitution, and to counter possible litigation by employers and other reactionary forces. Legislation required to implement the Constitution, including on access to information, procurement procedures and transparent budgeting procedures, should be passed as a matter of urgency. Otherwise these gains will remain paper victories. COSATU should draw up a list of possible legislation by the ANC or as private members' motions.

**2.32** The Constitution contains interim provisions that provide only for the PR list. This means that national and provincial representatives are not directly accountable to constituencies. We need to campaign for the inclusion of the constituency-based electoral system after the next elections. This matter should be raised with our allies and other progressive forces. It should not be seen as a narrow COSATU campaign directed against the ANC. Indeed there would be many comrades in the ANC and the SACP who would agree with this approach.

**2.33** Our proposal for a Workers Charter to be adopted has been accommodated by S234 of the Constitution, which allows for parliament to adopt charters of rights in line with the Constitution. Congress needs to decide on how best to make this a reality. One proposal would be for a COSATU team to work on a draft based on demands previously collected. These can then be tabled for debate within the Alliance.

**2.34** South Africa has a rich history of broad fronts, including coalitions spearheaded by COSATU around specific issues such as VAT, and more recently against the banks' decision on the interest rates hike. The challenge now is to build these broad coalitions, under new conditions and in support of deepening democracy and transformation. This involves working with organisations in civil society which are not necessarily part of the democratic movement, but nevertheless support progressive demands on a particular issue, or set of issues. We propose that Congress discuss appropriate relations with organisations such as SANCO, SASCO, COSAS and the churches.

**2.35** Our experience in the campaign for improved child welfare benefits showed that this is further complicated when, even though progressive elements initiated and drove the campaign, reactionary elements jumped on the bandwagon mainly with the intention of undermining the ANC. Similar forces are at play in other areas, particularly in relation to campaigns dealing with the public sector. This we can not allow! At the same time, we need to avoid two possible extremes: On the one hand, we should not withdraw co-operation with genuinely sympathetic forces because reactionary elements take advantage of an issue; but on the other hand, we cannot blindly ignore their agenda, simply because we want an issue to be addressed. In such situations we need to maintain alliances with genuinely sympathetic forces, and at the same time ensure that reactionary elements are exposed and isolated. Furthermore, we should proactively seek to galvanise alliances with progressive elements in civil society, many of whom look to COSATU and the Alliance for direction, and thereby seek to define the campaigns on progressive terms.

## Alliance Programme

**2.36** The 'Discussion Document on a Programme for the Alliance' adopted by the EXCO proposes, among other things, that the Alliance reach an agreement on strategic areas needed to drive transformation. Such an agreement would also lay the basis for an election platform in 1999. Congress needs to discuss the implications and desirability of such an agreement. More importantly, it needs to discuss the implications of failing to secure an agreement, and allowing the current situation of continuous tensions and lack of an agreed strategy to continue.

**2.37** An effective Alliance programme depends on an effective, functioning and well co-ordinated Alliance. The loose structures of co-ordination of the pre-election period are now hopelessly inadequate to deal with the challenges of the transition and governance. The challenge of developing functioning Alliance structures goes way beyond the issue of regular meetings. It requires the setting up of appropriate structures and co-ordinating mechanisms at all levels, which have the authority and resources to take the appropriate decisions. This requires an engine, driven by the Alliance National Office Bearers; regular structures for co-ordination of issues on governance; ongoing preparation on policy issues through summits, which become meaningful forums, rather than isolated events; and functioning structures at provincial and local levels. There is an in principle agreement for regular meetings of the Secretariat, Office Bearers, joint Executives and summits at national and provincial level. We need to firm up these proposals, particularly the need for bi-monthly meetings between the Alliance NOBs, particularly those in

government, to strategise as happens in Norway. To be effective, the Alliance structures would need to address the following elements:

- Co-ordination of an agreed programme for transformation;
- Ongoing policy development;
- Mechanisms for implementation of agreed policies and programmes;
- Mechanisms for monitoring and assessing progress;
- Agreement on a programme for mass mobilisation in support of transformation;
- COSATU itself would need to have mechanisms to ensure regular assessments on the functioning of the Alliance, including our role in this regard.

## NEDLAC and governance

**2.38** NEDLAC was born out of our struggle to involve workers and society in the formulation of policies which directly affect them, particularly on social and economic issues. Its composition and character obviously means that it contains many contradictions, and is a terrain of struggle. Nevertheless it is an

institution which we should defend, since it constitutes a deepening of democracy and a recognition of the central role of organised labour in social and economic transformation.

**2.39** The role of NEDLAC in issues of governance has become a site of struggle. The Act provides that NEDLAC must ‘consider all proposed labour legislation... (and) all significant changes to social and economic policy before it is implemented or introduced in Parliament’. This far-reaching provision has been treated in a fairly flexible way by all the parties to NEDLAC, rather than insisting on its mechanical implementation. Despite this, a lobby in government — notably the ministries of Labour and Finance — has been pushing for the powers of NEDLAC to be reduced, on the basis that it ‘undermines the sovereignty of parliament’. In most instances the lobby involves the same people who undermine and detest the role of the Alliance in policy formulation. What they want is a blank cheque or an open licence for policy formulation, without the participation of the Alliance. This would be tantamount to confining the masses to the grandstand as spectators in the theatre of transformation and policy formulation.

**2.40** Employers on the other hand have adopted an expedient and unprincipled approach to NEDLAC. They are only participating in it because they are afraid of the potential of the Alliance to push transformation through parliament — something we seem to be shying away from, particularly our friends in government who sometimes see the government as a neutral force mediating between competing interest in the so-called golden triangle. Where the government adopts policies which employers approve of, they are happy for NEDLAC to be sidelined. Where the government introduces transformatory legislation or policy they want to use NEDLAC to block progress.

**2.41** Our view is that NEDLAC should not be counter-posed to parliamentary democracy but should be seen in the context of the need to enrich and deepen that democracy. At the same time we should adopt flexible strategies depending on the issues. With the NFA, we took the view that, given the nature of state restructuring (and the fact that business had a narrow commercial interest), this was a bilateral matter to be settled between labour and government. In the case of the BCEA negotiations, we have clearly indicated that negotiations in NEDLAC are not endless. Nor are they a substitute for the responsibility of parliament to legislate. While we will endeavour to reach agreement, we should not allow business to use NEDLAC to block progress.

**2.42** We propose that the Alliance agree on an approach which will guide both ourselves and government in NEDLAC, otherwise, there will be continued inconsistency which will put NEDLAC and the Alliance under increasing strain. The recent contradictory positions of government and the ANC on the BCEA, after having put across the message that ‘NEDLAC shouldn’t prevent the government from governing’, was to effectively give business a veto, by saying that if no agreement was reached at NEDLAC, the Bill would be withdrawn. This position is untenable and should be rejected by all of us.

**2.43** Congress should endorse our approach that parliament is sovereign, and that it retains the right to amend or reject any proposal put before it. However, parliament put NEDLAC in place for a particular purpose, and it would therefore not make sense for it to easily unravel agreements reached. Our view is that if it felt the need to make changes to any aspect of an agreement, it should consider very seriously what the implications would be of such a decision. Whether or not they go ahead and make changes is their prerogative. At the same time, there may be a number of areas where NEDLAC will not reach agreement, which would require parliament to exercise its authority.

**2.44** We propose the need for a more dynamic and interactive relationship between NEDLAC Chambers and Parliamentary Committees. This is to ensure that both institutions are briefed and on board the discussions taking place, and that when matters reach Parliament, there is an understanding of how particular decisions were reached. Parliamentary Committees should have direct and structured access to the discussions in NEDLAC. In our view the Parliamentary Committees should have open access to all processes as observers, since it would compromise their independent role to make them part of the government delegation. Given the hectic schedule of parliamentarians, who may not be able to attend all meetings, a much more active process of briefing of Parliamentary Committees is also required.

**2.45** Furthermore, the view that NEDLAC negotiations quarantine the issue from being discussed in parliament seems to be taking hold among some within our ranks. We need to check whether the phrasing of the Act prevents parliament from beginning discussions on an issue under discussion in NEDLAC. In our view it would enrich the process for example, for a Parliamentary Committee to hold hearings, while negotiations were taking place in NEDLAC. This would ensure that by the time an agreement or deadlocked is processed, the Committee would be well placed to take the issue forward. Obviously, the Committee would have to consider the nature of the issue, whether there was a draft Bill or policy paper, and other factors, including the state of negotiations, before deciding to go this route.

## Coordination of the Alliance

**2.46** While there may be a minority within the Alliance who believe that the Alliance should come to an end, the majority believe that it is the only vehicle capable of driving the transformation process forward. Indeed all COSATU affiliates agree that it should continue. The problem is not with the Alliance as an institution, but with how each of the partners approach matters of common interest as well as differences.

**2.47** An area that needs special focus is how we make the Alliance a functioning one rather than ceremonial, in name only, or worst of all a crisis committee. Apart from the issues raised earlier about information sharing, regular meetings and summits, we propose that the Alliance Secretariat share areas of co-ordination. For example, one partner could co-ordinate areas related to building organisation, the other may co-ordinate policy formulation and transformation while the third partner co-ordinates Alliance and governance relationship.

**2.48** This will also resolve the question of what role COSATU plays in ensuring the success of the Alliance. Our Education, Organising and policy formulation structures should as far as possible co-ordinate their efforts. Leadership of the Alliance should be periodically deployed in various regions to help build organisation as well as engage with grassroots structures. Our joint media project, CDC, should be strengthened in order to ensure that our information flow and propaganda is beefed up. This approach coupled with an agreed to programme or platform will go a long way in oiling the Alliance machinery.

**2.49** We should avoid seeing the Alliance as bureaucratic structures and meetings. This is a strategic Alliance based on our shared vision of a non-racial, and non-sexist democratic South Africa. It is based on our commitment to ever deeper transformation of our country. This is what brings us together. We need to continuously redefine what the challenges, opportunities and constraints are for the success of these goals. We should mobilise the masses behind our programmes at all times.

## Leadership role in the Alliance

**2.50** Currently, a number of comrades occupy leadership positions in the ANC and the SACP. While some of our national leadership, including in affiliates, are elected members of the CC and PB of the SACP, none of the national leadership serve in the NEC or NWC of the ANC. This has led to perceptions that COSATU has an inherent negative attitude to the ANC. While this is not true, we should examine if we are not feeding into that theory by not making some of our leadership available for the ANC.

**2.51** It is our view that we have a responsibility to make leadership available to the ANC structures on a full-time basis as well as part of the NEC and NWC. This will have to be balanced with the responsibility we have to COSATU. We urge congress to agree to this approach, which is not different to the one we took regarding building other mass formations during the days of the underground.

**2.52** There has also been a view that COSATU should not discuss what we want to see emerge out of the ANC congress in policy and leadership. We believe that this approach is wrong. The ANC is our organisation. A weak ANC leads to a weak Alliance. We believe that it is better to debate these issues openly rather than leave them to caucuses which, as we know, are not necessarily representative of the COSATU view. The ANC agrees with this approach and has requested that COSATU make inputs to their congress document.

## Relationship between COSATU and the SACP

**2.53** COSATU and the SACP as part of the Alliance share a common vision on social transformation. At the same time we share a common vision of a socialist future. However there have been very few joint activities and meetings. The few that has taken place have seen COSATU EXCO delegates fail to arrive.

**2.54** There are some within COSATU who feel that the SACP does not articulate clearly its views on the transition, the economy, as well as the struggle for socialism. On the other hand, the SACP at both national and regional level have supported most of our positions and programmes.

**2.55** Congress should agree that, in addition to Alliance activities, there should be bilateral meetings with the SACP as a way of strengthening the vision and struggle for socialism. We need to jointly agree on how in the current phase of our struggle we advance the struggle for socialism.

**2.56** Unlike political parties in parliament, the SACP does not receive any state funds. As COSATU we should discuss how we can ensure that the party becomes self sufficient. One way would be to have joint activities as is the case with NUMSA, NEHAWU, NUM and FAWU joint education schools.

## 1999 Elections

**2.57** As outlined in the beginning, the 1999 elections are a mere 20 months away. We should agree as COSATU on how we will participate in these elections. We propose that COSATU establish an election fund by members as part of our contribution to the campaign. In deciding on an approach for the participation of worker leaders in the 1999 elections, a number of factors should be taken into account:

- Whether the negative effect releasing comrades has on the organisation; outweighs the benefit of them working in government;
- Whether refusing to sanction it would serve any purpose;
- Progress in redefining the role of the Alliance in policy formulation as well as making it function more effectively, and to implement a programme;
- A plan to mobilise back up and resources by COSATU and the Alliance in general to strengthen our leadership in government;
- The need for programmes to train and prepare election candidates and agree on an approach to future relationships;
- The desirability of setting up structures for consultation between COSATU and supportive MPs;
- Whether (at least some) COSATU leaders should rather be released into other structures of governance such as Ministries.

**2.58** We do not believe that we should have a COSATU list process similar to that in 1994. We should rather encourage our members to play an active role in the ANC and be elected on the basis of their role

in the movement rather than merely in COSATU. We should also ensure that the principle of the right to recall is agreed upon.

## Truth and Reconciliation Commission

**2.59** We are planning to make written submissions to the Truth Commission in October followed by hearings on 11-14 November 1997. Congress should agree that certain sectors which were hard hit by cooperation of business with the regime will also make submissions. We should coordinate this with former SACTU members so as to have a holistic picture.

## 3. Organisational

### Current situation

**3.1** COSATU can be characterised as a mixed bag. On the one hand we have the strength that many trade unions and organisations in the world can only dream of. This refers to our ability to mobilise members as demonstrated in the campaign section of the Activity Report. COSATU has been able to retain its membership and gain new members partly through breaking down previous racial barriers. Most of our affiliates have made great strides in making a reality our principle of non-racialism.

**3.2** We have sustained the militancy of our membership through engagement with the current phase of our struggle — in policy issues and challenges facing the federation and the Alliance. We have a strong shop steward movement that is highly politicised, with strong shopfloor organisation and an understanding of the role we have to play in South Africa's transition to democracy.

**3.3** We have retained the organisational strength associated with our proud history. We have achieved this through our continued commitment to worker control and COSATU's culture and traditions of democracy, open debate, healthy criticism, comradeship and willingness to sacrifice and rise above selfish interests for the success of our struggles. Our leadership is generally able to provide leadership without operating as if they have a blank cheque. The dynamic interaction and engagement between our leadership and general membership has helped develop a leadership style that is not a narrow struggle for careers or positions where leadership behaves as if it is doing the membership a favour by acting in the role of office bearers. The style of leadership we have been able to develop is one that sees itself as both the servant and leader of the workers and of the working class in general.

**3.4** Our organisation continues to be a home for a wide range of progressive ideologies and tendencies. COSATU can boast of members of various political organisations finding their home within its ranks. Yet this broad range of membership is fiercely protective of COSATU and continues to engage with COSATU's political and socio economic policies as loyal members. This cross-ideological and political membership has helped us to have broader and better defined political strategies that are the result of

thorough and vigorous contestation. Whilst this can sometimes delay the adoption of strategies and tactics, it is a major strength in that none of our members easily develop blind loyalty to their political parties.

**3.5** Despite continued job losses in 1996 and 1997, most of our affiliates have grown at a healthy rate. The federation has grown by 35% over the last three years. This undoubtedly shows the appeal COSATU has from workers across sectors. With a more targeted and researched recruitment campaign, this growth rate can easily be doubled. Growth has taken place mainly in the public and service sector, with some of our manufacturing unions showing a decline. This is consistent with the developments of economic growth and the changing labour market profile worldwide.

**3.6** Contrary to popular belief, particularly in the commercial press, COSATU has developed greater cohesion than at any other time in its entire history. The Executive acts together as a leadership that understands the challenges facing our movement and the country. Members of the Executive often make themselves available for the organisational and political work of the federation — sometimes at the expense of their affiliates. The task of reporting back to regional shop steward councils on CEC and EXCO decisions has not been left only on the shoulders of COSATU's six National Office Bearers.

**3.7** On the other hand, there are glaring weaknesses within the organisation, despite these strengths. The major weakness is that of the uneven development of our affiliates. Many of our affiliates have human and material resources that allow them to play a role consistent with the values and cultures for which our movement is respected worldwide. As a result of these strengths, these unions have been able to retain and attract skilled staff. The resources at their disposal enable them to train staff and leadership, and consequently to provide quality service to members.

**3.8** At the same time, there are affiliates which are organisationally weak and lack resources. This can be seen from the number of competing trade unions operating in certain sectors. Tensions brought about by these structural weaknesses have in some cases led to deep divisions. These have in turn diverted precious energies and resources away from addressing these weaknesses into internal strife, backstabbing, destructive cliques and criticism. These unions spend little or no financial resources on developing able leadership, skilled staff and strong shop stewards. A NEDCOM survey showed that some unions do not budget a single cent for shop steward and leadership training.

**3.9** The gap in certain instances between the grassroots and leadership at various levels is worrying. This gap is evident in the level of participation in COSATU constitutional structures by the full-time leadership compared to that of elected worker office bearers and factory floor leadership. Whilst it can be argued that this is unavoidable due to access to information and the availability of time to read, strategise and plan, this trend is disturbing as it develops a new culture of 'gurus' whose ideas are not consistently challenged and tested.

**3.10** One of the consequences of political freedom is the danger of eroding some of our values, cultures and traditions. Reports from our regions show a worrying decline of the culture of commitment and selflessness. In some cases shop stewards are no longer willing to attend meetings after working hours, forcing some locals to change their meeting times. Some of our administrative staff refuse to be involved

in gender activities out of fear that these meetings might take place after 'working hours' and over weekends.

**3.11** Due to some of the problems outlined above, servicing membership has declined in some of our affiliates. This puts pressure on workers to find alternative sources of service, including going to the extent of crossing the floor to more viable unions within COSATU. This compounds demarcation problems or leads to some moving completely out of COSATU into rival unions.

**3.12** Competition between affiliates in the past meant that some affiliates were reluctant to reveal internal organisational weaknesses. These unions tend to be defensive, arguing that their problems are 'internal' and need no 'interference from COSATU'. This has led to situations where we learn through the media of organisational in-fighting and internal problems. However, it must be acknowledged that over the past few years this trend has begun to be broken down: a number of affiliates have requested us to intervene or support them in the face of problems.

**3.13** COSATU's lack of capacity to intervene effectively when approached has been a glaring weakness. In reality, COSATU has had only three senior full-time officials able to make such political interventions: two General Secretaries and the Organising Secretary. Given that the Organising Secretary enjoys limited political authority, this has meant that it falls to the limited capacity of the Secretariat not only to intervene, but to monitor and drive the processes resulting from affiliate requests. The end result of this serious capacity bottleneck is that we make half-baked interventions without full organisational and political programmes to drive these to conclusion.

**3.14** Our inability to continue to drive the living wage struggle and a coherent collective bargaining strategy has been an ongoing drawback for many years. The 7,5% decline in workers' real wages may be a testimony to the problems of unions fighting isolated battles and of workers' exposure to a continuing ideological onslaught by the bosses.

**3.15** Our unions were demarcated in 1985 in accordance with our principle of 'One Union One Industry'. After eleven years these industries have changed due to new economic conditions brought about by technological developments. There are many grey areas and overlaps between the organisational scopes of different unions. The result has been both an unwitting and conscious poaching of membership between affiliates. Situations like the Irvin and Johnson scandal between FAWU and SACCAWU, where the precious life of a worker was lost, can no longer be tolerated.

## Challenges

**3.16** We face enormous challenges brought about by the new situation, including both objective and subjective conditions. Our key tasks can be summarised as follows: **Build a strong, vibrant and democratic COSATU!** Indeed, we must return to the slogan of the eighties: **Organise or Starve!** We should understand that if our organisational structures were to be weakened to a point where it became toothless, enemies of the working class would seize the opportunity and roll back every single gain we have made in the past. This could even include demanding amendments to the constitution, the LRA and a host of progressive legislation to reflect capital's demands and aspirations.

## Strengthening our structures

**3.17** The challenge therefore has to be the strengthening of our structures, at the level of affiliates, regions and locals. It has been accepted in the past that the strength of COSATU structures depends entirely on the strength of the relevant structures of its affiliates. This could easily become an empty slogan unless we use this congress to address our capacity problems.

## Building a COSATU cadreship

**3.18** The federation should at all levels put the issue of cadre development on the agenda. Currently a number of affiliates are devoting few or no resources to training shop stewards, staff and senior leadership. This must change dramatically if the future of the labour movement is to be guaranteed. Most importantly, we should develop a core of leadership that has the capacity to engage with the major challenges of political and socio-economic strategic and policy issues. Just like some affiliates, the federation too has not paid sufficient attention to the area of capacity building. The transitional period demands that we open debates on political policy, analyse the current conjuncture, the balance of forces and the realities we face, and strategise towards our goal of socialism. We also need to train cadres on economic policy and other related issues like monetary, fiscal, industrial and labour market policies. Our cadres can only engage with and challenge rampant neo-liberalism if properly empowered.

## Women leadership

**3.19** COSATU's commitment in principle to build women leadership is unquestionable. Since our inception, this matter has been on our agenda. We have taken countless resolutions on this important question. We have held three national conferences on women. Despite all this, we have not been able to change the patriarchal mindset of many of our members and, to some extent, of our leaders. Under apartheid, black men suffered racial and class oppression. Black women on the other hand suffered racial, class and gender oppression, often referred to as triple oppression. They were treated as junior partners both in personal relationships and in society at large.

**3.20** Just as some whites do not understand why we are so vociferous in arguing for affirmative action as an instrument of addressing racial oppression, some of our male comrades do not understand the need to put special corrective measures in place to address the oppression of women. Revolutionaries have a responsibility not only to deal with forms of oppression which affect them, but to fight for the implementation of corrective measures to address the lack of women leadership in the federation, to empower and capacitate women, and to ensure their representation in all structures of the federation. Our struggles must be characterised by a commitment to fight race, class and gender struggles.

## A living wage campaign and collective bargaining strategy

**3.21** COSATU's affiliates have developed good strategies around collective bargaining and the living wage campaign. Over the past few years many of our affiliates have won major victories in the collective bargaining field. These victories include agreements on addressing the apartheid wage gap, minimum wages, training, clear career paths for workers, parental rights and other organisational rights. But other unions were not able to develop clear policies and strategies for their industries.

**3.22** Wages for blue collar workers dropped in the past year, even though there was a rise in productivity levels. This reflects the weakness of our living wage campaign. This congress must develop not only demands for a collective bargaining strategy but strategies for effective co-ordination of the living wage struggle. Failure to do so will mean that the living standards of our members will continue to plummet.

## Policy proposals

### ***Industrial demarcation***

**3.23** For the past six years we have spoken about the need to reconsider our current demarcation with no finality. At the same time, the decisions on a single transport union and a public sector union remain unimplemented. It is now time to make a decisive move on this matter. We propose the adoption of the following as new areas of demarcation:

- **Primary Sector:**  
One union to include mining, energy, quarries, bricks, building, civil agriculture.
  
- **Manufacturing 1:**  
Metals, engineering, motor, auto, rubber and smelters, construction, motor retail, polypropylene and plastic car parts.
  
- **Manufacturing 2:**  
Clothing, textile, textile polypropylene, fibre-makers and food.
  
- **Public Sector:**  
Government departments including teaching, police and correctional services, local government, parastatals, administration, private health and education and associated industries like medical aid, drug manufacturing and retail (e.g. chemists).

- **Private Services 1:**  
All retail and hospitality, security and cleaning.
  
- **Private Services 2:**  
All finance and related services, transport and communications, including public transport and communicationnnns.

**3.24** The federation should force mergers within the next three years. Steps should be taken against unions not co-operating, including suspension and secpulsion. It is no use taking decisions if these cannot be implemented. Those who disagree must say so in this congress. We must bring to an end the notion of affiliation for convenience without commitment. As a step towards these mergers, issues of collective bargaining and industrial policy should be jointly coordinated. Where logistical obstacles are encountered, they can be dealt with by the CEC.

## Build capacity for COSATU to intervene and to share resources

**3.25** Clause 5.2 of the COSATU constitution states that *Affiliated unions shall remain autonomous bodies governed by their own constitutions, but will abide by the Constitution and policies of the Federation.*

**3.26** The debate in the federation about the strengthening of the centre and about giving powers to the centre so that its decisions can bind affiliates should be located within this clause. In most discussions the issue of affiliate autonomy versus the powers of the federation has been identified as the main issue to be addressed. We would argue otherwise. A closer interrogation of this clause indicates that in most cases we have not been constrained by affiliate autonomy but by a lack of political will to confront matters without fear or favour. The constitution is very clear that COSATU's constitution and policies take precedence over affiliate constitutions and policies. This is what we all agreed to at our founding congress in 1985.

**3.27** Political will cannot be brought about by constitutional changes. It will require willingness and understanding from affiliates that the Executive and incoming National Office Bearers have a right to intervene decisively when an affiliate steps out of line with regard to the federation's constitution and policies. This also means that the EXCO and NOBs, or any other constitutional structure of the federation, including those at regional and local level, has the right to intervene in so-called 'internal' problems of affiliates around issues like internal divisions or in-fighting, failure to service members, undermining by leadership of the principles of worker control and democracy, and generally acting in ways that can bring the federation and its image into disrepute.

**3.28** At the same time, we need to strengthen the capacity of the federation. At the moment, even though we may want to intervene, our interventions are limited by lack of capacity to sustain such interventions. This means that our interventions are often limited to sitting down with affiliate leadership and listening to the problem.

## Sharing resources and experience

**3.29** A new sense of belonging to a single organisation has to be cultivated in the federation. This requires that we eliminate destructive competition amongst affiliates. If the CEC consensus — that no affiliate should congratulate itself when another is struggling — is endorsed by this congress, a good foundation will be laid for moving to a better style of work and building a stronger federation. We propose that the following measures be endorsed:

- Each affiliate should be obliged to release or second staff when requested by the Executive after analysis of the problems faced by another affiliate. The onus of payment for seconded staff should be on the seconding affiliate, unless the affiliate receiving assistance can afford to pay, or as decided by the CEC or EXCO.
- Unions should agree to co-operate and share resources, including rental of office space, hiring of office equipment, employing organisers and other staff in rural areas where the potential membership of all or most affiliates is insufficient to sustain the opening of offices and the employment of organisers in terms of the relevant affiliate constitutions. Control of these resources should be placed under joint committees established by co-operating affiliates.
- COSATU RECs should be empowered to encourage these negotiations and to identify areas where this type of cooperation is possible. Such cooperation should be subject to the decision of the NEC's of unions affected and subject to periodic review. If, as a result of the success of this strategy, the membership of one affiliate grows to the point where it can afford to open a branch or local office, such a union should be able to negotiate its withdrawal from such cooperation.
- Resources such as media skills and the production of union newsletters should be shared, particularly education materials, *The Shopsteward* and organisers' manuals.

- While steps should be taken to assist affiliates, no union should be allowed to abuse these measures to claim permanent poverty whilst it is mismanaging its resources — financial and human.
- Affiliate constitutions should be amended to allow members to elect into full-time positions (such as general and regional secretaries) individuals from other affiliates within the federation, subject to the agreement of the relevant affiliate or subject to the decision of EXCO or CEC. This should be based on an understanding that such comrades will serve for one or two terms.
- Periodic campaigns to strengthen affiliates in particular regions should be co-ordinated at federation level. Regional organisers and COSATU's organising department should compile reports on the progress of such campaigns. Affiliates not co-operating with such campaigns should be called to account by the federation's constitutional structures.
- Periodic recruitment drives to increase representation of unrepresentative affiliates should be co-ordinated at federation level. Reports on such drives should be compiled by regional organisers and COSATU's organising department. Affiliates not co-operating with such drives should bear the brunt of the federation's constitutional structures.
- For the purpose of the above, failure by affiliates to attend national and regional organisers' forums should be construed as failure to attend constitutional structures.
- In addition, we propose that the Congress seriously consider the recommendations of the September Commission, particularly Chapter 9 *Transforming ourselves to transform society: building effective organisation* and Chapter 10 *Building the engines of COSATU: restructuring the federation*.

## Domestic Workers

**3.30** We propose that the Congress endorse the CEC and EXCO policy with regard to domestic workers, namely that it is not realistic for domestic workers to form a viable union of their own. COSATU Head Office, through the organising department and NALEDI, should table proposals to the next CEC on how service centres can be established for domestic workers. The issue of funding for such centres should be part of the recommendation, including the possibility of a levy on COSATU members.

## Recruiting new members

**3.31** Three years after the end of institutionalised racial oppression, COSATU remains largely a blue collar federation. In the past we took resolutions to improve this situation and make efforts to attract formerly privileged workers into our ranks. We therefore propose that this congress endorse the September Commission proposal (Chapter 7) on strategies to organise new sectors and layers of workers. In addition, we propose that:

- The federation research other benefits provided to members by different affiliates, and take steps to ensure uniformity across all affiliates;
- The federation research benefits that staff associations in particular are providing to their members to maintain their loyalty, and look at possible ways of COSATU unions extending such benefits to COSATU members;
- The federation research benefits and schemes such as savings and credit schemes with a view to using the power of our numbers to maximise such benefits.
- The EXCO should play an important role in integrating such workers or unions into the federation so as to avoid a situation of affiliation of convenience.

## Collective bargaining strategy

**3.32** We propose that the federation be empowered to co-ordinate and, where necessary, engage in collective bargaining issues. Co-ordination would include collecting data, formulating core demands, mass mobilisation etc. Issues that cut across sectors would be dealt with by the federation against a national employers' organisation. While these negotiations will be led by the NOBs, in reality it will be affiliates who are negotiating. The COSATU team should therefore include Presidents and General Secretaries of affiliates. No single affiliate can deal with issues such as the social wage on its own.

**3.33** The new conditions require that we seize the opportunity to introduce a new bargaining framework, which will combine the three levels of bargaining in the economy in a coherent approach. This entails negotiation of the wage agreement at the following three levels:

- **Macro:** the basic percentage increase in labour costs in the economy for a 12-month period, together with targets on monetary policy, investment, trade reform and fiscal policy parameters.
- **Sectoral:** the division of the basic wage cost increase into the wage package such as wages, hours of work, retirement funding, etc.
- **Workplace:** productivity increases based on workplace restructuring.

**3.34** If the above is agreed to, we propose the following programme for the next 36 months (**'Negotiations 2000'**), which should be implemented in three phases:

- COSATU Congress to adopt a policy position to support centralised bargaining at macro level (September 1997);
- Affiliate and regional workshops to take members through the detail of the new direction (October 1997– April 1998);

- Develop detailed document on new negotiation arrangement, to cover the following: At which structure should negotiations take place; how affiliates will be represented; how mandates will be obtained and tested during negotiations; and sustaining shop steward and member involvement in negotiations and campaigns (May 1998–August 1998);
- Submit proposals for discussion in the Alliance and thereafter for negotiation at tripartite level (September 1998–March 1999);
- Regional shop stewards meetings on proportional basis to plan campaigns of action if there is no agreement at NEDLAC on the new direction, or if there is agreement, to develop wage-related proposals for macro negotiations (April–July 1999);
- Submission of demands on wages at tripartite level, for 1 July 2000 implementation date. Commencement of macro negotiations over a period of not more than 4 months (August–November 1999);
- Consideration of new framework agreement at sectoral level, with negotiation on how to structure the package at sectoral level, the minimum wage, and new grading levels (February 2000);
- Productivity adjustments introduced at plant level (June 2000);

- Implementation of new agreements on 1 July 2000.

## May Day celebrations

**3.35** In all CECs preparing for May Day, the cry from regions has been one of COSATU providing transport to May Day activities. We propose that workers pay for transport to May Day activities. Affiliates should either collect the money through a once-off levy every year or incorporate this into subscriptions over a period of time. The advantage of collection by affiliates is that they will have to visit factories regularly to effect this. Imagine an organiser arriving to collect a May Day levy at a factory that he/she does not service. To ensure the success of this approach, the CEC should agree on an amount as it approves the COSATU budget. Affiliates will be bound accordingly. This will allow us to provide transport and have successful May Day activities. At the same time, we should continue to look at innovative ways of celebrating this historic day in a way that brings the Alliance into the planning as well as ensures wider appeal.

## Developing women leadership

**3.36** In order to alleviate the absence of women leadership and to promote it, we propose the principle of a quota system for the promotion of women leadership in all structures of the federation, including the CEC, EXCO and NOBs on the following basis:

- Our preference is the 50% proposed by the September Commission. We are however willing to consider 36% representation of women in all federation structures, based on the fact that 36% of the current membership of COSATU are women. This should begin at this Congress with the election of at least one third of women as National Office Bearers. What we are not willing to accept are empty slogans of empowerment which are not implemented.
- Affiliates should conduct research to establish the number of women members in their unions and set quota percentages accordingly. For example: if women make up 10% of the union membership, the quota should be 10%; if women make up 75% of the union membership, the quota should be 75%. In this way, we will not be forcing an unreasonable quota on any affiliate.

- The federation and its affiliates should continue to implement the 5th National Congress resolution on building women leadership. In particular, the federation should look at ways of implementing special measures to train and develop women leaders.

## PRU issues

- Affiliates should build capacity by developing a core of comrades at regional and local level to deal with grading and wages policy. This core should be co-ordinated through the regional organiser/educator to participate in Provincial Education and Training Councils and in Vocational Education Development Councils.
- Issues related to our policy and demands on wages, grading and training should be co-ordinated through a structure that will co-ordinate the living wage campaign as outlined above or as part of our new approach to collective bargaining.
- Congress should endorse the current standing decision to research workplace re-organisation and the experiences of affiliates in this regard. A team of shop stewards together with full-time researchers from NALEDI should be set up to carry out this investigation. Comparative studies of the experiences of unions elsewhere in the world should also be looked at.
- Research should be conducted on the training and grading needs of white collar workers such as teachers, nurses, police, supervisory staff and financial sector workers. COSATU should develop policies on this matter as part of recruiting new members as recommended by the September Commission.
- We should take advantage of the new LRA to establish Workplace Forums as part of our agenda to democratise the workplace. The federation should run a pilot project based on factories

identified by affiliates. In this way we will not be throwing workers to the wolves. The position of some affiliates not to establish Workplace Forums is wrong, particularly as workers engage in them without any union assistance.

## Anti-crime campaign

- COSATU should revitalise the campaign against crime and corruption. Innovative ways of engaging our members in this noble fight should be sought. We should, together with our allies and all progressive organisations, initiate a movement against crime and corruption.
- COSATU should educate and conscientise its members to be combatants against crime and corruption in the workplace. White collar crimes, money laundering and drug trafficking should be exposed and dealt with.
- COSATU, through the Public Sector Co-ordinating Committee, should spearhead the debate around the need for a code of conduct for all members, and in particular our members in the public sector. Over time, this should be extended to the private sector.
- Our main strategy for fighting crime should be the upliftment of the living standards of the poorest of the poor. COSATU should reject the narrow approach adopted by business and the opposition on crime, which is based on building more high security prisons, more police vans, teargas and guns, and a huge army.
- COSATU should play a leading role, in conjunction with other forces, in establishing community police forums where they do not exist and in strengthening those that exist.

- As part of this strategy, COSATU leadership, including shop stewards and National Office Bearers, should enroll as police reservists.

## Masakhane and the RDP

- The last Congress adopted a resolution on the need for workers to contribute to the RDP. As a way of furthering this resolution, Congress should identify April 27 1998 as the day that workers should make their contribution to the RDP.
- The next CEC should decide on the percentage that should be contributed to the RDP fund as well as decide whether we should establish a joint COSATU fund, Labour and Government RDP fund, Alliance fund, or some other option as presented in the discussion paper.
- We should take appropriate steps to tighten control over workers' contributions to limit abuse and to ensure that these contributions are strictly for the social needs of disadvantaged communities.
- We should promote other activities such as housing brigades to help build infrastructure and extend social services to our members.
- The current position of certain elements within SANCO to oppose the campaign for those who can afford to pay for services should be rejected in the same way that we reject the Sandton boycott. At the same time we should refuse to be bullied by those who call on the government to clamp down on non payers without any mercy.

## Regions

### Locals

- COSATU should ensure that the process under way to develop manuals for Local Office Bearers is concluded. In addition, COSATU policies — in particular, the socio-economic policy — should be summarised and simplified for locals.
- The above should be used as a conscious strategy to develop the capacity of locals to engage with forums such as Local Development Forums, local government and in other platforms of engagement as may be necessary in pursuit of the interests of the federation.
- We should avoid bureaucratising locals. Locals should continue to be the backbone of the federation, used to effect solidarity, mobilise members, build capacity, and as a forum to debate topical issues.

## Build the capacity of regions to intervene in policy

- Regional budgets should be increased to allow them to build sufficient capacity to engage provincial governments with regard to policy formulation.
- The September Commission recommendations in this regard should be seriously considered in order to allow regions to draw on the collective wisdom of affiliates to make these interventions.

- A forum of all regions with the participation of local LOBs should be established to meet once a year. This forum should be used to co-ordinate our activities and our interventions in regard to the socio-economic challenges facing provinces.
- The term of Regional Office Bearers should be the same as that of the National Office Bearers.
- Regional congresses — in particular, congresses at which elections are held — should be streamlined to happen a few months before the National Congress. Other regional congresses should be held in the first part of each year instead of at the end of the year.
- Regional congresses should take place over one and a half days, with affiliates paying for accommodation of their delegates and the federation paying for conference centres and food.
- Regions should be renamed and be known as provinces. The boundaries of regions should be continually reviewed by the CEC, with the proviso that our boundaries are determined primarily by organisational requirements, and therefore that no boundaries will be changed merely for political reasons. At the same time, we should be aware that the current situation where one COSATU region deals with three provincial government structures is problematic.

## Organising, Education and Administrative Secretaries

**3.37** The current constitutional clauses on the appointment of the above was a compromise position arrived at in 1991. In reality, the NOBs have followed the normal procedures for employment of the Organising, Education and Administrative Secretaries. Accordingly, we recommend that clauses 7.1.8, 7.1.9 and 7.1.10 be deleted from the constitution. These clauses deal with the appointment of the Organising, Education and Administrative Secretaries. We propose that the procedure to fill these positions follow the employment procedure applicable to all other staff positions. Their powers and roles should remain as at present.

## ***Assistant General Secretary***

**3.38** The word Assistant gives the impression that this position is more like that of a Personal Assistant or that the incumbent has no specific role and duties other than to assist the General Secretary. We therefore propose that this position be renamed Deputy General Secretary and clause 7.4.4.11 of the constitution or any subsequent clause be amended accordingly. It should reflect all duties applicable to the General Secretary, save to say that this does not mean that the General Secretary abdicates the responsibility of being the Accounting Officer.

## ***Structures for coordination***

**3.39** The CEC should be empowered to revisit the current structures and departments of the federation in order to implement a revamp that will allow us to be effective. This will be important if we want to engage effectively with our members, government, parliament, the Alliance, business, NEDLAC, at an international level etc.

## **Administration**

**3.40** Organisational effectiveness goes hand in hand with administrative effectiveness. COSATU's significance lies in its ability to respond effectively to a wide range of issues which are often complex and steeped in an ideologically problematic approach. Such capacity and quality of timeous responses depends on the way COSATU is structured in ensuring that its aims and objectives are met and mandates carried out.

**3.41** At a time when COSATU has lost some of its experienced staff members and worker leaders to government and business, the unions are required to operate at a higher level of efficiency and effectiveness. The present terrain calls for stronger administrative and organisational capacity and proactive leadership.

**3.42** However, there is a lack of understanding and appreciation of the relationship between the support service rendered by staff and strong leadership. These factors have, in conjunction with poor working conditions, led to an organisation with staff who are inexperienced, demoralised, frustrated and lack commitment. The combination of laissez-faire management and poor administration is a recipe for disaster and seriously needs addressing.

## **Proposal**

**3.43** The CEC, following this Congress, should appoint a team comprising CEC representatives (to include a member of the Secretariat) as well as representatives of staff to begin a process of reviewing all the administrative and organisational issues at Head Office and regional level. This team should carry out this task, taking into account the September Commission's recommendations as well as the proposal around developing a common labour market in the federation. This process should create an environment which ensures that those concerned are involved in this review process.

## Trade union unity

**3.44** Past congresses have passed resolutions on trade union unity, but to no avail. Congress should discuss how we take the process forward. The so-called obstacles relate to our political policy, fear of certain officials in all federations to lose their positions, etc.

## 4. Socio Economic Report

### Situation

**4.1** If anything has had the effect of souring relations and threatening the ethos of the Alliance over the past three years, it has been issues related to socio-economic policy. This has caused a lot of frustration on the part of COSATU.

**4.2** The critical problem has been that policy appears to be driven in the main by technocrats from various government departments, elements with no loyalty to the Alliance programme — the RDP — and sometimes by business. The Alliance has had no role in the development of policy. As a result, COSATU interventions have been reduced to that of a lobby which competes with business and NGOs in getting its views taken on board, with the government acting as a neutral referee mediating to reconcile the views of these 'competing' forces.

**4.3** The RDP remains the most popular policy statement ever developed by the Alliance since the days of the Freedom Charter. Its popularity is immeasurable and can not be questioned, as was proven beyond doubt during the national and local government elections. Even candidates from outside the Alliance campaigned on RDP issues during the local government elections.

**4.4** The most unfortunate strategic mistake the Alliance made was not to plan together on how to deal with the challenges, constraints and possibilities at a political and socio-economic level. This planning would include strategies to implement the RDP, strengthening the government and the Alliance in order to shift the balance of power continuously in favour of the blacks in general and the working class in particular, as well as keeping the masses on board as we implement our transformation programme.

**4.5** The absence of a common approach and analysis of the current conjuncture, an agreed programme/platform of the Alliance, an implementation strategy and regular meetings of the Alliance resulted in a fragmentation of the implementation strategy. In most cases, government departments and Ministries developed their own plans based on how they analysed the realities facing them. In the process, policy formulation slipped out of the political influence of the Alliance, including the ANC.

**4.6** As a result, whether or not we have progressive policies and legislation (such as in education, health, land and water) or ones which run counter to the RDP (such as in transport, housing, macro-economic policy) depends largely on the Ministry.

**4.7** In the meantime, the bourgeoisie has continued to put pressure on the government to embrace their economic thinking. The relentless pressure from capital took a new turn when the Rand devalued by more than 20% in 1996. Using this crisis, capital, through the SA Foundation and the Brenthurst Group, became more aggressive in lobbying for the adoption of their prescriptions.

**4.8** On 14 June 1996 a macro-economic strategy, now known as GEAR, was published. It was immediately proclaimed non-negotiable and cast in stone by the Minister of Finance and his Director General. In our view, this was a case of a strategy devised in panic and to appease capital, whose pressure it would seem was becoming unbearable. This is not to deny that there are legitimate constraints and limitations faced by government, but to say that the Alliance is capable of seizing the moment, even under extreme difficulties.

## Impact of GEAR

**4.9** Our initial approach was that, instead of confronting the government over GEAR head on, we would attempt to propose progressive policies in key areas of social and economic development such as housing, and in that way hope to shift the parameters of GEAR. It is not possible to shift development of policy without an engagement with GEAR and the philosophy that underpins it. The limitations of this approach, however, have become clear. It is now apparent that we need to shift the parameters and orientation of the macro-economic strategy itself, otherwise it will become increasingly difficult to make progress in advancing legislative processes aimed at transformation. This is not a position arrived at lightly, or based on some bravado to challenge government policies. It is based on the concrete reality of GEAR's impact on all areas of our life!

**4.10** GEAR is intruding into a wide range of social policy and legislation. The replacement of the social and developmental aspects of the RDP, with the intermediate objectives of fiscal discipline, has a paralysing affect on policy and legislation aimed at transformation. The Finance and the Trade and Industry Ministries are known to have both privately and publicly questioned the BCEA and the National Health Insurance based on their 'financial implications' as well as their 'religious' commitment to GEAR. The restrictive approach adopted in the Lund Commission and to Social Welfare more generally; and the approach to cutting back of the public sector are in our view based on this approach. What is clear is that all conservative elements of GEAR are being implemented vigorously while areas which on paper hold prospects for transformation have been relegated to the back burner. We have it on good authority that these areas were not part of the GEAR conceptualisation, but added as a sop to make it seem to be in line with the RDP!

**4.11** GEAR embraces many of the elements of the *Growth for All* document tabled by big business. The only difference is that GEAR contains a rhetorical commitment to RDP objectives. At the invitation of the Deputy President, several meetings were held between COSATU and the government. These meetings were however inconclusive and with no tangible results. In the mean time, the ANC has since defended GEAR as their policy and argues that it is an RDP implementation strategy, even though they only discussed it two months after it had been adopted by the government and sold overseas!

**4.12** GEAR is being implemented all round. According to the government, GEAR is succeeding because the deficit reduction programme is on target, exchange controls have been lifted, tax incentives are being introduced, interest rates remain high, tariffs are reduced and there is pressure on unions to agree to the concept of labour market flexibility. The current dispute on a variation model in the negotiations of Basic Conditions of Employment is at the center of this labour market flexibility.

**4.13** For the majority of South Africans, particularly the working class, the implementation of GEAR will have — and is already having — a profound negative impact in the following areas:

- entrenching contractionary fiscal and monetary policy, stifling economic growth and employment creation;
- high interest rates and phasing out of exchange controls are encouraging financial speculation and outflow of capital;
- tariff and trade policy is undermining significant sections of our industry, leading to massive job losses including factory closures;
- ideologically driven deficit cuts are undermining massive public works and a direct state role in housing, health and infrastructure development;
- pledges on the reduction of the public service is running down the capacity of the public sector;
- overemphasis on private-sector driven development is encouraging privatisation and contracting out of public economic activities and may lead to us running down the public service;

- excessive reliance on the private sector to create jobs, despite their dismal record in this regard.

**4.14** Despite these constraints, we have made strides in ensuring that legislation passed by parliament reflects the aspirations of the working people and our members. COSATU's parliamentary office has made submissions and influenced many pieces of legislation and other policy matters. This includes such important matters as the Pensions Bill, retirement funds, taxation, budgets, tax holidays, interest rates, tariffs, Small Business Bill, housing, telecommunications, termination of pregnancy bill, social welfare, public works, health bills, procurement policy, local government, etc.

**4.15** It should be noted that, as COSATU, we do not lack policy on most issues. Three policy conferences were held in the past three years: on the living wage; health, safety and the environment; and economic policy. This has increased our capacity to engage with policies on a wide variety of issues. The problem is that the federation simply lacks an implementation strategy to carry through all our positions. We need to address this weakness if we are going to make an impact on these issues.

**4.16** At the time of the writing of the report, processes to deal with issues such as the role of the state, trade and industry policy, fiscal and monetary policy, an employment creation strategy, labour market and rural development within the Alliance were being pursued by the Alliance Office Bearers.

## Challenges

**4.17** The important challenge is how we are going to ensure that the RDP remains firmly on the agenda of transformation. The Alliance process is not intended to produce another great document. The policy of the Alliance is and must continue to be the RDP. The real issue is how we ensure that RDP objectives underpin policy and legislative formulation.

**4.18** Linked to the above is to ensure that the Alliance develop a programme that can be implemented to improve the lives of our people. The current Alliance discussion on the development of the common approach and programme for social transformation and programme should be nurtured as it is the Alliance's only hope to address the apartheid legacy of poverty and economic deprivation.

**4.19** Constitutional structures should ensure that policies adopted at the recent policy conference are implemented, in particular at the affiliate level.

**4.20** An education programme on all policies for our leadership at all levels should be developed. Our defeat or decline in influence will accelerate if our cadres are unable to articulate our positions. Our theoretical construct and positions to ensure that social transformation is in line with our goals for the emancipation of the working class are consistently being challenged. If our cadres are not empowered, there is a danger that some of them could begin to 'understand' or sympathise with capital's theory. This will happen not because these cadres are making a right-wing shift, but out of sheer ignorance.

**4.21** The past three years have seen most of our unions and the federation establish investment companies. The key question is agreeing on the agenda and focus of these companies. How do we ensure that our involvement does not lead to the undermining of the trade union movement, its policies and struggles. They cannot continue to be just 'independent' institutions operating above the ethics, morals and traditions of the democratic trade union movement, associating with us only for the convenience of using our name.

**4.22** We must ensure that these companies do not follow the approach of equating the National Democratic Revolution, as is beginning to happen in some quarters, with the creation of a 'patriotic (black) bourgeoisie' and self enrichment. That would be tantamount to robbing the NDR of its transformational character and going for the caricature of 'Uhuru' which our movement has always been so critical of. We have to reassert both control and influence in these investment companies in a way that will not lead to the constant embarrassment that some of them often subject our federation to.

**4.23** Central to our challenge is the question of poverty. Surveys indicate that, despite trade unions and government strategies to uplift and improve the standard of living, poverty remains widespread in South Africa. The UN report on South Africa showed that the gap between the rich and poor is widening. The wage gap between highly skilled and blue collar workers is increasing. The real wages of South African workers has been going down, contrary to the spurious myth from the bosses and the media. Training is becoming less of a priority and is off the bosses' agenda. Jobs are being lost at an alarming rate. Rural communities and women continue to be the worst-hit victims of this stagnation.

## Policy proposals

### Reject Gear and its philosophy

**4.24** We propose that this Congress endorse the CEC rejection of GEAR and its philosophy in support of the Alliance Summit approach that ours must be 'a developmental macro-economic policy' aligned to needs of the country. Such a policy comprises areas such as industrial policy and monetary policy — which should evolve in line with the objective needs of our transformation process, while recognising the constraints which we face. We agree with President Mandela who said in a May Day rally in Umtata that macro-economic policies are not cast in stone but are reviewed from time to time to take account of the objective conditions.

**4.25** COSATU should launch a campaign against high interest rates. A coalition of all forces who are opposed to the current policies of the Reserve Bank should be formed. COSATU should convene a conference on appropriate fiscal and monetary policies in November or early in 1998. We should make a comparative study between our high levels of interest rate and other developing economies and widely publish these as part of the pressure on Chris Stals. This should be coupled with the demand for the restructuring of the Reserve Bank, in particular, to ensure representivity of its board.

**4.26** We should launch a campaign in support of our policies as outlined in the *Social Equity* document on fiscal policy. The focus should be on shifting the tax burden away from the poor to the rich and companies. Existing research comparing our tax levels with the international community should be used extensively in order to win public support for the campaign. We should however make it very clear that workers must pay tax and that the campaign should not be mistaken for a refusal to pay tax by

individuals. Those of us who work should contribute to the best of our ability to **make social transformation possible**.

**4.27** COSATU's vision on public sector transformation and the role of the public service should be aggressively placed on the national agenda. COSATU should campaign against the proposals to unilaterally reduce the number of public service workers. Research on needs for public service delivery and numbers of public service workers required to deliver services should be conducted. This should be based on comparative studies of countries that used the public service to drive infrastructure development and meeting of basic needs. We should feed into the task team which will be coordinated through the office of Deputy President Thabo Mbeki. The Alliance should hold a conference on the restructuring of the public sector and service delivery.

**4.28** A campaign '**in defence of our jobs**' should be launched. The campaign should be linked to trade policy, the proposed Job Summit, tariffs reductions, skills development well as the struggle for a Social Clause and Social Plan Act. There will be those that will say that this is too narrow. We must reject this assertion. We have a responsibility to defend the jobs of our members at the same time as we call for new ones.

**4.29** COSATU should campaign for a people's budget. The key focus of our demands should be turning the budget into a redistribution tool to address meeting the social needs of the poor. We should reject the existing policy and, through the Alliance, shift away from bloody minded expenditure cuts. COSATU should interact very closely with the current three-year budget cycle discussions. Meetings should be held with key government departments such as health and education to influence priorities now instead of dealing with products already cast in stone and after the budget speech. This should apply at national and provincial levels.

**4.30** The role of the state in economic activity should be central in our campaigns in the next year. We should reject arguments to reduce the democratic state's role to that of a creator of an environment for business to invest or arguments for a slim state. Central to this role should be the question of strategic government interventions and development of policies on trade and industry, fiscal and monetary policies, labour market policy and job creation.

## Support the Alliance discussion on the programme

**4.31** The Congress should endorse the COSATU proposals on the programme or platform for the Alliance. The form and content of the programme should be debated in this congress and settled.

**4.32** The Congress should back the Alliance discussions aimed at strengthening the Alliance. COSATU should, in particular, endorse the need to have a series of Alliance joint Executives and summits to discuss and agree on the role of the state, including on related issues such as trade and industry policy, employment creation strategy, fiscal and monetary policy, the labour market, public sector transformation, social security and rural development and land.

## Build the capacity of leadership

**4.33** NEDCOM in conjunction with EXCO and our negotiators in various forums should develop materials to train our cadres on COSATU policy, in particular at the regional and local level.

**4.34** The training of the EXCO in particular and COSATU's other negotiators on trade and industry policy, fiscal and monetary policy and labour market policy should continue. This training should be funded either through COSATU's normal budget or through separate funding as part of the broader capacity-building programme of the EXCO.

**4.35** The EXCO should, as part of the above, ensure that a core of negotiators receive extended and comprehensive training. The Education Department should initiate discussions with NIEP, DITSELA, technikons and universities so that relevant curricula can be developed.

**4.36** Affiliates should agree to second comrades to COSATU for extended periods to help develop positions for negotiations in NEDLAC and other institutions. We should however be aware that while this will increase our capacity to engage, unless there is also a revision of our salary scales, motivation, etc., we may lose the very comrades that we are empowering.

## Investment strategy

**4.37** The question of union investment strategy has been on the agenda of the CEC and EXCO for some time. At this congress, this matter of an agreed broad strategy should be finalised. Whatever the agreement and therefore COSATU policy on this matter must be binding on all affiliates, as argued elsewhere in the report.

**4.38** COSATU should place its investment strategy at the centre of its plans for the transformation of the economy. Both retirement funds and investment companies should feature prominently in this strategy.

**4.39** COSATU needs to make a decision as to what the role of the retirement industry must be. COSATU motivated a Social Investment Fund (RDP Fund) in 1996. It is likely that such a Fund would be the most effective at promoting a transformatory agenda.

**4.40** We reject the notion that investment companies are separate from unions. Moreover, the 'business is business' approach and the practice of investment companies holds many threats for unions, especially as such practices undermine union principles and policies.

**4.41** There is a need to align union investment company strategy with union principles. The greater the gaps that exist between strategy and principles, the more likely that business and other vested interests would be able to undermine union principles. The realignment of union investment strategy requires extensive membership debate and eventual imposition of union guidelines. We propose that Congress consider the following policy proposals to guide these institutions:

## Decision on '*separation*'

**4.42** Firstly, investment companies are, in reality, not separate from unions. Moreover, it is unlikely that political separation could be achieved, taking into account the historical association of the union investment companies, and their natural overlap with unions.

**4.43** Secondly, unions (and current union officials) should not be involved in day-to-day investment activities. Unions and officials should avoid conflict of interest situations and possible threats of litigation from employers. Therefore there could be a *functional* separation between the union and the investment company.

**4.44** In this instance the option may be that the investment company is seen as part of the union, and must abide by firm union principles and guidelines. They should abide by set guidelines, reflecting, firstly, union goals and, secondly, financial returns. Their guidelines could be revised only at the relevant National Congress, after extensive debate. There could even be 'entrenched clauses' requiring a large majority before revision can be made. As long as guidelines are being followed, unions may not interfere in investment companies' day-to-day activities.

## Develop guidelines for union investment companies

**4.45** If this option is accepted, certain guidelines need to be developed to address 'internal' and 'external' issues.

- Internal guidelines relate to overall union goals and Codes of Conduct.
  
- External guidelines relate to (1) companies controlled by the investment company, and (2) the company in which a non-controlling share may be held.

## Determine objective of investments

**4.46** Is the objective of union investments to transform the economy or to promote black economic empowerment (or member benefits)? It is suggested that economic transformation and collective action be at the centre of the strategy. Member benefits and individual reward should, at most, play only a marginal role.

## Develop the investment strategy

**4.47** Depending on the objectives set, an investment strategy would need to be developed. This may begin by examining how the different investment tools (retirement funds and investment companies) could be used to further the objectives. In particular, attention must be paid to the relationship between levels of debt financing and consequent pressure to downsize the acquired company to repay the debt.

## Financial linkage between unions and the investment company.

**4.48** What would be an acceptable financial relationship between unions and the investment company? What activities of the union can be financed by the returns of the investment company? Attention must be paid to ensuring that the unions do not become independent of worker members.

## Set Codes of Conduct for ‘union’ investors and union officials.

**4.49** What should the rules be for union officials in their interaction with investment companies? A basic rule should be to outlaw union officials co-investing with the investment company. Union officials should have no financial interest in the company, to ensure that positions of power are not abused for financial gain. Similarly, ‘union’ investors who try to ‘influence’ worker actions should face serious disciplinary action.

## Decide on form of remuneration for investment managers.

**4.50** How should investment managers be remunerated? Should it be in the form of salary, commission or co-investment? The use of commissions and co-investments could lead to rapid self-enrichment of some investment managers. This would create negative perceptions and undermine the credibility of the investment company. It is suggested that investment managers (generally professional managers brought in from outside the union movement) be paid good salaries and benefits commensurate with qualifications.

## Develop clear worker control / accountability guidelines.

**4.51** Workers must be part of the union investment policy development, which is intended to act on their behalf. A first step is regular and full disclosure of activities and holdings. Guidelines should set out the following:

- accountability and information disclosure;
- worker training to understand the issues;
- ways to ensure policy *principles* of the investment companies are determined democratically.

## Health, Safety and Environment

**4.52** Workers continue to have differential rights in health and safety. While all workers other than miners are covered by the Occupational Health and Safety Act (OHSA), inadequate implementation and enforcement of the Act limits the benefits to many of these workers (e.g. contract workers, fishing, forestry and agricultural workers).

**4.53** The shopfloor representative system under the OHSA has not functioned effectively. The Act does not provide for a clearly defined role for trade unions. International studies have shown that H&S representatives are unable to function effectively without extensive training, assistance and back-up from trade unions. Safety committees remain weak, operating for the most part at a very low level and do not influence major production decisions. The possible tension between safety and production imperatives is thus not acknowledged and managed appropriately. Congress needs to develop an appropriate strategy to empower workers. All affiliates should train their membership effectively, otherwise any improvement of the law is a waste of time.

**4.54** The new Mines Health and Safety Act integrated collective bargaining and health and safety. The new LRA gives trade union representatives the right to monitor an employer's compliance with legislation concerning terms and conditions of employment which would include health and safety and compensation laws. Unions need to utilise this right with regard to health and safety.

## Streamline and consolidate compensation system

**4.55** The basis of the compensation system is the trade-off between workers right to compensation for work related injuries and illness irrespective of fault against their forfeiting the right to sue the employer for damages in the civil courts. However this removal of workers right to civil actions should now be viewed against the new Constitution. The bar on civil actions would not violate the Constitution, provided that the range and level of statutory compensation benefits as a whole are comparable to those that workers would be entitled to under the civil law. COSATU needs to ensure that the benefits received by workers are indeed comparable.

**4.56** Accidents and disease remain under-reported. Workers remain unaware of their rights under the Act. Workers and trade unions must report accidents and submit compensation claims.

**4.57** Despite COSATU's position that benefits need to be increased, this has not been achieved. This would require a radical overhaul of the legislation as was suggested at COSATU's HSE Conference. Changes need to be made to the manner in which permanent disability is calculated. The present system has not been changed since 1941. The committee of inquiry set up to investigate the formation of a national health and safety council, found that 'it is less generous in its assessment of disability than .... private insurers and pension funds'. Loss of earning capacity or employment are not considered. There is no payment for pain and suffering.

## National Health Insurance

**4.58** COSATU has supported the Minister of Health on the need to establish a National Health Insurance. We need to engage with the government to ensure that what is introduced does not merely become

taxation on working people to finance state provision of hospital care but a genuine attempt to make health care accessible to all South Africans at affordable prices. Our aim must be to replace the current system of medical aid schemes with the NHI.

**4.59** It is therefore proposed that COSATU continue with the current engagement with the ministry as well as conduct research on how to best introduce the NHI, its implications, etc. Furthermore, we should support the Minister in her quest to make medicine affordable as well as ensuring that doctors engage in community work.

## 5. International

### *Current situation*

**5.1** At our founding congress in 1985 we declared that 'International solidarity is the lifeblood of trade unionism, particularly in the era of multinational companies'. This visionary assertion guided the federation's international programme over the past 11 years.

**5.2** In our interaction with other trade union organisations we became convinced that the problems we deal with in South Africa are local manifestations of a global problem. For our organisation to effectively fight the disastrous effects of global economics, we need to forge links with other trade unions across the globe. We must develop fight-back campaigns against the imposition of this agenda by unelected institutions such as the IMF, World Bank, WTO and the G7 which encroach on the sovereignty of nation states, depriving them of the right to choose their preferred socio-economic policies.

**5.3** Even though globalisation is a reality which we should not ignore, the motive for such movement of capital are not of our own choosing. As a trade union movement, we should assert a different dimension to globalisation. We should engage in struggle to globalise human and trade union rights as a counter to this morass.

**5.4** Economic globalisation is creating a yawning gap between the rich and poor. A few individuals are obscenely rich, while the overwhelming majority live in the shadow of their affluence. This is mainly experienced by women, who are forced to earn scandalously low wages, engage in unskilled jobs, enjoy no benefits and are involved in part-time, casual or contract work. To add salt to the wound, they are not allowed to belong to unions. This is exacerbated by cutbacks on international aid to the countries in the South, especially Africa, which is regarded as a lost continent suffering from donor fatigue.

**5.5** Third world countries are being prescribed to implement Structural Adjustment Programmes and Export Processing Zones (EPZs). Where EPZs are operational, workers are denied basic trade union rights. Most of the people who are employed in the EPZs 'sweatshops' are young women. They enjoy no trade union rights, work long hours, at low wages and under appalling working conditions and get dismissed on the spot for falling pregnant.

**5.6** It is estimated that over 250 million children worldwide are involved in child labour. We cannot fold our arms when so many of our future leaders are denied the opportunity to go to school and learn so that they can be effective leaders in future. Our concern is that a working child today is an unemployed adult in future.

**5.7** Our work as a trade union organisation does not take place in a vacuum. It takes place in a framework of democracy and in a political space which needs to be defended at all material times as it is the lifeblood of everything we do. If we do not act in defence of democracy and this political space, we could easily lose it through violence, terror and militarism.

## Africa

**5.8** Harassment of trade union leaders continues unabated in countries like Nigeria and Swaziland. The democratic process promised by the current rulers has not materialised. At the same time there is a presence of trade union organisation in our continent, even though small and weak in certain countries. This is a strength and weapon against these dictators.

**5.9** The challenge facing us is how to harness support for the struggles that are being waged by workers and the people of Swaziland and Nigeria. While there has been no news of harassment of trade unionists in Lesotho, there are currently struggles between Mokhehle's new party and his old party. The same can be said about the situation in Sierra Leone. We need to mobilise OATUU and AFRO to engage in programmes aimed at alleviating the plight of workers in these countries.

**5.10** The globalisation of finance and trade will require a decisive response from the labour movement, particularly in Southern Africa, since this often leads to more impoverishment of the masses. EPZs and the denial of trade union rights also requires a collective response. These EPZs already exist in Mozambique, Mauritius and Namibia. There is a feeling among COSATU regions that some of the developmental plans in Eastern Cape, Western Cape and KwaZulu Natal are manifestations of EPZs.

**5.11** Both SATUCC and OATUU are facing financial problems due to affiliates' inability to pay subscriptions. This leads to programmes only being run on the basis of ad hoc sponsorship. As we all know, lack of financial independence may make our organisations lose political and organisational independence.

**5.12** At the same time, there appears to be continued competition on issues between AFRO and OATUU. The trade union movement in our continent cannot afford disunity. We speak with one voice. After all, both organisations have more or less the same unions as affiliates.

## Bilateral and multilateral relations

**5.13** We have been able to maintain and sustain bilateral and multilateral relations over the past three years. We have held discussions at a political level with the Dutch-Nordic federations, the CGT, CGIL, TUC of Britain, CLC, CTC etc. to discuss how we could combine our energies across the globe to ensure respect for trade union rights, cooperation at a financial and educational level as well as joint struggles. We have also normalised our working relations with the AFL CIO. What remains is for our affiliates to take the process forward through joint struggles and cooperation.

**5.14** While we have good relations with unions in Africa and Europe, we have very few links with Asia and Latin America, apart from Brazil and Cuba. Taking into account the size of Asia and its likely economic impact on the rest of the world, we need to ensure that we strengthen links with genuine trade unions in this area. Already we have seen struggles in South Korea against socio-economic changes that impact on workers.

**5.15** The key challenge is maintaining and improving these relations in spite of affiliation to the ICFTU. On paper it will not be difficult since most of the unions developed bilateral relations with us while affiliated to the ICFTU and WFTU. At the same time, depending on how we handle our relations, there is likely to be a feeling that we privilege our affiliation above that of bilateral relations. In particular, we need to help forge unity between AFRO and OATUU as well as maintain and expand our bilateral relations.

## Proposals

**5.16** We propose that a conference of the labour movements and governments of Southern Africa be held to discuss social and economic policies appropriate to our region. This will ensure that the labour movement plays an important role in shaping the current discussion on economic trade within the SADC. Failure to engage may mean that such agreements are geared towards appeasing business at the expense of the working class. Prior to the conference taking place, SATUCC will have to develop an approach which will guide our input at the conference. We should also draw on experiences of workers from other countries where such regional structures exist, such as NAFTA etc.

**5.17** The proposals in the *Social Equity* document on a fund to assist trade unions in Southern Africa should be implemented. The incoming National Office Bearers and the EXCO should be mandated to meet with the government on this matter. This will assist in strengthening unions and democracy in our region. We should also investigate whether funds within SADC can not be utilised for this purpose as well. In doing so, we need to avoid acting like big brother since there is a lot that we can learn and benefit from in relations with other unions on our continent.

**5.18** We propose that there is a need for a day of solidarity action in support of worker struggles across the globe. The form and content of this can either be agreed on in forums or left to each centre to decide. It does not help for trade unions to be only vociferous at the ILO but do nothing about child labour and the denial of trade union rights. AFRO and OATUU should draw up a joint programme for Africa focussing on respect for trade union rights and child labour.

**5.19** The CEC has debated the issue of whether or not to affiliate to an international trade union centre as mandated by the COSATU International Policy Conference in April 1995. We have decided to seek affiliation to the ICFTU and a letter to this effect has been sent. At the same time, we have developed a programme for participation in the ICFTU as well as maintaining other bilateral relations. Congress is requested to ratify this decision. Affiliation will also entail participating in all ICFTU structures beginning with AFRO.

**5.20** The federation has already participated in activities in support of the struggles in East Timor. Congress should support the current efforts of President Mandela in helping resolve this issue, which should lead to the withdrawal of Indonesia from East Timor. Together with our Alliance partners, we should discuss strategies that may be applied should the Indonesian President visit our country.

**5.21** The OATUU congress resolved that Southern Africa should occupy one of the seats of vice president. We are the only affiliate in Southern Africa which is in good standing. Congress should therefore agree to nominate a woman candidate for the position.

**5.22** The Federations of the Dutch-Nordic countries have proposed jointly and individually to host seminars on political and socio-economic issues. Congress needs to endorse this approach.

**5.23** We are planning a joint seminar with the CTC in South Africa early next year as part of our solidarity with Cuba. It is proposed that COSATU spearhead a campaign aimed at mobilising workers support against the blockade by the US. This should culminate in demonstrations outside the US embassy on 26 July 1998.

## 6. Conclusion

**6.1** The period ahead is not going to be an easy one. We will be contesting elections. We will be consolidating and defending our gains which have been brought about by the new political situation. Opposition parties while in disarray at the moment will be trying to present themselves as the alternative and better force for transformation.

**6.2** The commercial media and business will criticise whatever decisions and policies we take. What they want us to do is to emerge out of here to say: We accept all conservative economic policies of the IMF, World Bank and G7 as the only ones capable of creating jobs and ending poverty in our country. This we must reject.

**6.3** We are a movement for transformation not for stagnation. We want jobs, but better paying jobs. We want an economic policy that takes account of the needs of the people rather than of text book economists. We want an end to poverty through employment creation, building the economy, income distribution, industrial and trade policies, redistributive fiscal policies rather than asking the poor to bear the brunt of the changes.

**6.4** At the end of our congress, we should have agreed on a strong COSATU based on strong affiliates, strong shopfloor organisation and a better approach to building capacity of women, shop stewards and leadership.

**6.5** We have a message for employers: We want co-operation with you. But we are also ready to defend transformation. Indeed if they stick to their current approach of defending the status quo: *sizoba gandaya*.

**6.6** The challenge is with all delegates. We can make the congress a success and enter the next millennium confidently or fail our membership and the country.

**6.7** In memory of Barayi, Hani, Tambo, Mokgalo, Mabhida, Kotane and other heroes and heroines, we dare not fail the revolution.