

## The September scenarios

### Introduction

The trade union movement faces complex and difficult new challenges. We were born in the struggle against apartheid, as a component in the broad national liberation movement. Our struggles culminated, in April 1994, in the first democratic elections in the history of our country. We are now living and working and negotiating in a democracy, and our alliance partner is the democratically elected government.

We face difficult economic challenges. On the one hand, our goal is to provide for the basic needs of the people. On the other, we have to respond to the competitive pressures of the global economy.

The political and economic terrain has changed fundamentally. What will our country look like in the year 2005? The future is filled with uncertainties. These uncertainties will shape and limit the strategic options available to COSATU. If we want to develop powerful and effective policies and strategies, we need to analyse the key uncertainties which will affect us. We have identified the following as the key uncertainties facing COSATU:

- the extent and nature of economic development
- the nature of the labour market, ie, what kind of workplaces and jobs will we be organising in 2005? how many workers will be unemployed?
- the vision and programme of the ANC
- the nature and strategies of the capitalist class
- the degree of coherence or fragmentation of social values in South Africa (ie, whether people share the same basic values and attitudes to justice, fairness, the state, etc.)
- the prospects for socialism.

It is impossible to predict the future. The September Commission has drawn up three scenarios to explore these uncertainties and provoke discussion within the federation about the future of labour. The three scenarios are called **The desert**, **Skorokoro** and **Pap, vleis and gravy**.

The scenarios are stories about the future. The scenarios are not stories about the strategies of COSATU. They are stories about the forces and factors outside COSATU, beyond COSATU's control. Each story is designed to highlight critical challenges we may face in the future, and provoke debate about the strategic responses which COSATU could choose. There are other stories that could be told about the future, but we believe these highlight the most important issues for COSATU.

### The desert

In this scenario there is no economic development, no RDP delivery, and a high level of class conflict. South Africa finds itself in the desert instead of the promised land of the RDP. Could socialism provide the way out of the desert and towards the promised land?



In 1996 the ANC government announces its new macro-economic policy. In the following few years the economy stagnates. There is very little RDP delivery as the government focuses on reducing state expenditure. There are retrenchments across the economy. Only the informal sector seems to be growing.

There is growing conflict between employers and unions in collective bargaining and at NEDLAC. In 1998 the employers table a demand that labour agree to wage restraint and industrial peace. Labour rejects this. Employers stage a walkout. Government closes NEDLAC down.

Centralised bargaining collapses as employers pull out of bargaining councils. Although workers are militant, unions tend to lose strikes because of the poor economic situation.

The ANC moves further to the right and signs an austerity package with the IMF. There are massive demonstrations against the worsening conditions of the masses. Placards are seen asking, "Where is the RDP? Where is the promised land?" and, "We the masses are in the desert - where is our Moses?"

Powerful organisations of the unemployed, the youth and the communities emerge. The government detains a number of leaders. Government leaders promise to look into the people's legitimate grievances, but warn against false prophets who mislead the people. The SACP splits, with half its leadership remaining in the ANC, and the others joining an alliance of Left organisations for building a workers' party.

Should COSATU remain in alliance with the ANC and campaign for it in elections, or should it ally itself with the new workers' party and the growing popular alliance against ANC government policies? This is the major question being debated in the federation as it prepares for its congress in September 2003.

### ***Threats to COSATU:***

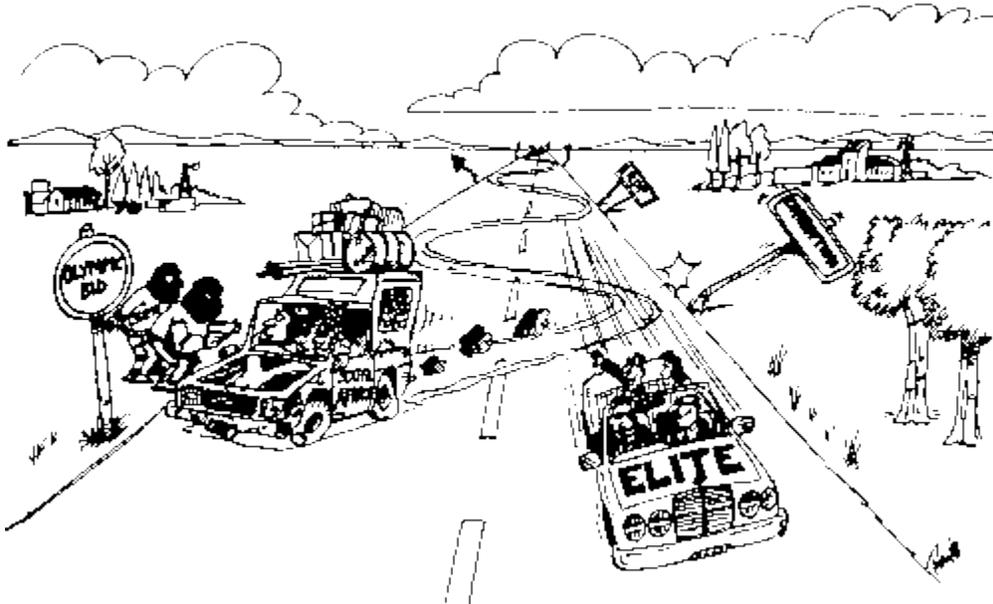
- COSATU could lose the gains it made in the years before and after 1990.
- COSATU could become weaker as it become more difficult to win strikes and improve wages and conditions because of the deteriorating economy.
- COSATU could become narrowly focused on militant wage-bargaining and lose sight of broader working class issues.

### ***Opportunities for COSATU:***

- COSATU could become stronger by drawing on its militant tradition to organise the resistance of workers.
- COSATU could broaden its perspective to take up living conditions and political issues as well as wages.
- COSATU could play a central role in forging a new popular alliance, and in building a new socialist movement in opposition to government.

## **Skorokoro**

In this scenario there is some economic growth and modest delivery. The main features are, on the one hand, increasing social fragmentation and conflict, and on the other hand, the rapid self-empowerment of black business and the black middle-class. South Africa is a skorokoro zigzagging from problem to problem.



By 1999 the growth in GDP has been 4% per year, 300 000 houses have been built and 400 000 new jobs have been created. However, unemployment is still at 30%. Despite these problems, there has been a rapid emergence of black business in these years, and the expansion of a black middle-class. Newspapers are filled with reports of new millionaires, new corporate deals and high salaries of government officials and consultants.

Ethnicity, racism, provincialism and regionalism become very powerful as a result of lack of delivery and conflict over resources. This makes it even more difficult to deliver. Patronage and corruption become the order of the day in government and in civil society.

Trade unions face ongoing problems like the "five madoda" at Rustenberg Platinum, like the Turning Wheel, like violence on the mines. There is increasing competition between affiliates for members. Union

activists continue seeking greener pastures elsewhere. Provincial governments in KwaZulu-Natal and the Eastern Cape establish EPZs to attract foreign investment. The government stops extending bargaining council agreements to non-parties.

Organisations have clear racial identities - the NP is coloured and white, the ANC and COSATU are African. The NP succeeds in organising "responsible" coloured unions in the Western Cape and undermining SACTWU and SAMWU in that region.

On the ground there is a lack of cooperation or violent conflict in communities and on the shop floor. The rainbow nation does not exist. In 1998 it is announced that Cape Town has failed in its bid to host the Olympic Games.

The ANC zigzags from policy to policy. It announces privatisation, but backs down when workers take mass action. It announces a crackdown on corruption and crime, but takes no firm steps. It proposes a new tax on the wealthy, but changes its mind when they protest that this will discourage foreign investors. It regularly announces new measures to transform the public service, but keeps changing its policies under pressure from various constituencies.

There are repeated calls by business, other political parties and the press for the Tripartite Alliance to end. While many leaders in the ANC think this would be a good idea, the dominant view is that breaking the Alliance would undermine support for the ANC and worsen the divisions in society.

In their secretariat report to the COSATU congress at the end of 2003, the federation's leadership states that there is a social crisis in South Africa: " The government lacks a vision of where we are going. There is no leadership in civil society. We are rapidly becoming a skorokoro society, and we face the danger of becoming a skorokoro union movement as well."

#### ***Threats to COSATU:***

- COSATU could be weakened by the many divisions and conflicts in society.
- The culture of self-enrichment and the growth of a black middle-class could undermine the unions' culture of solidarity.
- COSATU could become a reactive trade union movement, responding to initiatives of others but unable to take initiatives of its own.
- The ANC could move further to the right.

#### ***Opportunities for COSATU:***

- COSATU could develop strategies for unifying workers and overcoming divisions in the workplace.
- COSATU could win wide public support by developing policies for more effective delivery by the public service, and for exposing mismanagement and corruption.
- COSATU could provide leadership to society and the ANC by putting forward a vision based on clear economic and social policies.

Pap 'n vleis and gravy

In this scenario there is massive economic growth and development. Jobs are created and the RDP delivers. There is pap 'n vleis for most people. The unions are involved in deal-making, joint decision-making and co-determination at all levels of society. But are they getting caught in the gravy?



From 1996 on, productivity agreements are signed in many sectors. In 1998, after 18 months of negotiation, a breakthrough social accord is negotiated at NEDLAC.

Over the next six years there is tremendous growth in all sectors. All kinds of small and medium companies flourish. There is an increase in sub-contracting, part-time and temporary work.

This means that there is a wide range of new jobs and new workers: part-time, casual, seasonal and sub-contracted workers; hotel and restaurant workers; clerical, service and financial workers; public sector workers; skilled workers, scientists and technicians; and people working in music, film and advertising studios. There are big differences in wages and conditions of all these different workers. Many women are employed in low-paid and vulnerable sectors - for example, seasonal workers in the tourist industry. Millions of people are still unemployed and many work in the informal sector.

Companies are under tremendous competitive pressures. Managers put pressure on workers and their unions to assist in improving productivity and quality, and to work harder, faster and smarter. There is also continual pressure for wage moderation in the private and the public sectors.

After 2002 there seems to be some decline in investment and growth figures, and government calls for new negotiation around wage moderation, flexibility and industrial peace. After lengthy meetings of the Tripartite Alliance behind closed doors, and further tough negotiations at NEDLAC, labour agrees on wage moderation in exchange for greater investment by business and government in training. The following week, the minister of finance and the president of COSATU are prominent in the grandstands, cheering the amabokke-bokke to victory against the All Blacks.

At the same time, a new militant federation emerges. Although it is still small, it attacks the national agreement struck at NEDLAC as a sellout. Unions should fight for higher wages for their members, not

get involved in solving management's problems, it argues. This federation also argues against unions getting involved in politics or political alliances.

Informal sector organisations, such as the Hawkers and Vendors Organisation, apply to affiliate to COSATU. New unions and professional associations appear among the more skilled and professional workers. They do not affiliate to COSATU, saying that it does not offer them anything.

Over the years RDP delivery increases. Millions of houses are built, but there are still huge shack settlements.

Despite tremendous progress, the successes of the new South Africa seem shaky. There are questions over the political direction of the ANC government, and over the prospects for continued economic growth. Will there still be pap 'n vleis for most people? Who will get the gravy? What about those who have still not benefited from growth or the RDP?

"We need to encourage open debate about our role and future direction. There is no sign of such debate in our structures or among our members," says the general secretary of COSATU in his address to the federation's congress in 2003.

#### ***Threats to COSATU:***

- COSATU may be unable to develop the strategies for organising the many new kinds of workers and workplaces created by economic growth, and so lose out to other unions.
- Involvement in so many forums of joint decision-making could co-opt and weaken COSATU, making it dependent on the state.
- COSATU may lack the expertise, information and capacity to enter into such complex negotiations and participation.
- Agreements on productivity and wage moderation may alienate the members from the leadership, making the COSATU vulnerable to competition from more militant unions.
- COSATU may become a TUCSA of the 1990s - complacent, with no clear strategies, and with no vision of socialism.

#### ***Opportunities for COSATU:***

- COSATU could increase its membership both in traditional sectors and in new sectors, and build big strong organisation.
- COSATU could make use of its access to tripartite institutions and state resources to build its organisational capacity.
- COSATU could democratise the workplace, extend worker participation in economic decision-making, and influence society at all levels.
- COSATU could make significant advances, over the medium term, for workers in terms of job opportunities, wages, working conditions, training and careers, the improvement of the social wage, etc.
- COSATU could develop a programme of achieving socialism through reforms which democratise institutions and extend social regulation of the economy.

## Summary of key aspects of the three scenarios

Below is a summary, in table form, of the key uncertainties identified by the Commission, and how they vary between the three scenarios:

Uncertainty	The desert	Skorokoro	Pap, vleis and gravy
<b>1. Economic development</b>	stagnation	modest growth	massive growth
<b>2. Vision of ANC</b>	conservative	zigzagging	social democratic
<b>3. Labour market</b>	job loss, unemployment	two tier	job growth, wide range of jobs and workplaces
<b>4. Social values</b>	class struggle	social fragmentation, ethnicity	a people's rainbow nation
<b>5. Employers</b>	weak and aggressive	strong, culture of enrichment	strong, innovative, committed to partnership
<b>6. Workers</b>	losing jobs but militant	divided by ethnicity and conditions	many jobs, but different skills, conditions and wages
<b>7. Socialism</b>	revolution or election of workers' party	not clear	democratisation and reform