

A South African ‘Third Way’ for Labour?: Illusions and Realities

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The changing face of labour’s ‘role’

Prior to South Africa’s first democratic elections in 1994 there was not much talk, or thought, given to the specific political, social and economic role that the labour movement might play in the new dispensation. If anything, there seemed to be the general expectation that the labour federation representing a majority of organised black workers, COSATU, would necessarily play the role of the ‘loyal labour wing’ of the dominant ANC. For the rest of the labour movement, grouped in federations such as NACTU and FEDUSA, there would be ‘space’ to articulate the particular loyalties of their constituents. Indeed, the dominant lens through which the relationship of labour, capital and the new state was viewed rested on a foundation of political loyalties and racial categories.

However, it did not take long for the labour movement to (re) learn the ‘lesson’ that the overthrow of a political and social system (apartheid) is not the same thing as the overthrow of an economic system (capitalism). By 1996 any thoughts that COSATU or NACTU may have harboured about the organised (black) working class claiming a central role in defining the economic and social ‘path’ of the new South Africa had been effectively buried. The introduction of the Growth, Employment and Redistribution (GEAR) macro-economic policy, a policy heavily influenced and heartily endorsed by big business, signalled the formal institutionalisation of a deracialised capitalism by the ANC government. This was a clear indication that the South African labour movement, and specifically its largest and most militant ‘member’, COSATU, was to be treated like any other labour ‘sector’ operating within a capitalist framework.

Once this ‘normalised’ relationship had been accepted by COSATU, notwithstanding various grumblings from some of its more militant affiliates, the labour movement as a whole entered into a corporatist territory for which it was not prepared. Whether involving, as in the case of COSATU and NACTU, a contested shift from a mode of resistance to institutionalised co-operation or, as in the case of FEDUSA, from protection of racial privilege to ‘normal’ trade unionism, the labour movement has found itself constantly on the back foot. Despite pro-active ‘successes’, such as progressive changes to labour laws, the main preoccupation of labour over the last several years has involved a defensive battle to protect organised workers against, and hold back the productive logic of, the ravages of an unrepentant capitalism.

The push towards ‘talk-shop’ corporatism

In such a context, it is not surprising that the dominant ‘line’ that has been sold to organised labour in South Africa is one of institutionalised ‘talk shop’ corporatism. The push for the desired ‘co-operative’ relationship involving big business and government has been activated through continuous talking in various forums such as NEDLAC, the Alliance Secretariat and, more recently, the Millennium Labour Council (MLC). Added to this have been the numerous ‘sectoral’ forums involving public sector unions and the government as well as those related to the private sector. Where and what has this embrace of capitalist corporatism brought organised workers after five years? The simple answers are, respectively: into a strategic *cul-de-sac*; and, not a great deal.

Taking the recent example of the relationship between public sector unions and government, it is clear to see that the institutional and political *modus operandi* of labour is misplaced and undermining of the interests of organised workers. Public sector unions have, for the last 2-3 years, spend months in talks with government, centred around their basic demands of inflation-related wage increases, putting a halt to the scaling down of benefits such as medical aid, housing and leave allowances and protecting the jobs of the lowest paid/skilled workers. With minor exceptions, these efforts have proved fruitless – every time, government has gone ahead and unilaterally implemented its own agenda as part of its drive to cut the public service wage bill (a necessary component of GEAR).

Even with the massive public sector strike earlier this year and threats of another, there have been no tangible agreements that have included labour’s basic demands. When labour leaders state openly, that negotiations (whose character and length contributes to demobilising union members) with government “have produced nothing new expect to strengthen our resolve to go on a national strike”¹, and then the (limited) strike that follows also produces nothing new – only to usher in yet another round of negotiations – it raises serious questions about the approach of organised labour to struggling for the interests of workers and understanding of a more generalised class struggle.

More specifically, if the strike weapon is mostly viewed (by labour leaders themselves) as a means of ‘defending’ a more progressive vision of labour relations and ‘restructuring’ when that vision has already been undermined and effectively left behind, what effectiveness do such strikes actually have and what do they accomplish? If, on the other hand, the purpose of such strikes is to “attempt to reverse the devastating impact of government’s macro-economic strategies”², then the question arises as to what is it about the action itself that is going to achieve anything close to that? A limited national strike does send a message, but it is not necessarily the one that labour leaders say is intended. Government (and business) can ride out such a strike (as they have in the past) and still remain on their respective policy courses. Organised labour is then left with little else than to complain about arrogance and lack of consultation, and go back to the very ‘talk shop’ forums that failed them in the first place.

¹ Mahap Msiza, ‘Strike in public service inevitable’, *Woza Electronic News*, 6th September 2000.

² Ibid.

Institutionalising false consensus and estranged strategic ‘commonalities’

Within this context of fundamentally divergent class interests, policy choices and more specific labour practices, it is all the more amazing that labour, business and government can now publicly state that they have “agreed” on the national priorities facing South Africa and are therefore on the verge of formulating a common strategy for the country.³ According to the outcome of the recently-held NEDLAC Summit, the ‘national priorities’ of the new ‘Partnership for Growth, Development and Job Creation’ are: how South Africa will market itself in a global context and in relation to its competitors; investment and employment; economic empowerment; and eradicating poverty.⁴ Added to this is the MLC’s so called ‘National Growth Strategy’, which is an attempt to provide an institutionalised policy home for reconciling all divergent class interests and agendas. NEDLAC Director, Phillip Dexter is quoted as saying that “we’ve developed a common analysis of what the problems are and are finalising a common growth strategy... we do disagree on some things and there will have to be trade-offs”.⁵

Evidently, there is now enough ‘consensus’ on such a ‘New Deal’ - exemplified by the endorsement of the 7th COSATU Congress, of a bilateral relationship between COSATU and the private sector, through the MLC - for such a common strategic vision to move forward. The impetus for this, according to COSATU General Secretary, Zwelinzima Vavi, was a recent trip by labour and business representatives to the Netherlands and Ireland (the latter being seen as a good example of a European ‘tiger’ economy).⁶ In the same breath, Vavi argued that it was class, not colour, that was becoming the “principal contradiction” in SA.⁷ It is thus clear that the real purpose of the consensual ‘visions’ of NEDLAC and the MLC is to ‘manage’ such a contradiction.

The believability of the public face of commonality that is being proffered around an even more formalised institutionalisation of a corporatist vision and a badly defined ‘social contract’ rests, solely, on the willingness of the various leaders to make elite-compacts. This does not bode well for workers themselves. In the present economic and political circumstances and ‘balances of power’, such compacts will only serve to further entrench the interests of big capitalists and an emergent black bourgeoisie that is to be found in both the private and public sectors. The so-called ‘cooperation’ asked of labour will only leave workers further divided and without effective leverage over societal change.

For business and government however, there is every reason to propagate and facilitate this supposedly ‘new relationship’. Achieving a “strategic agreement on the need for shared growth”⁸, will lock labour even further into a corporatist matrix from which extraction will become

³ Ferial Haffajee, ‘New Deal: Forging a Common Strategy’, *Financial Mail*, 6th September 2000.

⁴ Frank Nxumalo and Lukanyo Mnyanda, ‘SA shifts in second GEAR’, *Business Report*, 7th September 2000.

⁵ Haffajee, ‘New Deal...’

⁶ Frank Nxumalo, ‘COSATU gives nod to initiative uniting labour and business’, *Business Report*, 29th September 2000.

⁷ Ibid.

⁸ Nxumalo and Mnyanda, ‘SA shifts...’

exceedingly difficult. We are now witnessing the most serious attempt since 1994, to get labour's 'buy-in' to the supposed growth path that previous, and similar, policies have failed to muster, by giving labour a "slice of the cake".⁹

The redistributive measures labour previously argued were the prerequisites for any kind of meaningfully 'shared' growth that might result appear to have been conveniently 'lost'. Instead, there are pleas by labour leaders, that any 'New Deal' should not "unfairly" affect the workforce.¹⁰ How is this to be taken seriously, given the obvious compromises required to implement such a shared strategic vision (i.e., that has the blessing of big business)? The 'management of contradictions' that is meant to ensure 'sharedness' can only really try to smooth the rough edges, while doing nothing to substantively alter the exploitative nature of capitalist productive relations.

(Mis)understanding the 'rules of the game'

The reality of all the public posturing and rhetorical flushes dished out by the various business, government and labour leaders is that the only thing they can really reach agreement on is that economic and social advancement is needed in South Africa.¹¹ This is but the obvious. In order to try to present the supposed commonalities as a binding consensus, Deputy President Jacob Zuma has said that, "this is a matter on which we all rise and fall together".¹² With all due respect to the Deputy Minister, this is complete nonsense in the 'real' world of hard-nosed capitalist economics that all three 'participants' inhabit. 'Monopoly' capitalist 'rules of the game' work to ensure that there are always winners and losers, and we all know that those without the property and money (i.e., the generalised working class) fall in the latter category.

While much is being made of the need for "institutionalised mechanisms" to facilitate the compromises that will be made as part of a corporatist process, there is no parallel analysis of the actual social and human costs of going down this path for a country such as South Africa. Trying to mimic what took place in Sweden decades ago is just not going to fly in a South Africa where the majority of the economically active population do not even qualify as formal, organised workers.

Even COSATU President Willie Madisha's address to the federation's 7th Congress gets caught up in the 'new growth path' schema that provides the analytical cement for a deepening of corporatist relationships in South Africa. In Madisha's case, such a path "prioritises addressing the social deficit" and the means for doing so is active state involvement in the economy – i.e., a "state-led development strategy".¹³ However, there is nothing that addresses the issue of radical redistribution of resources and wealth that must happen if there is to be any real growth that will benefit the majority of the population.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Irene Louw, 'Job accord will be difficult for NEDLAC', *Business Day*, 12th September 2000.

¹² Ibid.

¹³ Willie Madisha, 'Presidential Address to the 7th National Congress', 18th September 2000.

Merely stating, as many labour leaders continue to do, that there needs to be an industrial strategy and a restructuring of the financial institutions does little to challenge, directly, the underlying foundation of economic power and resource distribution. What has happened, for example, to the calls by COSATU for the abolition of VAT, the socialisation of basic services, the effective socialisation of the mining and financial sectors, the ‘freeing-up’ of the government pension fund, the cancellation of the apartheid debt, the real provision of free education, health care and other basic social services? If labour is (mistakenly) going to engage in a process of seeking to find consensus on key economic and social issues with government and the private sector, then the outcome of such a process is directly linked to what it is that labour takes into such ‘negotiations’. Just like the ANC at CODESA, if you go in with an agenda that is, more or less, acceptable to the ‘enemy’ (with a few small compromises here and there along the way), then you are cutting the ground from underneath the very feet of your own constituency. If labour is going to play the game, then it should, at the very least, not show its hand before ‘play’ begins.

Most all of the things that labour is putting on the table in their effort to find common ground with their ‘adversaries’ are, more or less, being defined by those adversaries and stem from the very things that have led to the various crises in the first place. For example, what does an industrial policy mean in the context of an economy in which private capital holds the vast majority of the wealth and controls the productive levers? How is the state going to ‘successfully’ implement a strategy of job creation if the ‘people’s’ government is not, at the same time, willing to attack the basic productive control of the capitalists and to take key productive decisions effectively outside of the market?

These questions are all the more important within a global context in which a country like South Africa does not have the ‘benefit’ of dictating and manipulating others’ financial ‘borders’ to create jobs and growth stats that depend on low-paid workers and generalised poverty in less developed countries. If South Africa, which already seems to be the case, tries to become a junior partner in such a ‘growth path’ then South African labour cannot claim to be any better than those components of the labour movement in the West that embraced an imperialism which fed off ‘Third World’ oppression for so long. Calling on the state to play “an active developmental role” is nothing different than what so many other labour leaders/movements have done in so many other places over the last century. There is no necessary connection between an active, interventionist state and parallel economic and social policies that benefit the majority of workers. The ‘real’ question is what kind of economic foundation is such intervention and activity being built upon?

The lessons of class struggle

Tied to all of this for labour, especially COSATU as the dominant force on the SA labour scene, is the need for political and organisational independence. The present Alliance formation in which COSATU remains is only functioning in the minds of its component leaders. In the ‘real’ world

where politics is the active catalyser of core economic relations, the Alliance is being used as a means to effectively render the specific political capital of labour obsolete (or at least substantially weaker).

Continuously caught up in the banter of processes and pleas for change, the largest and most powerful concentration of organised South African workers allows itself to be tugged along in a never-ending cycle of rhetorical games about the need for ‘unity’, while simultaneously ‘fighting’ the very policies that emerge from the supposed Alliance. Continual complaints about lack of consultation or the need for more Alliance leadership ‘strategy sessions’ only serves to further expose the organisational and political sterility of an Alliance that has been used as a cover and rationalisation for direct attacks on workers. As long as COSATU continues to buy into the notion that the Alliance still represents the one and only revolutionary vehicle for transforming South African society, so too will it render worker struggles that much less effective and meaningful.

The counter-argument - that ‘no one partner can go it alone’ in such a hostile global and domestic environment¹⁴ - is sheer sophistry. It is designed to further entrench an unequal political relationship that serves to tie labour into a false sense of ideological and strategic unity and continuously weaken its ability to fully engage in a class struggle that is both real and necessary. Labour leaders and movements that have ‘postponed’ hard decisions in the process of ‘waiting’ for some kind of societal and/or national consensus and identity to materialise have always found themselves losing out. The need for an independent political partner for labour that is created and controlled by, and carries out the political mandate of, the working class, is fundamental to any hope of a labour movement wanting to play a central role in defining and leading society.

Class struggle cannot be waged with one hand tied behind your back and with your ‘opponents’ having every opportunity to use all weapons at their disposal. Likewise, appeals for a false consensus around key economic and social issues in such a set-up are always and forever going to prove fatal to working class interests in the long-term. Short-term gains for a few (and that also means a few workers), is not in the best interests of labour as whole. Similarly, without tackling the fundamental contradictions that have given rise to the very existence of labour within capitalist society, the labour movement can only hope to continuously mitigate the circumstances under which they are exploited. This is the prime lesson that the South African labour movement must take from the application of welfare capitalism, in which an active, interventionist state was involved.

There is no South African ‘third way’ for labour. It has been tried and it has failed workers elsewhere. South Africa is not so unique as to be suspended above such realities. The foundation upon which such a ‘new’ path is based – i.e., that a consensus about the economic and social path upon which the country should travel can be ‘found’, that class struggle can be effectively ‘suspended’ and that the contradictions emerging can be successfully managed – is an illusion.

¹⁴ Ibid.

Well-organised and strategically located conflict between labour and capital is an absolute necessity if there is to be any hope of workers themselves taking a meaningful role in shaping the political, social and economic character of society. The class battles must be fought out to the end and prices have to be paid. There is no real battle if only one 'side' is always and forever being forced to pay the price and feel the pain. Government and business must feel the pain of labour power to the point that they are forced (not willing) to relinquish real economic and social power.