

LABOUR RESEARCH SERVICE

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Roy

# Cosatu Living Wage Conference Towards a Socio-economic Programme

## 1. Introduction

There is now wide agreement that Cosatu should formulate a socio-economic programme to co-ordinate its present campaigns and collective bargaining and to influence the structure of the future economy. Our success in a Living Wage Campaign depends on the restructuring of the economy so that it can meet the needs and aspirations of the majority of our people.

A Living Wage depends on us developing a productive economy, a fair and equitable distribution of wealth and income, and a democratic State within which the working class can effectively exercise its political power.

## 2. The Need for a Programme and its Relationship to those of our Allies

The urgent need to develop a programme has been identified in a number of important meetings recently. These were the meeting between Cosatu and the SACP in Harare on 29 - 31 March, the Cosatu Workshop on the economy on 23rd April, and at a workshop on the economy with the ANC in Harare from the 28th April - 1st May.

Two related projects have been identified. The first is to set out what we mean by democratic socialism, and the second is to develop an immediate transition programme of reconstruction that would lead towards our goal of a socialist economy.

It is generally agreed that Cosatu should develop its own programme. In doing this it would consult with its main allies - the ANC and the SACP. Out of this consultation we may reach agreement on a common programme which may not contain in it all aspects of Cosatu's programme. However, Cosatu can only enter this process if it has developed its own programme.

In addition a programme is only of any use if it is going to be carried out. We therefore have to give attention to how the ANC/SACP/Cosatu Alliance will work in practice in implementing the programme. Furthermore, we must decide how a socialist project would be implemented within the alliance. How would we relate to the SACP and other declared socialist organisations? Affiliates need to address these issues.

### **3. Developing a Programme**

We now need to take concrete actions to develop a programme and it is proposed that this Living Wage Conference decide on how this will be done.

It is proposed that we use the Recommendations on Post Apartheid Economic Policy arising from the Harare Workshop on the 28th April - 1st May 1990 as our basic working document.

It is proposed that these recommendations are assessed and spelt out in more detail within five Commissions set up in Cosatu and that affiliates will also be expected to make specific contributions to this process. The proposed Commissions and programmes are set out in more detail below.

When the Harare Recommendations are examined it becomes clear that certain critical points emerge and that the role of organised workers is going to be very important. Briefly stated these points are :-

- the central role of the State in leading reconstruction
- the participation of mass organisations in planning and implementing the reconstruction, with unions playing a key role
- the political strength to confront the excessive power of the conglomerates
- the role of unions in planning the restructuring of industry
- the role of central bargaining by unions supported by well developed worker rights
- the role of workers and mass organisations in meeting the basic social needs of our people

- combatting present State policy such as privatisation and deregulation

#### **4. Proposed Structures to Develop the Programme**

It is proposed that the National Campaign Committee (NCC) would coordinate the following 5 Commissions/Committees (some of which already exist)

1. Living Wage Committee to continue its activity of arranging seminars and workshops on the Growth Path and Macro economic issues including land reform
2. Industrial Restructuring - affiliates are expected to do work which will be coordinated in a workshop organised by the LWC Committee
3. Human Resource Committee - as recently decided by the CEC
4. LRA/Workers Charter (as per recommendation of the joint workshop of the two committees) - to decide how to deal with industrial relations and workers rights

#### **5. Social Services - a new Commission**

The terms of reference of each of the proposed commissions are set out below.

①. Living Wage Committee  
**Macro Economic**

The Crisis of the Apartheid economy has deepened poverty for most workers and has created unemployment. The new capitalist policies of privatisation and deregulation will not improve living standards for the employed, nor will they provide jobs for the unemployed. They will only entrench the wealth of the few.

Workshops and seminars facilitated by the LWC committee and conducted within affiliates and at a Federation level, should look at the following areas and set out how the economy can grow and how this new wealth can be fairly distributed amongst all our people.

1. An economic Growth Path which meets the needs of our people and which creates goods for export
2. The role of the State
3. Financing the Reconstruction - the Finance Sector (Banks etc)
4. Conglomerates
5. Foreign Investment
6. Ownership and Nationalisation
7. Gender
8. Southern African Region
9. How to combat current State strategy eg Privatisation

## **Industrial Restructuring**

Central to the proposed transition programme is rapid growth within manufacturing and the improved efficiency of all other sectors. Such growth is essential for four reasons :-

1. the need to produce goods which meet the basic needs of all people - including food, housing, clothing, household goods.
2. the need to expand employment
3. the need to generate a base from which wealth can be drawn for the delivery of welfare and other social services - including health and education
4. the need to produce goods which can be sold on the overseas market and thereby bring in foreign capital

To meet the above four macro-economic demands, production will have to grow in each and every sector. Questions affiliates are asked to look at include the following :-

1. What goods should the sector be producing to meet basic needs?



2. What goods could the sector develop for selling to an overseas market? (or for marketing in Africa) - bearing in mind the problems of competition, and the need to develop new products

3. How could production in each workplace be reorganised to make it more efficient?

4. How can workers' knowledge of the production process be used more effectively? (eg our knowledge about when and why production goes wrong)

5. What possible expansion programmes could be adopted in the sector which would provide vastly expanded employment ie are there any possibilities for mass employment schemes?

6. Are there possibilities in the sector for the development of small scale enterprises or co-operatives?

7. Structures of representation within state & private ~~structure~~ <sup>industries</sup>  
A further area affiliates need to look at is to what extent their sector/s are dependent on costly imported machinery. For an over dependence on such imports in itself is currently a block to industrial growth.

It is crucial that affiliates address these issues because they will have to negotiate and implement these programmes in their sectors.

See Pg 8 for further details of the LWC.

## ② **Human Resources Development**

It is proposed that the Commission investigate ways of achieving the following :

1. A link between training and job creation
2. All racist segregation in training to end
3. All sexism in training to end
4. A system of training that gives
  - career path options to all workers, from sweeper to professional
  - general education as well as specialised training for one particular job

- the right for workers to be given training at any age
  - the right for workers to be re-trained when restructuring or new technology is introduced. The training should enable the worker to adapt to the new situation or to enter a new job if the changes make his or her job redundant
  - workers who have done certain clearly defined courses, including school courses, and who have related job experience, to be given credits when entering later training
  - national certificates so that workers can move from company to company and industry to industry with full training recognition
  - affirmative action programmes for those who have suffered from past discrimination (where women are concerned such affirmative action would have to include the provision of facilities for child care)
5. The state to play its full role in regard to training, including facilitating non exploitative training for youth, students and the unemployed. (Such training to combine vocational training and formal education)

6. The state and employers to finance training and to make it possible for workers to increase their skill during working hours without loss of pay.

In investigating the above, the commission should encourage affiliates to investigate what training facilities already exist in their sector/s (eg Industrial Council training schemes), and how such schemes could be transformed in trying to meet the above objectives. The Commission should also investigate what other training facilities already exist - technicians etc.

### ③ **LRA and Workers Charter**

The LRA/Workers Charter Commission to investigate ways of achieving the following :-

1. Strengthening the position of institutions of civil society in a post apartheid economy

2. Entrenching by appropriate legislative and constitutional means, basic worker rights - in particular the right to strike, the right to information, and the right to bargain collectively
3. The development of a Workers Charter setting out both short term and longer term demands of the working class with a programme for achieving these demands
4. Clarifying the relationship between the rights enshrined in the Workers Charter, the Constitution, and legislation

## ④ **Basic Goods and Services**

The Commission should investigate ways of achieving the following

1. The coordination of workers assets in existing retirement benefit schemes and effective means of investing and utilising these assets for the benefits of the entire working class (ie not only the employed) - especially housing.
2. A national compulsory retirement scheme underwritten by the state
3. An effective compulsory national insurance scheme with provisions to assist in the training and retraining of the unemployed and the opening up of avenues for their employment
4. The release of land for housing in suitable locations at affordable prices through appropriate institutions eg land banks, trusts etc
5. Alternatives to the current high cost private home-ownership market
6. Alternatives to the current medical aid systems and an end to the ongoing privatisation of health care
7. Models of local government based on a single local tax base and cross subsidisation with metropolitan areas which are consistent with the objectives of democratic control and non- racialism
8. Models for the provision of welfare services which would effectively combine central and local state initiatives with community initiatives
9. Effective participation in relevant bodies and institutions which would facilitate the achievement of the above objectives in part or whole, and

coordination with other relevant organisations and interest groups in this process

10. Effective opposition to current state policies and legislation which discriminates in any way in the provision of basic goods and services

11. The coordination of union demands in collective bargaining in relation to the above (in particular in the field of housing, pension funds, health/medical schemes, and unemployment benefits)

### ⑤ Anti - Privatisation Committee

Co-ordinating the campaign against privatisation + deregulation.

### ① Living Wage Committee (Continued)

Further campaigns/issues facilitated by the LWC include :-

Minimum wage debate

Child Care campaign

Campaign for centralised bargaining

Campaign against Barlow Rand (as part of a broad focus on conglomerates)

Research + policy formation on VAT.

Note Sept 1990 : The above 5 Committees are all functioning, with representation from affiliates. The committees meet at least once a fortnight, and come together once a quarter in a National Campaigns Committee. All policy decisions are referred by the committees and/or NCC to executive structures of Cosatu.



⑤

Research needs generated by the committees are met by the Economic Trends group (long term policy questions) and by a range of service groups (short-term), including LRS, LERC, PlanAct etc.

Cosatu head office has one full-time person (a Campaigns Co-ordinator) who facilitates the administration of the Campaigns. Each committee has a co-ordinator, nominated from amongst the affiliate participants of the committee.