



COSATU Negotiations *Bulletin*

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COSATU's new bulletin

Welcome to our new COSATU Negotiations Bulletin. This will be a regular Bulletin giving you information about the different negotiating forums COSATU is involved in.

In this Negotiations Bulletin we look at COSATU's internal structures dealing with negotiations, the different forums COSATU is negotiating in, and the National Economic Forum's (NEF) first report back on agreements reached.

Action now

COSATU is involved in a set of negotiations with government, business, local authorities, and various other parties. But why negotiate now? Why not wait until a new government is in place? Alec Erwin from NUMSA and labour convenor on the NEF, answered this at the NEF Plenary:

"We are losing our jobs now, factories are closing down now, trade policy is being made now, so we need to intervene now. We cannot avoid the issues happening in the coming period. These negotiations parallel the process political parties are involved in at the World Trade Centre. The negotiations process is very slow, we don't know how long we may have to wait before economic restructuring can happen. And the Transitional Executive Authority may also not be able to implement quickly."

The work of these forums is creating a foundation for the reconstruction of South Africa. Later this will give a democratic government the chance to advance more quickly. We are also making clear to everyone that labour intends to remain centre stage in the rebuilding of our country.

After elections there will be time to build on the agreements we make now, and make them better. But for the moment we are

"We welcome the decisions of this forum. This is the most important process in this country"

(John Gomomo, COSATU at NEF Plenary)

learning and getting important experience in reconstruction, and in delivering some of the wealth back to the people who made our country rich in the first place.

Negotiations in worker's lives

There are workers and organisers in COSATU who question what socio/economic negotiations have to do with them. They think negotiations are something distanced and technical that they have no control over.

But in fact these negotiations are about winning our rights, and winning improvements to our living standards.

These negotiations affect our lives in many ways. Our goal is to create jobs, with decent labour standards. We want an education and training system that gives all workers access to a career path, we want economic growth so we can train and create jobs for millions of unemployed, we want housing and transport that gives us easy access to our workplaces. These things form the basis for discussion on reconstruction with the alliance. We are building a base now for our **Programme of Reconstruction** through our negotiations.

In all negotiations women's rights in the workplace are central - access to training, to job opportunities, and to decent maternity provisions and childcare, are part of our vision of a democratic society.

In the past workers have complained they don't know what is going on in these negotiations. Then again, people complain they receive too many reports that are complicated to understand. This COSATU Negotiations Bulletin aims to give regular information that empowers workers to give input into these negotiation processes.

Who is the Bulletin for?

The Negotiations Bulletin is for organisers, office bearers and shopstewards. With issues becoming more complex, and the pace becoming faster all the time, we need new methods of communication. This Bulletin is an instrument to start more debate, to give useful information, and to give workers a sense of priorities to organise around. Worker leadership and organisers can use the Bulletin:

- to inform membership in a range of different meetings
- to pass on to active workers
- for shopstewards and members to discuss in the workplace.

Negotiations and the worker

Thoko Ndlovu has a job as a tea maker in a chemical factory. She gets up early to go to work. It is still dark but there is no electricity so she lights a candle. She steps over three kids sleeping on the floor. She prays that she will find a place to live soon so that she can have some space in her own house. She wakes her two small ones, but leaves her older son snoring - he has long been out of work.

She dresses the kids, borrows R6 from her sister, and rushes to take the kids to a childminder. The childminder is untrained and Thoko worries that her kids are not getting good food, and proper care. She runs to get a taxi and sees long queues. Taxi owners are demanding better facilities, no taxis are around.

To change our lives we have to reconstruct society and this is what COSATU is fighting for in all the negotiation forums.

Agreements delivered at

On Monday 5 July, the NEF held its first plenary and discussed the many agreements the forum had come to. The NEF is the first tri-partite socio-economic negotiation forum to reach important agreements.

The NEF has existed for 8 months and within this short period has made speedy progress. The NEF is an enabling body. NEF parties thrash out agreements on basic principles and approach, and then set up structures, to carry out these decisions, or to negotiate with interested parties.

Agreements from Short Term Working Group (STWG)

At the plenary the STWG delivered the most concrete results. This is because the STWG was set up to deal with urgent issues. In short, the STWG came up with agreements on unemployment, retrenchment, and job creation; and on centralised bargaining forums.

Job security, job creation and unemployment

- ☐ On job security, the parties agreed the bosses must implement these basic and minimum principles:
- ☐ give all information around proposed retrenchments
- ☐ look at ways of minimising or finding alternatives to retrenchment
- ☐ give fair notice and fair severance packages to retrenched workers
- ☐ give preference to keeping permanent jobs rather than subcontracting or employing casuals

This agreement should be implemented at different bargaining levels: plant, company, and industry levels.

The NEF also agreed that industries should consider setting up Work Security Funds to pay for the training and retraining of worker, to fund computer information systems to record all retrenched workers and their skills, and to collect information on job vacancies, to match retrenched workers with vacancies.

- ☐ The NEF agreed to restructure the UIF so it provides for workers on temporary lay-off or on extended short-time; and that state funding of the UIF be compulsory.
- ☐ the NEF agreed to a national Job Creation Programme and a Small Business Development Programme. The Job Creation

"The agreements reached in the NEF and the ongoing work in the restructured NMC are important foundations for our rapid movement towards becoming a dynamic economic powerhouse in Africa" (Jay Naidoo, General Secretary COSATU at NEF Plenary)

Programme will give funds to job creating projects around social services, such as roads, housing, sewerage, water supply, and to job skills training. The government has put aside R45 million for this programme and the NEF will oversee the selection of projects and the allocation of funds.

The Department of Manpower has set aside R4 million for train people for this programme.

The Small Business Development Programme will help small business develop in particular regions. The government will put aside R30 million for this.

The NEF agreed that Targeted Assistance Programmes should be investigated. This is to assist dying industries in areas where workers and communities depend on one employer, or on one industry, such as mining towns. During the down-scaling of activities, the government should investigate the retraining of workers, and the creation of new economic activities and jobs in the area.

The NEF agreed to the restructuring of customs and excise. Corruption and fraud by importers who bring in goods without paying tariffs, and bad organisation, mean that many cheap goods come into the country that should not. This results in job losses. The NEF agreed on a number of steps to restructure customs and excise and stop corruption.

Centralised bargaining

On centralised bargaining the NEF agreed that:

- ☐ This is an important part of industry bargaining
- ☐ business and government would not undermine current centralised bargaining
- ☐ business and government would not as a matter of policy oppose the establishment of new centralised bargaining arrangements

WHAT HAS THE NEF TO DO WITH ME?

SOME workers hear about the NEF and economic policy debates and think: "What has this to do with me, I don't know about economics so let the intellectuals fight it out and I'll go back to the factory to fight my pay dispute".

But think about this. You are walking down the street and you see a hawker selling nice jeans for R25 a pair. You feel the material, like it, and buy them, happy with your bargain. This was a very important economic act you just took part in.

Did you ask yourself a number of questions like: Where do these jeans come from? Why are these they so cheap? Is it because of overseas second hand clothes being sold in South Africa? Is it because people sell

cheap clothes meant for charity on the open market? Are these jeans cheap because many foreign importers are not paying import tariffs and some customs officers are taking bribes? Are workers at home losing their jobs because of these things?

It is exactly these problems that COSATU wants to deal with through NEF negotiations. How can we provide cheap and quality goods and services to all our people? How can we ensure good working conditions while we do this? How can our industries compete in world markets to increase our exports? How can we put an end to unemployment and retrenchments, and create new jobs in our industries? How can we restructure our industries to ensure overall economic growth?

NEF Plenary

- ☐ all parties see there is value in discussing on appropriate bargaining levels and will, as a matter of priority, facilitate meetings between business and labour in different industries to workshop these concepts.

Agreements from Long Term Working Group (LTWG)

The LTWG is working on the overall restructuring of the economy and on long term development issues. Many issues are still under discussion, but in some areas agreement was reached.

Foreign Direct Investment (FDI)

The following is the NEF agreement on FDI:

- ☐ foreign companies should not get special treatment and incentives to invest in South Africa. The same tax and labour laws must apply to all companies
- ☐ any incentives to attract investment should apply to both foreign and local companies within a well worked out industrial policy
- ☐ the most important thing is to create a stable economic climate so local business starts to invest more money in the economy. This will also encourage foreign companies to invest
- ☐ we do not need foreign companies to invest at any cost. We want to attract quality investment - companies that offer good work conditions and will do something towards the development of our workforce and country
- ☐ we need to attract transnationals (large companies that operate world-wide) which increase our ability to create new technology
- ☐ transnationals should train South African workers in new technologies, and also do some of their research and development in South Africa so we get the benefit
- ☐ NEF parties will interact with other organisations to develop a common position on Foreign Direct Investment.

Some Plenary Comments

There was lively feedback at the NEF Plenary from a whole range of delegates. These are some of the main issues that came up.

- 1) There were strong warnings from labour around the government's unilateral restructuring. It was firmly stated that there must be no retrenchments in the public sector. It was noted that there is no objection to restructuring the public sector but this must not be done by government alone. "We want to deal with issues of wastage and corruption. Restructuring does not equal the retrenchment of workers, we can free resources without cutting down on services - come to the workers, they will tell you how".
- 2) It was noted that R45 million for a public works programme was "a drop in the ocean". It was pointed out that more money could be available in the future if this programme works, and that other ways of dealing with unemployment had also been worked out. An investigation into a Medium Term Public Works programme is also underway.
- 3) Where are the women? Delegates pointed out that 40% of households are headed by women therefore they must be central to any economic planning, but "there is not a single woman on the working groups".
- 4) There was a strong reminder that the NEF must "avoid fragmentation of policy making, and must find ways of integrating the recommendations of regional development, and other restructuring forums, into the NEF task forces."

The NEF had come to a number of agreements but delegates stressed that delivery of what had been agreed was essential.

In summing up, the chair noted areas of concern for the NEF to take into account. He also noted: "We must not make the same mistake as with the Peace Accord where we sat back and admired our agreements but were not able to deliver rapidly. The challenge is to deliver, for without delivery we have nothing".

The NEF also agreed to set up task forces to look into a Foreign Trade Policy covering things like the existing tariff system, trade relations with neighbouring countries, and the dumping of waste. A task force will also be set up on the Production and Use of Statistics in South Africa. This is important as government facts and figures are often wrong and we need good information to do proper economic planning.

What is the NEF and how does it work?

Jayendra Naidoo made this point at the NEF Plenary: "The NEF is different from any previous economic forums where labour would look in from the outside. The NEF has shown that labour has brought a vital strategic contribution to the economy of our country. The NEF is a body which includes labour and has as its goal the negotiation of agreements - this has never happened before".

The NEF is a tri-partite negotiating forum of labour, business, and government set up in October 1992. It was set up through our militant action to end unilateral restructuring of the economy, and to work out ways of meeting people's urgent basic needs.

Political parties are not party to the NEF. The ANC raised this as a problem at the Plenary. But until the Transitional Executive Council is established it is not possible to bring in the ANC without bringing in the 26 other parties negotiating at the World Trade Centre. In the long term the NEF depends on participants being people who shape the economy - people in government. But COSATU maintains bi-lateral contact with the ANC on NEF issues.

The NEF consists of:

- ☐ *the Short Term Working Group (STWG)* where urgent matters are dealt with eg retrenchments, unemployment, VAT (labour co-ordinator is Ebrahim Patel of SACTWU).
- ☐ *the Long Term Working Group (LTWG)* where long-term economic policies are dealt with eg foreign trade policy, foreign investment, economic growth (labour co-ordinator is Alec Erwin of NUMSA).
- ☐ *the Process Committee* co-ordinates the work of the NEF (labour co-ordinator is Jayendra Naidoo of COSATU).

Agreements made in these groups are brought to the NEF Plenary which consists of 80 representatives from labour, government and business. The Plenary is not a negotiating forum, but all discussion is taken into account by the working groups.

The NEF aims to work in an open way, and receives submissions from many organisations on a wide range of topics. It makes decisions based on mandates from the participants' organisations.

COSATU Negotiating Support Structures

Task Forces and Their Role

COSATU has three task forces: Economic & Development, Labour Market Institutions, and Political. Each task force has a co-ordinator, and consists of representatives from COSATU affiliates and regions. These task forces are our link to the various negotiating forums. The task forces process information to put forward to COSATU EXCO. EXCO is the mandating body for all our negotiation forums.

How workers feed into negotiations

Shopstewards and workers must have a say in how negotiations proceed. Shopstewards must make sure they discuss the issues, and get regular report-backs. Negotiators must have mandates, and they must be sure members are willing to defend labour's position in all negotiations.

Six women representatives have been appointed to the Economic & Development Task Force through COSATU's Womens' Committee. But women are still under-represented on the task forces and COSATU and affiliates need to look seriously at their gender representation.

Where COSATU Negotiates

COSATU negotiates in many different forums on a wide range of socio-economic issues. These forums are local, regional and national, and may be tri-partite (labour, business, government) or bilateral (labour, government). COSATU has appointed Jayendra Naidoo as its Negotiations Co-ordinator, to oversee and link COSATU's participation in these negotiating forums.

National Negotiating Forums

- ☐ **National Economic Forum (NEF):**
deals with overall economic policy (see centre spread feature)
- ☐ **National Manpower Commission (NMC):**
deals with labour market issues
- ☐ **National Training Board (NTB):**
deals with training and career pathing
- ☐ **National Housing Forum:**
deals with the provision of housing for the 2 million homeless
- ☐ **National Electricity Forum:**
deals with provision of electricity for the 25 million people without access
- ☐ **National Education & Training Forum:**
deals with the restructuring of the education system from pre-school through to university and technikon levels
- ☐ **National Local Government Forum:**
deals with the restructuring of local government to ensure equal distribution of services to all people.
- ☐ **National Consultative Forum on Drought:**
deals with strategies for short-term drought crises, and the long-term reality of living in a drought prone region
- ☐ **Science and Technology Initiative:**
deals with the restructuring of research councils so they become part of a forward-looking reconstruction programme

REGIONAL NEGOTIATING FORUMS

There are nine Regional Economic Development Forums in different parts of the country. Their aim is to negotiate on economic needs and priorities in the region, including the implemen-

COSATU's task forces, their make-up and mandate

Task Force	Function & Co-ordination
Economic Development Task Force	Deals with economic policy and reconstruction and covers Regional Economic Forums, housing, electricity, local government, VAT and food prices, provident funds, centralised bargaining, retrenchments, small business, taxation, industrial restructuring, investment, foreign trade, financial institutions. <i>Meets every 2 months. Co-ordinated by Salie Manie, SAMWU and Enoch Godongwana, NUMSA</i>
Political Task Force	Receives reports on political negotiations and liaises with the alliance (ANC, SACP) to make sure worker rights are fully represented at the negotiations table. Also deals with the election and peace. <i>Meets monthly and Co-ordinated by Papi Kganare, SACCABU</i>
Labour Markets Institutions	Deals with worker rights including domestic, farm, public sector and homeland workers, and worker rights in a new constitution; the restructuring of labour market institutions such as the Industrial Court; and process work being done in the National Manpower Commission (NMC), and the National Training Board (NTB) <i>Meets monthly and Co-ordinated by Mike Madlala, FAWU</i>

tation of national programmes at a regional level, for example, job creation programmes.

INDUSTRY RESTRUCTURING FORUMS

These forums are run by the union which organises the industry. Their aim is to restructure their industries so South Africa can compete on the world market, improve worker training, and make the industry more productive and efficient. This will result in economic growth and the creation of more jobs. There are restructuring forums in mining, auto, electricity, clothing and textile. COSATU attempts to co-ordinate between these restructuring committees to ensure the restructuring fits in with the common economic framework we are working towards.

LIVING WAGE FORUMS

COSATU feeds into negotiations. This includes unions' wage policies, centralised bargaining, and approaches to retrenchment and pension/provident funds. This co-ordination of a common approach to negotiations has been weak and needs to be addressed more seriously by affiliates and COSATU.

POLITICAL NEGOTIATIONS

COSATU feeds into negotiations by making sure our alliance partners protect worker interests. We closely monitor the process to ensure these negotiations, at the very least, deliver full democratic participation in the long term to all our people.

PEACE FORUMS

We participate in local, regional, and national peace committees to create conditions for peace at grassroots level.