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Evaluating IMATU and SAMWU policy responses to Igoli 2002

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2010-04-01T08:46:12Z
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CHAPTER ONE

CONTEXTUAL AND INTRODUCTORY OVERVIEW

1. Introduction

The research report explores the policy responses of organised labour i.e. the South African Municipal Workers Union (SAMWU) and Independent Municipal and Allied Workers Union (IMATU) to iGoli 2002. The policy responses imply a myriad of proposals the unions presented against the plan in the Greater Johannesburg Metropolitan Council's (GJMC) restructuring negotiation process. Municipal services akin to other government functions geared to provide service to the citizenry, are reproductive work and at the heart of the gendered relations according to Samson (2004). For this reason, in dealing with the responses of trade unions to the iGoli 2002, it is automatic that the voices outside the purview of the production process are brought into the debate.

Barchiesi (2001) is cited throughout the report as arguing that municipal workers have direct contact with communities in their daily productive activities. In addition, Samson (ibid.) proffers that municipal services are critical in the transformation of gender relations as their provision or otherwise impact on the household a locus of gender inequality and gender specific roles. For this reason, the bifurcation between the productive and reproductive domains for municipal workers is an artificial one. Corporatisation of these services as it has happened under iGoli 2002 has had enormous effects not only felt on the quality of working life of municipal workers, but also deeply disrupted lives of communities thereby deepening

the social and gendered inequalities that characterise South African society that have race and class dimensions.

In trying to interface the productive and reproductive spheres, the report deliberately interweaves aspects of these two terrains of struggle. Barchiesi (2005) and Lambert (1988) introduce the concept Social Movement Unionism (SMU) partly to describe a variant of unionism that not only straddles workplace concerns and community by default, but by sheer design of the labour process. Importantly communities waged their own struggles against commoditisation of municipal services, sometime jointly with trade unions but usually separately. There were two sets of communities which bore the brunt of the iGoli 2002 plan: the inner city community whose struggles were mainly taken up by the South African Communist Party (SACP) and Anti-privatisation Forum especially its affiliate, the Soweto Electricity Crisis Committee (SECC) on the side of communities in townships in SOWETO. The report also explores the contributions of the two organisations. However these voices were on the periphery of policy negotiations. This is a dimension that rebuffs the celebratory tone in Webster's view of social corporatism that here in South Africa it is of a 'special type' by virtue of the participation of community groups (1998).

2. iGoli 2002 plan

The iGoli 2002 was a restructuring plan of GJMC hedged in 1997 or thereabout. It was apparent to both the affected councils that were in the process of merging and the Gauteng provincial government that local government in Johannesburg was sinking deep into untenable debt, according to Rashid Seedat (interview: 04/02/ 09), the Director: Central Strategy Unit at the GJMC, and Roger Ronnie (interview: 05/02/09), the SAMWU General

Secretary at the time the plan was unveiled. According to Seedat, there was a combination of factors that contributed to the financial state of Johannesburg. Among these were poor financial planning on the part of the newly merged thirteen independent metropolitan councils that got together to form the current GJMC. This merger took place in terms of the Municipal Structures Act (1997)[1] to realise the construction of the post-apartheid local government dispensation in Johannesburg (Report to SALGBC: 1999). According to Beall, Crankshaw and Parnell (2002) the pre-1994 apartheid metropolitan councils were demarcated as follows: Johannesburg, Randburg, Sandton, Deep-Medow, Dobsonville, Soweto, Davidson/Kleurhof, Lenasia, Alexandra, Roodeport. In addition, there were four Municipal Substructures (MSSs): Western MSS, Northern MSS, Eastern MSS and Southern MSS (ibid)[2]. Of importance for this discussion is that the boundaries of Johannesburg were redrawn with the new dispensation[3]. Worth noting is that Beall etal remark that Johannesburg is a colonial city. It has expanded from a tiny gold mining town at the turn of the previous

[1] Van Rensburg in a separate discussion pointed out the MSA was amended two times after which impacted on the positions and the naming of the corporatized entities. The concept Utilities Corporatized Entities (ULC) discussed below come from Ketso Gordhan's reign. The Municipal Owned Entities (MOEs) and Municipal Entities (MEs) were legislated changes. For purposes of the report MOEs will be used throughout the report to imply corporatized entities regardless of the period and legislative implications.

[2] The number of the metropolitan councils is ten, when they are added up with the MSSs they are fourteen. It is not clear which of the above could have been wrongly included.

[3] Beall etal (ibid) suggest that the name Johannesburg was initially confined to white residents and industrial localities and black African townships were not included. Coloured and Indians residential localities were part of the old Johannesburg but were disenfranchised in its local government body politic. While the redefinition of an 'employee' in terms of the Wiehanian industrial relation which synchronised with the Riekert Commission recommendations whose result was permanent residence of African workers, did not impact on the boundaries in terms of making black people residents of Johannesburg. They were for a long time under the Black Local Authorities (BLA) until the democratic government was installed (ibid, author's addition included).

century to a city that has 'colonised' other parts of the Gauteng province in the east and the west. This was part of the capital accumulation process reminiscent of the expansion of superpowers in the 16th and 17th centuries to build and expand nation states as we have come to understand them now. The drawing of new boundaries and redrawing of old boundaries is an omnipresent phenomenon that is current in the post-apartheid spatial designs and town planning policies underscored by the intensity and locales of capitalist production processes in the present day South Africa.

The apartheid-created councils over-budgeted which meant that they would usually experience budget deficit which would either result in a bail out from the national government's Department of Finance (DOF) or they had to raise loans from private sector financial institutions. There are reasons for this situation. Firstly Macdonald and Pape (2002) point out that the central government especially the national treasury in the Department of Finance (DOF) drastically cut the intergovernmental grants and subsidies. According to Roger Ronnie, the funding regime required GJMC to fundraise 90% of its revenue. The result of this reality was that local government had to raise loans. However, acquiring private sector loans was also proscribed in these cost cutting measures in the government's funding regulations. This had to be done with the approval of the central government, the DLGCD (the Department of Local Government and Constitutional Development). In addition, the DLGCD would not stand surety, a situation that compelled local government to approach foreign government and development agencies to stand in as their guarantors. This is the context of the World Bank and the financial development organisations' interest and ostensibly generous donations and technical support to the GJMC (*Business Day*: 19/11/99).

Equally important, rent boycotts of the 1980s had not in earnest ended. The so-called 'culture of non-payment' of municipal services spanning almost a decade left a gaping hole in the fiscus of the GJMC compounded by the slashed grants and subsidies discussed above. The communities' inability to resume payment has to be placed in its proper socioeconomic context though. South African economy went through a negative growth in the 1980s, a combined effect of external economic pressures and internal social instability compelled the erstwhile government to begin the first wave corporatisation, commercialisation and privatisation in the late 1980s and early 1990s. The recessionary context and the unfavourable international climate underscored the political negotiation process and the need for social corporatism (Webster ibid, author's additions included). SAMWU's Discussion Document [undated] titled: Privatisation Strategic Engagement with the ANC recalls an objection to the erstwhile government's effort to privatise municipal entities and State Owned Enterprises (SOEs) to rid itself the challenges of recession.

The immediate manifestation of the recession was the inability of the communities to resume paying for services and, as it where, a tacit continuation of the rent boycotts of the 1980s. As a result there was an unpaid cumulative debt to major creditors including Eskom which had not been paid for three consecutive months amounting to R 300 million (Kevin: 2001, ix)[4]. In addition, the GJMC was showing a gross negative cash flow of R 512 million in October 1997 (ibid.). Notwithstanding the financial crisis which was the immediate trigger of the plan, Seedat (ibid) and Kevin (ibid) confirm that iGoli 2002 was also about the institutional overhaul of the GJMC which had contributed to the financial and budget crisis of Johannesburg.

[4] The fiscal deficit does not discount controversially exorbitant salaries and bonuses paid to top officials of the GJMC who were driving iGoli 2002.

The merger meant harmonising visions, policies, operational practice, building human capacity and evolving new organisational culture. Furthermore the plan was adopted by GJMC to promote economic growth and improve services for the people of Johannesburg (ibid. 02) through introducing efficiencies and management models that are used in the private sector (Hemson: 1998). In a nutshell, iGoli 2002 plan was about the equitable service delivery across the length and breadth of Johannesburg that sought to correct the racially distorted city planning and improving the economic and the financial situation in Johannesburg. There were other secondary goals; this included replenishing the archaic infrastructure and the reversal of the backlog in the inner city where deterioration was far outpacing the impact of remedial interventions[5]. The deterioration of the infrastructure and lack of its replenishment were compounded by the exponential population growth the city was experiencing due to rural-urban and Southern African Development Community (SADC) wide labour migration processes as discussed in chapter 2.

The iGoli 2002 base document asserts its primary objective as a thoroughgoing transformation of the institutional capacity of GJMC. This meant the creation of financially autonomous Utilities, Agencies, Corporatized entities (UACs) established in terms of Companies Act with individual boards of directors whose responsibility would be to manage ULCs along business principles (Weeks ibid). Hibou (2004) calls it 'autonomisation' of State Owned Enterprises (SOEs) that she argues results in the total privatisation of the state, as functions ordinarily carried out by the state are provided by the private sector modelled state institutions (author's additions included). To realise the above the GJMC embarked on a

[5] This is from the notes taken in a discussion with Ntokozo Mbhele, the Southern African project coordinator of the Public Service International (PSI) on the 17th/12/08 in Gaborone, Botswana.

number of processes including procuring the services of an internationally connected private sector audit organisation Deloitte and Touche to facilitate the organisational development process. This intervention confirms Hemson's (1988) view that privatisation introduced private sector practices in the municipalities in the GJMC. These ULCs had been departments in the GJMC, they were turned municipal business enterprises[6] and later named MOEs. According to Rueschemeyer and Evans (1987: 57):

> With public enterprises the state becomes an active participant in the production and market exchange and partially supersedes the way in which the market meshes knowledge, incentives and economic power. Even if the state enterprises behave very much like private firms, they represent a significant state intervention: Through them the state supplants private capital accumulation and itself becomes an agent of accumulation of capital.

Hughes (1993) and Moore (1995) agreeing with the foregoing passage argue that state-market debate is characterised by false dichotomy and artificial antithesis respectively. MOEs in this context obcures the distinction between the state and the market as it will be made clearer below.

Accordingly the partnerships of the GJMC with labour, business, communities and their organisations were enhanced through an iGoli 2010 Steering Committee and other labour

[6] iGoli 2002 booklet defines a municipal business enterprise as a company under the ownership and control of the municipality. It is assigned the financial and operational authority to carry on a business activity. Lastly it provides goods and services in accordance with ordinary business principles (ibid. 09).

management forums such as the Special Negotiation Committee of the SALGBC. It would facilitate agreement on medium term programmes to long term vision (iGoli Employee Brochure: undated, and iGoli 2010 Summit Draft Resolution). In terms of the steering committee, the following organisations were represented in its founding meeting of the 03/09/99:

- Congress of South African Trade Unions (COSATU),
- Federation of Democratic Unions of South Africa (FEDUSA)
- National Council of Trade Unions (NACTU)
- Banking Council of South Africa (BCSA),
- Johannesburg Chamber of Commerce and Industries (JCCI),
- National Federation of Chamber of Commerce (NAFCOC)
- FABCOS (acronym not explained)
- South African National Civics Organisation (SANCO)
- WARM (acronym not explained),
- Triangle Community Association
- GJMC, Provincial Government and the National Government.

As part of ensuring that the iGoli 2002 plan had the widest possible support, Hlubi Biyana (interview: 05/09/08), the then Gauteng provincial chairperson of SAMWU at the time of iGoli 2002, confirms the desperate measures to accommodate trade unions in the MOEs boards to the extent the concept of worker directors[7] was being hedged. Hibou also observes,

[7] The concept of worker directors is found in European corporatist models especially Germany that complements works councils equivalents of the workplace forums (WPFs) found in the LRA. At the time the

the neoliberal restructuring, in this case of the GJMC, required social corporatist edifice and solutions to legitimate its outcomes. We will return to this discussion in a greater detail later. Barchiesi (2005) and Kevin both show that the birth of iGoli 2002 stems from the intervention of the Member of Executive Committee (MEC) in the Gauteng Legislature, Siqelo Shiqeka who was later replaced by Trevor Fowler (ANC Member of Provincial Legislature and the provincial secretary of the SACP in Gauteng). The Constitution provides for the immediate intervention of the provincial government in local government affairs if the person designated, in this case MEC of Local Government, recognises that a municipality is teetering on the brink of collapse as it was the case with Johannesburg. This led to the GJMC appointing the former Department of Transport, Director General Ketso Gordhan and the establishment of the Committee of Fifteen and later the Committee of Ten. These structures were composed of senior councillors, i.e. Mayoral Committee, Kenny Fihla, succeeding Colin Matjila, being the person designated to pioneer this project and Gordan being the government official to provide policy leadership according to Rashid Seedat. The iGoli 2002 was unveiled at the Transformation Lekgotla[8] where stakeholders, including labour had been invited to agree the broad thrusts of the plan[9] (Kevin: 1999). The GJMC had already set sights on 2010 as part of the developmental agenda of the city. In summary, iGoli 2002 had a

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research was concluded the trade unions do not participate in the boards of the different municipality owned companies.

[8] Transformation Lekgotla was a high profiled meeting called by the MEC Local Government. It is at this meeting that Gordhan presented iGoli 2002.

[9] Although there is a slight disagreement on the degree of consultation between Van Ransburg and Mbhele, however there is prevalent view within organised labour that plan was hedged by sheer stealth akin to the macroeconomic framework of government. The planning process of the Transformation Lekgotla was left to officials of GJMC, regional leaders of the ANC and representatives of the provincial government Department of Local Government according to the minutes of the planning committee (15 July 1999).

multifaceted approach to the restructuring of the GJMC ranging from outright privatisation, PPPs (private) which partly resulted of the subcontracting in waste management service at Pikitup, a waste management ULCs (Samson ibid.). The picture of corporatisation and privatisation of municipal were clustered as follows in table 1:

Table1: Forms of restructuring and entities

ULCs being restructured	Form of restructuring	Outcomes of restructuring
Water, sanitation, waste management utility	Corporatisation	Johannesburg Water Pik-it-up
Roads, storm water agency, and Parks and cemetery agency , Johannesburg Zoo, City buses		Johannesburg Road Agency City Parks, Metropolitan bus, *Johannesburg Zoo[10], *Orlando Stadium, *Johannesburg Stadium and *Ellis Park Stadium, *city ambulance services. Municipal IT Services
Metropolitan Gas, Rand Airport, housing stock, Johannesburg stadium, Ellis Park, Orlando Stadium, the Fresh Produce Market and all property not central to the business of the municipality, Orlando stadium and Johannesburg Civic Theatre. City Emergency services, Housing stock, Kelvin Power Generation.	Complete privatisation	Fresh *Produce Market, corporatized, Rand Airport privatised Fleet mechanical company. Council land.
Institutional design of the GJMC: systems and human resources development	Internal restructuring	iGoli Transformation College to build the internal capacity of workers. It also served to build relations by objectives process to develop a shared organisational vision.
Finance management	Internal restructuring	Centralised finance management systems that would lead to financial independence of GJMC.

** Asterisk shows the municipal business entities that were not completely privatised but had initially targeted for privatisation.*

[10] Johannesburg Zoo is not a Property Limited (Pty) Ltd company but a section 21 Company registered like church and non-governmental organisation that are not for profit and established for charitable purposes.

Table 1 show that most entities have been corporatized than privatisation. Rashid Seedat demonstrates that in actual fact there was no privatisation when the picture is evaluated against the outcomes of the iGoli 2002. Some of the municipal business entities initially earmarked for privatisation such as: Orlando stadium, Johannesburg stadium and Ellis Park stadium, the so-called cash cows in view of the looming euphoria associated with the Federation of International Football Association (FIFA) 2010 World Cup, are placed on long term lease agreements of approximately 10 years, with either SAFA or national football clubs such as Orlando Pirates in the case of Ellis Park. Seedat adds that the GJMC as a host city of the opening of the FIFA 2010 World Cup had to revamp Orlando stadium at a cost of R 5 billion. It is hoped it could be leased out to SAFA during the period of the world showpiece and guarantees the process of privatisation has stopped due to the current context (Rashid Seedat ibid.).

According to the report of the K. Gordhan, the City Manager's, slide presentation to the SALGBC, assets estimated market value and the sale prices were as follows:

Table 2: Income and expenditure breakdown of entities earmarked for privatisation

Entity	**Land space**	**Revenue**	**Expenditure**	**Liability**	**Est. Sale Price**
Metro Gas	14 ha	R 62 m	R 63 m	R 28 m	R 74 m
Rand airport	310 ha	R 6.9 m	R 6. 9 m	R 279 000	R 15 m
Fresh Produce Mkt.	63 ha	R48.7 m	R 24.2 m	N/A	R 86 m
Stadia	Not disclosed	Non	Non	164 m (R 11 m interest on book debt)	Not disclosed
Housing[11]	Not disclosed	R 32.8	R 10 m (for transfers)	Not disclosed	Not for sale (transfers)
Kelvin Power Station.	Not disclosed	Not disclosed	Not disclosed	Not disclosed	500 m
Emergency Services	Not available	Not available	Not available	Not Available	Not available

[11] Council housing stock included: rental stock are mainly flats, deed for sale, group schemes. These were meant to be transferred to the tenants.

If privatisation is narrowly defined as a "sale" of municipal entities to the private sector, Seedat is correct that no privatisation took place in the way it was anticipated in terms of table 1. However Hemson, Pape and Macdonald proffer a broader definition of privatisation that includes corporatisation and commercialisation, supported by COSATU (2001) also adds that privatisation entails the following policy practices (note author's formulation, not verbatim):

- partial or complete change ownership of municipal entities which could result in joint ventures and PPPs (private);
- corporatisation which involves listing these entities in terms of the Companies Act (the extreme case is listing them in stock market);
- leasing them to the private sector sometime under the Build Own and Transfer (BOT) sale regime; and
- commercialisation of services which may also mean that they are kept as department of the GJMC but managed in terms of business principles.

The latter distinguishes IMATU's approach from SAMWU's captured in their policy document 'Saving the City' confirmed by Joseph Van Rensburg (interview: (03/02/09) and Andre Strydom (interview: 23/02/09). This broader definition has far reaching implications for the statist positions taken by the trade union movement generally. Arguably COSATU, while making policy pronouncements about an interventionist developmental state (Makgetla: 2005), they have not unpacked the dismembering or corporatizing the state into a plethora of SOEs under this broader definition. We will return to this point in Chapter 5 (Evaluation and Conclusion) below.

3. Biographies of IMATU and SAMWU

These are trade unions registered in terms of the Labour Relations Act (LRA). They are recognised to organise and represent workers within the GJMC through the South African Local Government Bargaining Council (SALCBC). SAMWU boasts approximately 220 000 and is affiliated to the Congress of the South African Trade Unions (COSATU), the largest trade union federation in South Africa with a signed up membership of at least 1.8 million workers[12]. It was founded in 1997 organising mainly unskilled African workers and semi-skilled workers mainly from associations. According to Buhlungu (2001) it is a product of a merger of provincially based staff associations and national unions: Cape Town Municipal Workers Association (CTMWA) the Transport and General Workers Union (TGWU), the Municipal Workers Union of South Africa (MWUSA), Port Elizabeth based General Workers Union of South Africa (GWUSA) and the South African Allied Workers Union (SAAWU). In later years, SAMWU incorporated the Durban Indian Municipal Employees Society (DIMES) and Union of Johannesburg Municipal Workers (UJMW) according to Buhlungu. He shows that most coloured and Indian unions that went in different directions including that formed SAMWU were affiliates of the Trade Union Council of South Africa (TUCSA). In a sense, SAMWU represented a confluence of strands existing in the trade union movement in the 1970s[13] (ibid).

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[s]. However membership statistics are usually a bone of contention. There is a view that the membership of SAMWU and COSATU has decreased according to former president Willie Madisha in the *City Press* 08/02/09 and Van Rensburg ibid. respectively.

[13] According to Barchiesi (2005) it straddles many political tendencies. The so-called populist community unionism associated with the United Democratic Front (UDF) an organisation inclined to the African National Congress (ANC) is found in SAAWU, MWUSA and GWUSA. TGWU was formed in the stable of post-1973 FOSATU trade unions that emphasised shopfloor organising and advocated non-alignment with the ANC at the

IMATU is also a product of a merger between the South African Municipal Employees Union (SAMEU) Johannesburg Employees Municipal Association (JEMA) and DIMES[14] according to Joseph Van Rensburg (interview: (03/02/09) and Andre Strydom (interview: 23/02/09). IMATU was founded in 1996 as a union that organised skilled and semi skilled workers including middle management. It is historically white union but had been changing in the recent past in its demographic composition to include black workers in skilled positions according to Van Rensburg who is a regional chairperson of IMATU in Johannesburg and Andre Strydom, a retired unionist, who was IMATU's negotiator at the SALGBC and Special Negotiation Committee[15]. The union has attracted many black workers to a point that the black-white ratio in union membership is 40-60 in favour of black workers. Van Ransburg attributes the propensity of middle management and young workers to IMATU to the fact that these workers are 'sick and tired' of politics of chanting slogans. It was founded in 1996 and currently has approximately 80 000 members nationally. Similar to some of the forerunners of SAMWU, IMATU's forerunners were formed in the early 1900s when South Africa was beginning a process of industrialisation.

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time. Lastly the CTMWU was a conservative union that had been taken over by young militants in the 1980s according to Barchiesi (2005). Clearly SAMWU has been an ideologically diverse union organisation. The extent to which this ideological diversity has influenced the ideological strands of left politics could not be established.

[14] Buhlungu and Barchiesi both claim DIMES be associated with the group of town based unions that formed SAMWU. Van Rensburg also claims that it is one of the founder unions of IMATU. However critical for this discussion is that both IMATU and SAMWU seem to share a common heritage of city based unionism and TUCSA affiliation of some of its founder unions.

[15] It was a committee established under the SALGBC (South African Local Government Bargaining Council) Gauteng Division to bargain over iGoli 2002.

IMATU is affiliated to the Federation of Democratic Unions of South Africa (FEDUSA), the second largest trade union federation after COSATU approximately with 800 000 members. FEDUSA was formed on the first of 1st April 1997 when the Federation of South African Labour (FEDSAL) and Federation of Organisations Representing Civil Employees (FORCE)[16] merged. The historical lineage between FEDUSA and TUCSA is generally acknowledged in the literature, for this reason the same lineage could be inferred between IMATU and TUCSA unions in the 1970s (the limitation of access to historical documents is part of the discussion in chapter 4: Reflections on Methodology). FEDUSA is in merger talks with other trade union federations National Trade Union Council (NACTU) and Congress of South African Workers Union (CONSAWU) to form South African Confederation of Trade Unions (SACOTU).

While COSATU and FEDUSA have worked together through major campaigns including at the National Economic Development and Labour Council (NEDLAC), a tripartite corporatist structure established to facilitate policy bargaining, the two trade union federations have different traditions, politics and sometimes policy positions. However of importance is that IMATU and SAMWU belong to the Public Service International (PSI), it is a global union federation (GUF) that organises public service workers and promotes labour internationalism. FEDUSA and COSATU have both been affiliates of the International Federation of Free Trade Unions (ICFTU).

[16] It was a mainly white English public service union, whereas FEDSAL was mainly Afrikaner (Notes of a discussion with Cristo Van Ransburg: 09/02/09, a former education and research officer of FEDUSA and Programme Officer of the Development Institute of Training, Support and Education for Labour (DITSELA).

4. Trade unions and change agency: past and present.

It is worth stating that while apartheid had a reciprocal and symbiotic relationship with capitalism, the former distorted the evolution of the latter by creating racial cleavages that define the working class. Equally important, it also stunted the development of capitalist class[17] as a composite social group. It is for this reason that the contours of trade union organisation in South Africa are a microcosm of this social reality. Unlike the optimistic and radical perspective discussed below, there is a cautious perspective tied to the evolution of trade unionism in South Africa's apartheid capitalism. In the immediate aftermath of the Rand Revolt by white workers in 1922, the state promulgated civilised labour policy through-which black workers were systematically excluded from skilled employment categories in the workplace (also called job reservation). The 1922 white workers strike (Rand Revolt) was an antecedent of the civilised wage policy. Its core demand was skills protectionism that had been a defining feature of labour reforms of the mid-1920s that hitherto shaped the South African labour market.

However the Rand Revolt has been regarded as one of the high points in labour history due to the influences of radical thoughts of generations of trade unionists born of the descendents of the Chartist Movement in Britain of the Industrial Revolution that took off in the late 18th century and the early 19th century. Important though to note, is that the action of white workers in 1922 that led to the change of government in 1924 would influence the course of

[17] This is an important discussion because as it will be clearer, part of the agenda for the restructuring of the economy and the state was to open space for the development of the indigenous bourgeoisie to correct this distortion. This social group is considered an ally in development according to the Economic Transformation Resolutions of the African National Congress (ANC)

history into 1948 when the Nationalist Party took over the reign of power and beyond. The radical socialist politics and a 'Chartist Movement consciousness' influenced black trade unions tremendously[18]. This was to be a launching pad not only of radical black trade unionism of the 1940s but also the early beginnings of demographic changes in the membership of the Communist Party of South Africa (CPSA) which had enormous influence in the burgeoning trade union movement, now called the SACP. It resurfaced in 1953 after proscription[19]. The importance of foregoing paragraph is an attempt at historicising IMATU and SAMWU's political orientation and the influence of the national question on the political postures in the post-apartheid period.

Social science research moved into new alleys after the *de jure* demise of statutory apartheid in the 1990s. The preoccupation with the liberation movements and the post 1973 unionism receded to the background and the notion of new social movements surfaced to fill the vacuum left by these old social movements. Habib and Valodia (2006) both argue that the shift was a conscious one, due to the pessimistic view that trade unions had abandoned the struggle for social change and the new social movements were asserting their relevance in the post-apartheid body politic. Most of the struggles that were waged in the post-apartheid period had been urban based and directly related to the conservative macroeconomic policy adopted by the ANC government. Lastly new social movements revived community activism that trade unions and civic organisations had debunked due to their political affinity to the ruling party (the ANC).

[18] This includes the heritage of the shopstewards movement (Friedman, ibid.) which was to become fountain of independent trade unions in the 1970s directly modelled by the British workplace trade union organisation.

[19] The SACP surfaces again in the anti-iGoli 2002 struggle.

This pessimistic view of trade unions runs through the discussion in the report especially in chapters 3. This is notwithstanding the celebratory political credentials of the trade union movement. They were the makers of the South African social transition according to Webster and Adler (2000) and Torres (2000). It is against this backdrop that a study of IMATU and SAMWU policy responses and the support of the Anti-privatisation Forum (APF) and the SACP are important to enquire how these organisations engage post-apartheid social change. However in the recent past, few studies have been conducted to demonstrate the attitude of trade unions to social changes of the post-apartheid period (Habib and Velodia ibid. Barchiesi: 2007, Buhlungu: 2001 and Samson: 2004). However these studies have often been COSATU centric and overlooked organised labour in its entirety. Samson's feminist perspective still suffers the same shortcoming of understanding unionism only through the prism of the post-1973 radical trade unions most of which are organised in COSATU.

Despite this lopsided focus, trade unions are central actors because of their strategic leverage due to their ability to facilitate social action and rally an array of social forces behind an agenda of social change. More importantly, they are a social force with a peculiar role due to their situation in the productive activities of every society. By implication, their abilities to withdraw productive capacities of workers or labour power make them a nucleus of transformational forces in modern industrial societies. Also important, the fact that the trade union movement has had trans-generational lifespan makes it the oldest social movement in the history of capitalism as pointed out in the foregoing paragraphs.

In this research project, the author contends that the trade union movement deserves a 'special place' in the contemporary history. Webster and Adler observe that COSATU hoisted the flag South African liberation struggle when other countervailing voices in society

were either submerged or blotted out completely. This role in liberation politics is a continuation of the legacy of its forerunner, FOSATU in the 1970s. Social historians have called the decade between late 1960s and early 1970s a 'dark period' in South African politics. In spite of this celebratory record and the epoch making resistance of white unions in the 1922 Rand strikes discussed earlier, the role of trade unions in their engagement with post-apartheid social change has been widely criticised and doubted. Buhlungu (2004) confirm the pessimistic opinions of the ability of trade unions to transcend their immediate workplace challenges.

5. Union traditions and models of unionism

The focus on IMATU and SAMWU is because of diametrically opposed ideological traditions that seemingly blended in the crucible of anti-iGoli 2002 struggle. As discussed above in the report, IMATU leans towards a tradition of trade unionism that was co-opted into quasi pluralist industrial relations[20]. This strand of trade unionism is associated with TUCSA which existed alongside FOSATU but mainly organised white workers and nominally coloured and Indian workers. The strand of trade unionism influenced the industrial relations institutions such as the Wage Boards, Industrial Councils, and

[20] There seems to be disagreement among industrial relations researchers on the characterisation of the apartheid industrial relations system. Von Holdt (2003) seems to suggest that South Africa had a unitarist system in his formulation (fordist) apartheid workplace regime. However it will be argued in the report that in fact unitarist and pluralist practices existed in industrial relations especially with the introduction and consolidation of the Wiehanian tradition (Baskin: 1993, my additions included). By the same token a radical perspective also existed at the time though, militant abstentionism coupled by the shopfloor based militant union organisation (shopsteward movement) bears evidence of the parallelism.

Conciliation Boards[21] (Friedman: 1987) which also had white workers with marginal integration of coloured and Indian workers. Notwithstanding the fact that in part in its past SAMWU partially draws an inspiration from TUCSA. The FOSATU current is however prominent in SAMWU with the diversity and interplay of strands of left politics shaping its ideological posture.

Arguably, IMATU has the potential of a radical outlook due to its non-formal relationship with the governing party the ANC. Van Ransburg notes the changes in the IMATU's membership demographics. Equally important most of their members occupy the same occupational grades that are either middle management or technically skilled occupied by white workers in the past due to closed shop agreements imposed by white unions and employers after the enactment of the civilised wage policy of the 1920s (author's addition included). Roger Ronnie concedes SAMWU's inability to attract these workers is due to their SMU radical politics and the political context that has seemingly rendered such unions obsolete (author's additions included). COSATU affiliates in this case SAMWU is in the forefront of employment equity battles in the workplace, however the irony is that some young, skilled and women workers do not join the unions. It is also worth noting that this seems to confirm the view that there is a relationship between post-apartheid deracialising social class formation and political/union attitude.

The different traditions of trade unions discussed above have implications for models of trade unions bandied about in labour studies. However it is important from the outset to state that

[21] This is notwithstanding the labour reforms introduced through the Wiehan Commission recommendations in 1979 that was a state response to the 1973 wave of strikes which had damaging consequences on the economy amidst the global oil crisis that compounded its impact.

there have been many labels attached to models of unionism that could sometime be reduced to adjectival differences. Of importance is that SMU is similar to Lambert's (1988) political unionism in his description South African Congress of Trade Unions (SACTU). However Faulkner's (1999) business unionism (BU), he argues operates similar to corporate organisations whose politics is charecterised by pro-government and bourgeoisie stances e.g. some US, North American and European trade unions. According to Barchiesi, agreeing with Lambert, distinctive feature of SMU is a focus on issues that transcend the so-called bread and butter unionism. It attempts to develop linkages between the workplace challenges of workers with the community and broader societal issues that confront the working class as a whole. This description is also found in other models that have been proffered i.e. strategic unionism (Von Holdt: 1988) and social unionism (September Commission: 1997).

Lambert's contribution to this theorisation of unionism is important due to fact that SACTU in the 1950s like COSATU later in 1980s connected with anti-apartheid struggle and intersected mainly the race and class dimensions in their understanding of challenges facing unions. This is the background to the celebratory and optimistic views about mainly black trade unions of the 1940, under the Council of Non-European Trade Union (CNETU), 1950s under SACTU and COSATU mainly in the 1980s. The debate between the so-called populists, those suggesting the unions should be part of the liberation alliance attached to the United Democratic Front in the early 1980s, and so-called workerists who argued for the opposite and for trade union independence was exactly due to this strategic question, workplace versus communities. The reason for this discussion is that COSATU unions and SAMWU specifically are associated with this approach for two important reasons: firstly for the reasons that Barchiesi proffers in his theorisation of SMU, due to the nature of production activities of municipal workers, inadvertently SAMWU connects with community issues in

its daily contact with the public. Secondly as Ronnie argues, SAMWU's Discussion Document and a report by Victor Mhlongo [undated], the Provincial Executive Committee (PEC) argues that struggle goes beyond the workplace as their members live in the community that receive the services their labour power produces.

BU is generally associated with the so-called yellow unions that collaborated with the apartheid system and corporate power in the 1970s and beyond. TUCSA unions are associated with this tradition. This unionism generally focuses on bread and butter issues such as collective bargaining: wages, promotions, grading and training and steer away from politics as much as possible. Notably this non-political stance is opposed to the FOSATU strand that was deeply political but argued for non-association with the liberation movements as well. BU according to Faulkner is founded on the following practices (author's additions included):

- Workers are no longer interested in politics and are only concerned about individual career path;
- Unions are service centres, members join trade unions not for historical and political reasons but for protection against dismissals mainly and membership of services such as funeral schemes, investments, holiday clubs negotiated by unions with the private sector;
- Importantly, the bourgeoisie and government are partners but not adversaries. For this reason, their internal practices, union culture are modelled closely to the corporate and government bureaucracy. The terminology, organisational rituals and internal symbolisms are copied from employers.

This model of unionism fits the description of IMATU, not only due to the inward 'super legal' approaches, but quite importantly their internal organisational culture. They do not have an organiser but an industrial relations officer or a manager. Their general secretaries are chief executive officer employed from the job market and not elected among members as is the case with COSATU affiliated unions. Van Rensburg has said that their membership is not interested in politics despite the significant changes and radicalising tendency emerging discussed below.

It is critical to assert that concepts are not frozen in historical moments. By implication, concepts should be placed in their time and place contexts. The meaning of the BU that was a heresy especially in the period of the cold war, has tacitly acquired a new celebratory meaning in some circles of COSATU. Importantly, the crossovers discernable within COSATU affiliates show that no divide exists between SMU and BU. In his article, Faulkner narrates a cautionary tale about the shortcomings of this model of unionism in the US and the United Kingdom (UK) in the context of a current that has had a firm foothold on COSATU unions through trade union investment companies. Ronnie makes the same point below about militant trade unions rapidly blotting out the internal democracy and worker control adopting the BU culture[22]. This discussion is further explored later especially with to the role of investment companies in the anti-iGoli 2002 struggle.

[22] For an example, IMATU hired a communication company Adele Lucas (Pty) Ltd to communicate the developments and union proposals around iGoli 2002. The costs of the communication were R 30 000 per day (Memo: 27/01/2000).

6. iGoli 2002 negotiations and the corporatist context

Literature of post-apartheid industrial relations surfaces the policy framework within which South Africa's pluralist industrial relations was founded. It is critical to assert that the character of South Africa's transition whose hallmark is a negotiated settlement that ushered the country into a democracy is the touchstone of the corporatist dispensation[23]. Webster (2005) argues it is policy style of negotiations beyond parliamentary actors i.e. trade unions, business, community constituencies and other social actors. It is unique in South Africa due to the recognition of other constituencies beyond the so-called the golden triangle of the Big Three: employers, trade unions and governments.

In this report reference to social corporatism implies layers of policy bargaining beyond NEDLAC. In the context of the iGoli 2002 negotiations it includes the National Framework Agreement (NFA) processes through NEDLAC in which government is an employer in terms of local government or a sole shareholder in terms of State Owned Enterprises (SOEs). The NFA was a signed agreement in 1996 committing the three trade union federations: COSATU, FEDSAL/FEDUSA and the National Council of Trade Unions (NACTU) and the government to a need to restructure so as to make the broader state sector responsive to the mandate of the new government[24].

[23] Social corporatism in the South African context is usually associated with the birth of National Economic Development and Labour Council (NEDLAC) and the demise of the National Economic Forum (NEF). The concepts social corporatism and social contract are used interchangeably for purposes of this report despite the nuanced differences between the two concepts.

[24] Van Driel (1998) argues that in fact the NFA signified the tacit acceptance of privatisation by COSATU, NACTU and FEDSAL (the forerunner of FEDSA) cosignatories to the agreement with the government.

In the absence of workplace forums (WPF) South African styled codetermination structures where industrial strategy customised into production related labour-management decisions are being negotiated, Special Negotiation Committee have taken the role of policy bargaining forums lower down in the workplace. For this reason, social corporatism is not descriptive of structures only, but the social behaviour of organised labour and GJMC with respect to both the style of bargaining: positive sum bargaining versus zero-sum bargaining on the one hand, and the content and outcomes of their negotiations. The latter implies that the issues under discussion in terms of iGoli 2002 are traditionally outside the purview of adversarial bargaining in the framework of industrial relations.

The following is the manner in which the remaining part of the report is organised: Chapter 2: It explores the development challenges of Johannesburg to which iGoli 2002 was a response. Critical in this discussion, is whether iGoli 2002 plan as packaged was a correct response to these challenges. Lastly an attempt is made to apply some of the development theories to the challenges faced by Johannesburg.

Chapter 3: This constitutes heart of the report because this is the part that deals with the findings of the research process. It is about policy responses that the trade unions made in the process of engaging iGoli 2002 with the GJMC. These policy responses are placed in proper political and organisational contexts.

Chapter 4: This section of the report evaluates and critiques the plan. In this regard, the chapter engages, albeit briefly, the central arguments that emerge in the policy responses of the trade unions.

Appendix 1: This will be a discussion on methodology. Basically the justification of the methods used to conduct the research. In addition, there will also be a discussion on the pros and cons of the methods.

CHAPTER TWO

DEVELOPMENT CHALLENGES OF JOHANNESBURG

1. Introduction

Johannesburg is as old as the industrialisation of South Africa which began with the discovery of gold and diamond from the late 1800s to the early 1900s. It is an economic hub of South Africa classified a middle income country (Beall etal: 2008). According to Rashid Seedat Johannesburg is the richest city on the African continent. A document published by Asian Development Bank [undated][25] projects Johannesburg as a more demographically cosmopolitan city than any other city in South Africa. It is central and connects the country to other countries within the region such as: Zambia, Malawi, Mozambique, Namibia, Lesotho, Botswana and Swaziland. In addition, it has extensive economic connections with other continents such as Europe, America and Asia that dates back to colonial times. This was due to the location of the country's biggest international airport, now in Ekhuruleni Metropolitan Council, situated in the East Rand of Johannesburg.

Despite the economic importance of the coastal cities such as Durban and Cape Town, Johannesburg remains the economic bulwark of South Africa and the Southern African region (ibid.). The development of mining industry at the turn of the previous century is singularly responsible for the multiplier effect of socioeconomic development of the country. Arguably South Africa went through a 'deferred urbanisation' process due to the fact that

[25] The author's identity is not clear from the article. However he/she is a researcher of the Asian Development Bank (ADB). It is written in his or her personal capacity and the article is written as a draft.

Black African people were not completely displaced from their land until the promulgation of the Land Acts of 1913 and 1936 respectively. Due to this, the erstwhile government imported labour, not only from Britain and New Zealand, but indentured labour from Asia: India and China. Equally important, black African labour was also imported from neighbouring countries of Southern African Development Community (SADC) for the mushrooming labour intensive mining and manufacturing industries. In this regard, Petra's (1981) and Edmunds (1981) argue that capitalist accumulation regime is a determinant of the requirements of disposable labour not visa versa. Petras (146) cites Marx arguing:

> Capitalistic production can by no means content itself with the quantity of disposable labour power which the natural increase of the population yields. It requires its free play an industrial reserve army independent of natural limits.

It is for this reason as demonstrated in chapter 1 that the Rand Revolt broke out as a result of black African labour effectively being brought in to provide a disciplinary army to militant white workers. By implication national and international labour migration has been at the centre of South Africa's development, and more specifically the evolution of Johannesburg. It is against this backdrop, that the makeup of Johannesburg is seen, than any part of the country, as more cosmopolitan with high levels migrant labour concentration. This confirms Barchiesi's (2001) observation that apartheid urban development policies were mainly tied to the mobility of labour in Johannesburg. Riekert Commission recommended in 1979, the permanent settlement of African workers in cities. In this chapter, we introduce the challenges that Johannesburg grapples with through the prism of historical evolution of the city itself. In addition there is a concerted attempt all the time to ensure that there is a

connection between the development challenges identified throughout the report, and policy remedies iGoli 2002 was seeking to introduce. In this sense, we may conclude that the development challenges experienced in Johannesburg have a short history but their roots have a long past.

2. Population and economic dynamics of Johannesburg

Commentators on population dynamics of Johannesburg have generally followed the thinking of John Malthus' social demographic theory he developed at the end of 19th century according to Sen (1999). Malthusian theory posited that in modern societies population growth tends to outstrip the finite supply of natural and economic resources, especially land, which remain either stagnant or diminish in quantity and sometime in quality. This had implications for the ability of society to produce food to feed society from the land. The natural growth of the population and the natural decrease of resources lead to the escalating demand for the latter. According to this approach, this scenario inevitably leads to social strife manifesting itself in unrests in societies due to increasing competition for scarce resources and impoverishment of large sections of the population (Edmunds: 1981 and Wessman: 1981 and Michaelson: 1981). They continue to show that according to followers of this approach pro-poor social security policies are self defeating because they have a causal effect on overproduction. This is how modern day urban poverty and urban social unrests have been explained mainly in the circles of governments and corporate development apparatchiks. Malthus argues for a social demographic equilibrium which is an 'acceptable' match in the resources-population relationship. Accordingly measures are required to contain the increase of the population such as the birth control programmes to bring the population in line with the capacity of the economy.

The implication of Malthusian approach is that the poor is blamed for economic stagnation. As pointed out in the late 1970, Edmunds shows that South African urbanisation rate was at 51%, the highest by world standards. As a result, the government policy made African migrant workers permanent residents in cities after the recommendations of the Riekert Commission. This was followed by the government attempts to reduce the population through population planning policies e.g. family planning programmes in the 1980s that typifies the general approach of governments in developing countries such as Puerto Rica (Wessman, Sen: 1999) albeit with relatively smaller population and incomparable history. The policy changes as a result of the recommendations of the Riekert Commission were about tighter control of immigration and presumably collation of reliable statistical data for urban planning purposes. However Marxist social demographers assert as a premise of their conception that scarcity of natural and economic resources is artificial due to private ownership and accumulation process. Clearly they endorse Polanyi's thesis which decries the commoditisation of land and nature (and money) which he suggests are fictitious commodities (Webster etal: 2008). Sen suggests that empirical evidence point to the increase in food production and stabilisation of the population growth whose probative value rebuts Malthus' prognosis.

Edmunds argues capitalist social relations have their own attendant laws of population dynamics. She reinforces the view that urbanisation is a necessary condition for capitalist industrial development. In addition, urbanisation took place, and continues to take place within a complex dialectic of population growth highest in the world in the 1970s[26], rural

[26] This is notwithstanding the stabilisation the South African population in the past decade. Projections contemplated that the population would by 2000. However it stabilised at approximately 47 m. This is notwithstanding high mortality rate due to HIV-AIDS and general infant mortality due to absolute poverty.

population decline and low fertility rates in neighbouring countries due to migrant labour system (Edmunds, author's additions included). Johannesburg is arguably the core of a national and an international labour migration inflow zone in the country followed by Cape Town and Durban claiming the first and the second places respectively. According to the population census of 2001, approximately 3 225 812 people[27] lived in Johannesburg. According to Bond (2004, 02) the racial classification of Johannesburg is as follows:

Table 3: Racial makeup of the population of Johannesburg

AFRICAN	COLOURED	INDIAN	WHITE
72%	6.5%	3.7%	17%

Clearly the demographic data above mirrors national trends. However the exception is that the percentage of the white community is higher than the national trends pegged at 13.5 percents. Cape Town is another exception with concentration of the coloured community than any part of the country accounting for 60 percents of the province. Policy makers under apartheid attached importance to the concentration of the white community in Johannesburg. The decrease of the white population would, in the view of policy makers, amount to a decrease in the entrepreneurial class that embraces the developmental vision of the erstwhile apartheid government (Bond. ibid). It is against this background that the ANC's 52nd Conference commits the black bourgeoisie as an ally in the realisation of the government's

[27]Caution should be exercised as there is a slight difference between the statics provided by the City of Johannesburg Metropolitan Municipality and the research conducted by the Centre for Civil Society whose statics point to the population of 3. 2 million people in Johannesburg. Notably, the source of statistical information is October 2001 Census for both research initiatives. While the difference is not important for current discussions, it has wider implications for policy development and service delivery.

development agenda in its theorisation of the developmental state in South Africa. The need for the local bourgeoisie is both historical and current. Desai (2004) and Mkhandawire [undated] lean towards a Marxist teleological prognosis of history that the development of forces of production are important for triggering full blown capitalism as a sufficient condition for a society's development towards socialism. The basic requirement for a development process, according to policy makers, is a conscious effort to create cooperative bourgeoisie in a drive for social transformation.

The population growth was increasing at 4, 1% rate per annum on average in the 1990s. The evidence of the population growth is also found in the growth of households both in their numbers and sizes which has a direct bearing on service delivery. The general approach is that the population growth of Johannesburg has far out-tripped the growth of the GGP (Gross Geographic Product) a point we should return to at a later stage. This proposition fit neatly the Malthusian framework outlined above. The following table shows the steady population growth in Johannesburg since the 1970s to 2001:

Table 4: Population in the Current Boundaries of the GJMC, 1970-2001

1970	1, 560,132
1980	1, 880,764
1985	1,780,303
1991	2,215, 185
1997	3,800, 682
2001	4,100,000

Sources: Central Statistical Services (1976, 1985, 1986, 1992); GJMC (in Beall etal. 2008, 22)

There was a notable exception to the steady growth happens between 1980 and 1985. According to Beall etal ibid, the population growth is attributed to a combination of factors due to rapid urbanisation and labour migration processes underway from the 1960s when the economy experienced a sharp growth. However one of the manifest features of the higher population growth is the omnipresent housing backlog evidenced by the sporadic sprout of informal settlements that constitutes 22% of its population in mid 1990s. The point has already been made that astronomical population growth is considered to have a negative impact on economic growth and a healthy GGP. Despite Beall etal ibid. view and the contrasting perspective of Edmunds, Petras and Michaelson on population dynamics sketched out above, the World Bank encourages the African continent, the poorest continent in the world, to embrace urbanisation. In addition, it also encourages governments to provide the services migrants require to live decently in cities[28]. The logic of population growth in cities is similar to the logic of unemployment and underemployment which is a function of capital accumulation regime creating the Industrial Reserve Army (IRA) of the unemployed and constitutes surplus urban population.

3. Unemployment and underemployment in Johannesburg

In employment terms, Johannesburg accounts for approximately 11, 3% of the country's statistics which was at 45, 3% unemployment rate using the expanded definition in the mid 1990s. Unemployment crisis in Johannesburg mirror images trends of unemployment of South Africa in racial terms i.e. 43, 3% of unemployment being Black African and only 0.5% being white residents (ibid.). It has increased tremendously so is the gulf between the rich and the poor in the city between and within races. Johannesburg, like many cities of its

[28] *Sunday Times*: 23 November 2008.

development status in middle income societies, lives a material contradiction: On the one hand, among the 13 local government municipalities that went through the merger process, there were those with extreme opulence in historically white only municipalities. On the other, there were councils that administered black townships; charecterised by a population boom, major backlogs in amenities and other municipal services without ameliorative capital injection. One of the most distinguishing features of the contradictory development realities are spatial designs of city planning: townships are remotely further than suburbs to places of work. This reality is not mediated by the availability of public transport which is argued to be one of the prime impediments of the growth of Gross Geographic Product (GGP). This is generally attributed to workers getting to work late and high levels of absenteeism thereby discouraging the flow of green-field (job creating) investments in Johannesburg. This is not withstanding violent and high crime rate thought to be excessive by international standards. It is also argued to be a stymieing factor to local and foreign direct investments. This reality manifested the coexistence of the so-called development and underdevelopment patterns in one city. Despite the criticism levelled against dependency theory, it could be argued that it makes a useful contribution to understanding the diametrically opposed and dualist development processes in Johannesburg as it is argued further below.

Despite the policy difference on the definition of unemployment, expanded or strict, it is axiomatic that that unemployment in Johannesburg is alarmingly high at 15% in terms of the strict definition and 25% in terms of the expanded definition[29] in 1995 (Beall etal ibid). The unemployment challenge in Johannesburg has a direct relationship with the existence of

[29] UNDP Report (2000) shows that a strict definition that excludes "permanently discouraged work seekers" in the definition of unemployment, is the one used in the policy research internationally to calculate unemployment.

absolute poverty according to many research studies such as Tereblanche (2002) and the United Nations Development Programme (UNDP) Human Development Report (2000). According to a document written in the Asian Development Bank approximately 25% of the people in Johannesburg do not earn inadequate incomes (underemployed) which make it difficult to afford municipal services. According to Beall etal (2008), this places the picture painted above in context, the slow economic growth of the 1980s and the 1990s has also contributed to higher unemployment rates. This slow and the negative economic growth was compounded by the simultaneous restructuring of the world economy which equally affected the national economic situation. They argue this exacerbated the social polarisation in a city that was already unequal. The rate of urban unemployment has risen beyond reasonable proportions. They argue that the number of people who live below poverty line has increased in Johannesburg.

As argued in chapter 1, Beall etal (ibid.) argue that the economic trends in Johannesburg are a microcosm of the national picture. They argue that South Africa, between 1980 and 1990s has gone through a process of deindustrialisation. This is attributed to the fact that contrary to a popular belief that the GGP of Johannesburg is driven by mining and manufacturing sectors whose employment levels have dropped from 24% to 16%, it instead has been disposed to commercial, financial and transport sectors which make 21%, 13% and 6% respectively (ibid.). The point worth stating is that the juggernaut of financial globalisation has been a driving force behind the restructuring of the global economy and the current economic crisis.

4. Service delivery and infrastructure backlog

Johannesburg also represents an interwoven reality of core-periphery in one city due to the

social inequalities apartheid town planning policies have bequeathed on it. The difference between northern suburban part of the city and the townships shows the unevenness that Bond and Petras have alluded to above. Sandton and affluent suburb juxtaposed with the proximate Alexandra, and other townships paint the unevenness and combined development which further demonstrate the division of labour that Petras argues exists on a global plane. Clearly the notion of unevenness in development terms, not only exists between centre and periphery, but exists *within* the core itself.

According to Bond (2004) the majority of poor people in Johannesburg are African people. This in a sense reflects a national reality. Bond asserts that 16% of Johannesburg's community receive services below the statutory requirements. This confirms the point about unemployment statistics above. In a research he conducted in Johannesburg, Bond gives the following information about the satisfaction index i.e. percentages of people not satisfied with the following municipal services in Johannesburg:

- Electricity 48%
- Water 42%
- Toilet facilities 33%

In addition, according to Bond, this is notwithstanding 83 informal settlements without the following municipal facilities or amenities: no piped water, sanitation and storm water

drainage system, street lights, fire and emergency services[30], libraries and recreation facilities.

Roger Ronnie, Van Rensburg and the Anonymous (responsible for customer liaison and corporate communications) said one of the perennial challenges of the GJMC is the billing problems of communities for the services they use. This billing problem is a manifestation of a collapsing infrastructure which cannot gauge the use of water, electricity and other services the municipality provides directly to the communities of Johannesburg. For example leaking pipes and a dysfunctional storm water drainage system result in GJMC not being able to gauge the water consumption rates of individual households and businesses (Mashishi. ibid.). The implication of this has been inaccurate billing to households sometime giving rise to mix ups of accounts and penalties including terminating services based on incorrect information (Anonymous). The *Star* (18/02/2000) reports the seriousness of the billing problem, cites residents who paid for services whose accounts had not been credited. Due to the outsourcing of the technical function that disconnects services once communities do not pay, the subcontracted Black Economic Empowerment (BEE) type companies' are paid rates determined by the number of households whose services disconnected. This practice has encouraged them to act arbitrarily, without due diligence and supervision of the GJMC (Anonymous ibid.). This results in erroneous disconnection, sometimes bribes and surreptitious networks wrapped in criminality. This is notwithstanding the wastages as a result of decaying water pipes that make the consumption rate ostensibly higher than expected (Mashishi 2000, Bond: ibid).

[30] This to a great extent account for fire fatalities in many informal settlements in the country including in Johannesburg that usually happen during winter seasons due to lack of electricity warm already cold tin-built shacks.

5. Johannesburg as a metropole

There are many ways to understand the political and the economic conditions of Johannesburg in the South African and Southern African economic setup. In the previous paragraphs Johannesburg is already being referred to as a core (metropole), it is critical to build on this conception. One way of understanding the situation of Johannesburg in relation to national and regional dynamics and its contemporary challenges is doing so through the prism of the dependency theory. Beall etal contribution is critical to locate the situation of and in Johannesburg in the context of a development theory of dependency, both from the point views of its relationship with the rest of the country, the Southern African region and the world in the context of Macdonald's world city model (2008). Analysing cross border migration, Petras argues that it occurs in the context of the international division of labour in the global economy. Petras and Bond (2000) make the argument that in fact the evolution of the core in terms of the dependency theory, is a direct product of what they both construe as uneven development on the global scale, it finds resonance with urban development patterns in most cities of capitalist countries (author's additions included).

The relationship between the countries which are sources of the reserve army of labour (labour migration outflow zones) and those whose economies require this army (labour migration inflow zones) expresses the unevenness argued for above. In Petras view a division of labour underpins the power configuration of the world. The evolution of Johannesburg in relation to most of the country and the region could be explained in core/metrople-periphery context.

The structural relationship between Johannesburg as a metropole of the South African

economic activities and other cities and provinces of South African and the Southern African region, as the Asian Development Bank documents argues, is a microcosmic expression of the interlocking system of a vicious cycle of underdevelopment and perpetual dependency. For example, the core beneficiates raw materials drawn from the periphery, they are sent back to periphery as finished products at exorbitant prices. The realities of importation of products such as raw milk processed into various dairy products and sent back to the rural community as finished products is an example of this relationship. Mazibuko Jara (Interview: 29/01/09), the then branch secretary of Johannesburg Central branch of the SACP, confirms the point that in the SACP Johannesburg branch, as part of their analysis of the intricate commodity chain of agricultural production process affecting the Fresh Produce Market[31], they were also pondering urban agricultural methods that would be run along cooperatives principles and small scale commercial farming basis. This was also an attempt to diffuse the false division of labour between the urban (milieu of consumption) and the rural (milieu of production). This would obviously have deleterious implications for the comparative advantage that the rural economy has in the commodity chain. Equally important, this would shrink the transportation distance of agricultural products thereby escalating their prices and diminishing their quality. Some of these arguments were used against the planned privatisation of Fresh Produce Market that GJMC retracted at a whiff of persuasion confirmed elsewhere in the report.

[31] The Johannesburg Produce Market was the candidate for outright privatisation which ended up being corporatized than public companies (Pty) Ltd, with its own board in terms of the Companies Act. Chapter 1 and chapter 2 discuss this in greater detail.

6. Globalisation and Johannesburg

The role of the trade union movement is also located in the complex processes of capitalist globalisation. The cardinal object of the iGoli 2002 was the creation of a world class African city as the base document of iGoli 2002 professes, Macdonald construes it as a 'world city syndrome'. This meant that City of Johannesburg meets the international competitive standards set to assess the performance of world cities in the modernisation effort. Johannesburg, alongside Cape Town and Durban are rated among the top 40 leading cities driving growth in the emerging economies. Johannesburg is specifically pegged in the top 11 category ahead of its counterparts in Europe and Asia[32]. Rashid Seedat confirms that approximately seventy percents of head offices of corporate organisations listed on the Johannesburg Stock Exchange (JSE), a majority of infrastructure outlay of political parties and civil society organisations are situated in Johannesburg (author's addition included). Private sector investment has ballooned in the past several years in Johannesburg. Seedat further argues that it is ranked as an Africa's richest city. Also important Johannesburg houses prominent academic and non-academic research centres whose contribution to scholarship advertises the city and attracts sizeable number professional immigrants. However he is quick to point out that to this silver lining there is a cloud. Johannesburg cannot cope with the world's professional, tourist and economic expectations (author's additions included). This confirms the extent to which capitalist globalisation has created the world in its own image.

Literature points to the systemic changes that have occurred since the 1970s. These developments include prominence of finance capital ('financialisation') and the growth of the

[32] *Business Day:* 19 November 2008

service sector as an employment creator at the expense of industrial capital: the manufacturing and mining were the hallmarks of post World War 2 (WW2) industrialisation. In this regard, Bond (2000: 26) confirms the latest systematic developments and the asymmetries they have caused in national economies:

> In contemporary times, intensifying uneven development at a world scale is how globalisation should really be described. With unevenness between sectors and in particular the financial and commercial sectors in particular the rise of financial and commercial circuits of capital and the hegemony of the financial fraction of capital to the detriment of productive capital workers and the world's poor.

Asian Development Bank document remarks that one of the myths that still exist is that Johannesburg is economically reliant on mining and manufacturing. Similar to many economies, the dominance of finance capital and the service sector is conspicuous. The challenge of this pattern of development does not only exist in Johannesburg but in South Africa. The economic sectors that are conspicuously prominent are capital intensive, labour displacing and mobile at a whiff of a crisis. By implication, as Bond argues that the city development, especially the development path of Johannesburg, is a self-styled modernisation project with emphasis on the growth of the GGP with a trick down effect of wealth.

CHAPTER THREE

FINDINGS: IMATU AND SAMWU POLICY RESPONSES.

1. Unity in contradictions between IMATU and SAMWU

Organised labour seemed to understand the meaning of iGoli 2002 differently. This is an important departure point for a fuller comprehension of the unity and muted contradictions within and between the trade unions. Also important, the differences on finer principles led to contradictory policy outcomes and conclusions. Firstly two important conceptions of iGoli 2002 seem to be operating within SAMWU and IMATU:

1.1 Minimalist approach to iGoli 2002

The minimalist conception reduces iGoli 2002 to a programme intended to rid the GJMC of the financial crisis. The challenges of management, human capacity and infrastructure backlog seem to be residual to the financial capacity of the GJMC. IMATU confines their understanding of challenges facing Johannesburg to this approach. Strydom, the then national negotiator of IMATU asserts that since 1995 the management of GJMC managed the City of Johannesburg (CoJ) into a "financial black-hole". Agreeing with Seedat, the Director of Policy and Strategy, budgeting was not consistent with conventional budgeting procedures. Strydom and Seedat argue that the financial difficulties were mainly an outcome of management oversight of over-expenditure on line items in the budget for which these were either unbudgeted or under-budgeted. Seedat makes an example that at some point the GJMC was receiving approximately R 3 million when it budgeted and actually spent R 5 million.

This implied that calculating revenues due to the GJMC, outstanding debts from communities were not reconciled and bloated figures in the annual budgets. As a result, the deficit was covered by loans from financial institutions.

In addition IMATU's policy response in its document of proposals: *Saving the City*, An IMATU Proposal[33] [undated] the union argues that while it agrees with the GJMC diagnosis that problems of the Johannesburg are due to institutional design, they have more to do with lack of skills and capacity in the organisation (GJMC). Despite the stated opposition to the iGoli 2002, in a correspondence [Undated] to the GJMC Industrial Relations (IR) specialist, M Thobejane, IMATU's Johan Koen commits to union support the iGoli 2002 plan and the transformation declaration unveiled at the iGoli 2002 Summit. In the report, we name it a minimalist approach to describe the tendency to reduce all the challenges that afflicted the GJMC to narrow issues of finance and management. The following points underpinned the approach of the GJMC policy positions in the negotiations, according to slides [(08/02/00)] written by M Dlamini, one of the city officials and now the Johannesburg City Manager:

- Improving accountability by delegating some of the responsibilities to skilled managers and ensuring complaints with the municipal bylaws, national legislation such as the (Municipal Systems Act (MSA) and collective agreements with organised labour;
- Promoting efficiency of the GJMC;
- Diversifying institutional arrangements and systems through corporatisation;
- Optimal output for the budget allocated (through improved finance management and control);

[33] Van Rensburg said the document was finally adopted by SAMWU, thereby elevating it to a labour's proposal.

- Operational independence of the MOEs through their hundred percent shareholding, long term lease of assets from GJMC to the respective MOEs and transferring the management of moveable asserts on to managing directors and boards of directors of different MOEs;
- Incentivising and motivating employees;
- Develop means of raising development finance.

Hlubi Biyana a former provincial secretary of SAMWU in Gauteng[34] (Interview: ibid. 10/08) also leans towards this conception. Kevin (ibid.) and Rashid Seedat concede that IMATU was more concerned about the protection of jobs of their members and access to services of communities in which their members resided. Unlike SAMWU they drew support from the ratepayers associations in the suburbs according to Strydom (author's additions). Similar to SAMWU in the end, their approach tended to be economistic, it leaned towards protection of jobs instead of a broader vision of transformation of local government, a point we will return to below.

This view is consistent with Hemson's description of the role of local government only as a contractual, and according to Essaw Mbhele, the then branch chairperson of the Johannesburg branch of SAMWU and the provincial chairperson, a facilitative authority for the realisation of local government's mandate. The minimalist approach underscores a perspective in development discourse associated with the modernisation theory that proposes economic growth as a determining criterion for development (Bond: 2000, author's addition included).

[34] However at the time of the interview he was Policy Advisor to the mayor of Johannesburg. The author cannot determine the extent to which his views were textured by his current position in the GJMC management which were out of sync with the general perspective of SAMWU as enunciated above. All people interviewed, including Biyana confirmed that SAMWU had consistently argued for this approach

The need for the growth of the GGP in Johannesburg is a critical part of an agenda for the creation of a world class African city that fits the world city model Macdonald critiques (2008). Finally, a minimalist approach seeks solutions to urban development problems within the world capitalist modernisation project. In the literature, this view of the role of local government is intricately tied to a perspective of the role of the state in the context of a nation state. It reduces the state as only a regulator of the market and coordinates the adversarial relationship between capital and labour (Vally: 1992). This view is underpinned by the philosophical principle that the market should be freed from the hidden hand of the state. The World Bank's Structural Adjustment Programme (SAPs) development paradigm supports it.

1.2. Substantive approach to iGoli 2002

SAMWU suggested that iGoli 2002 represents a neoliberal programme and it was directly linked to the macroeconomic framework adopted by the South African government in 1996. Not only is the context within which iGoli 2002 promulgated important, but the content of the plan which suggested wide ranging commercialisation, corporatisation and in some parts privatisation of municipal services as table 1 above demonstrates. According to Macdonald and Pape (ibid.) corporatisation implies that communities of Johannesburg had to pay for the services the municipality rendered on a cost recovery basis. In terms of the broader public service this programmes implied downsizing and right sizing and other cost cutting measures that would make the public service leaner, meaner and cost effective. Bond (ibid.) argues that at the local government level, iGoli 2002 amounts to 'localisation of globalisation'. This implies a switch in scale and the application of a structural form of a nation state to a municipality (ibid). According to this perspective, the resolution of the restructuring challenges required a radical reform that leads to the expansion of the public service

including local government as a leader in job creation (September Commission: 1997). SAMWU operates in this perspective and many left leaning organisations and academic personalities in APF, ANC and its allies according to Kevin. In addition, iGoli 2002 underscores conservative fiscal policy and props up the systematic marginalisation of working class communities to shape the conditions of their social existence. This will be named substantive approach hereafter in the report. This approach has generally influenced the slant taken in the report.

This critique of iGoli 2002 justifies some of the policy responses of trade unions, mainly SAMWU, is consistent with a constitutional approach[35] that Hemson proffers. Its core logic is to deepen democracy and build the capacities of local communities to enable them to elaborate delivery programmes and government policies.

According to the Discussion Document (ibid.) [Undated] SAMWU argues that its approach to local government is informed by the following policy principles consistent with the mandate of constitutional obligations:

- The need to extent services to areas which were historically neglected;

[35] This is clearly a human rights based approach. SAMWU in the pamphlet of the 2001 Human Rights Day celebration articulates the outcomes of corporatisation such as: forced removal of communities in Diepsloot, communities living on the banks of Justkei river in Alexandra, evictions and electricity cut-offs to the poor including the aged, privatisation of water through the cost recovery programme of pre-paid meters and union bashing such as taking harsh actions against workers and their shopstewards who participate in the strikes against iGoli 2002, as human rights violation. The deleterious human rights content of the iGoli 2002 was confirmed by the High Court in the decision it handed down about the legality of the prepaid meters in Phiri brought by a class action of the community of Phiri against GJMC and the Department of Constitutional Development and Local Government (DCDLG).

- The need to retain services within the public service;
- Each citizen's right to municipal services not determining or undermined ability to pay;
- Human resources development to capacitate public servants to deliver services;
- A financial framework with strong redistributive element and the promotion of community participation in areas such as the budget process.

This substantive perspective also approaches development through the prism of human capability. On the contrary the minimalist approach that is hedged in modernisation theory whose central feature is the growth of the GGP, whereby human development approach looks at health, education, housing and social security as development indicators[36].

This difference between the GJMC and trade unions mainly SAMWU in the definition of the iGoli 2002 is predicated on this debate in the development policy discourse. Equally important, as Mashishi contends iGoli 2002 was a paradigm shift from the Reconstruction and Development Programme (RDP) which argued for growth through redistribution than growth and distribution (author's addition included). However it is critical to assert the RDP (1994) was also ambiguous with regard to the restructuring of public service and the local government. The RDP does recognise the involvement as well as the withdrawal of the state in their management. It does propose a mix of the two through joint ventures in the operation of the SOE to bolster the economic capacity of the state and to promote efficiency in the provision of services. However, the departure represented a trickle down approach. By

[36] This view is in sync with Amatya Sen's capability approach which has influenced the United Nations Development Programme (UNDP). The UNDP has expressed disdain at the underdevelopment of human capacities including the pervasive poverty and high levels social inequalities of South African society in the country's 2000 Human Development Report.

implication, this was a shift from growth *through* redistribution to growth *and* redistribution. The iGoli 2002 and the government's microeconomic policy that ideologically underwrites the restructuring of local government are shaped by this shift (author's addition included). By implication embedded in the difference, not only are the divergent views about the development trajectory, but a vision of the post-apartheid local government. Clearly the above rebuts the assertions of SAMWU's president Petrus Mashishi, Biyana and Van Ransburg that organised labour had common policy positions and was united in their understanding of the challenges that confronted Johannesburg. It is safe to state that Van Ransburg also argued that corporatisation of MOEs that are important for meeting the basic needs local communities was a setback. For example both Van Rensburg and Ronnie showed that services such as Metro bus could not be determined by narrow economic logic because it is a service that met basic needs which corporatisation did not guarantee. Clearly there are instances where agreement between unions was possible, similarly they instances where they drifted apart.

1.3 SAMWU's internal differences and policy implications

SAMWU was beset with internal ideological contradictions. In fact the differences within the union seemed to be greater than the differences that existed between SAMWU and IMATU. Mbhele and Mashishi confirm that SAMWU was not monolithic in their conception of the challenges and the organisational and policy responses to iGoli 2002.

1.3.1 Strands of left politics within SAMWU

Roger Ronnie argues that the internal differences were about different strands of the left

politics within the union. These strands have to be understood in the proper context of a relationship between the liberation movement and trade union movement, at different periods in history. Activists of the South African Congress of Trade Unions (SACTU) whose members were seconded to COSATU and its affiliates in the early 1990s constituted one of the strands. These were activists who belonged to the Alliance organisations but resented the neoliberal agenda of the ANC government, according to Ronnie. Secondly there were activists from the independent left outside the mainstream of the Tripartite Alliance politics. According to Barchiesi, Buhlungu and Ronnie they hail from the post 1973 FOSATU period and belonged to the second strand. In terms of the third strand, Ronnie concurring with Mashishi argues that some activists were loyal to the ANC. Their commitment to the union would come second. Ideological diversity has been a source of strength in COSATU unions, but according to both Mbhele and Ronnie this was uppermost source of weakness in the anti-iGoli 2002 struggle. To confirm this weakness SAMWU's Discussion Document [undated] makes the following remarks:

> Our CEC[37], during November last year, resolved that part of the ongoing process of assessing our approach to restructuring in our sector generally and our specific opposition to privatisation, should include an assessment of our strategic orientation to the ANC. This was deemed to be necessary given our position on political support to the ANC and the conflicting positions existing between the parties on the issue of privatisation. As mentioned above, the organisational

[37] Central Executive Committee, the second most superior forum after National Congresses in generally in COSATU unions.

> vacillation on this matter hampered our ability to give effect to long standing positions of the Union.

In terms of this Discussion Document, SAMWU had convened several meetings attempting to surface the issues and ensure that consensus was built to realise the objectives of the anti-privatisation campaign. The meeting, in which the issue was debated, after a series of meetings and debates, was dubbed a 'clearing house' to bury the issue once and for all.

The dominant strand within the leadership of Gauteng province was the one that owed blind loyalty to the ANC. This leadership according to Mbhele, Jara and Mashishi undermined the campaign and decisions made by the union. Ronnie says the campaign was deliberately sabotaged because the decisions made by agreement canvassed in structures of the union were unjustifiably not implemented. For this reason, opposition to the campaign was not "out there" but within the leadership and membership of the union. According to Ronnie agreeing with Mbhele, part of the difficulties were that the campaign was not fully embraced within COSATU and its other affiliates. This was due to the same differences that were manifest within the union. The timing of the struggle against privatisation also skewed the balance power between the union and the GJMC unfavourably.

Buhlungu (2006) elsewhere in this chapter discusses the dilemma of new social movements to parliamentary politics. He argues that often it generates deep schism down the middle during times of elections. Some sections of SAMWU used the election boycott tactic and a conditional support for the ANC as a bargaining chip for a moratorium on unilateral

implementation of iGoli 2002[38]. According to Rees and Sampson cited in Barchiesi (ibid.) the inability of the union to threaten a successful elections boycott in 1999 local government elections debilitated the campaign and the workers' morale in the union. COSATU and other affiliates including those that were exposed to haemorrhaging effects of privatisation juggernauht were mobilising workers for an ANC local government election victory while this struggle was continuing. This confirms the lack of support that Ronnie decries and ideological differences between and within SAMWU, COSATU and its affiliates.

There are a variety of reasons attributed to the seeming defeat of the struggle against privatisation in Johannesburg. Among them Barchiesi (2004) remarks that towards the end of this struggle, Johannesburg branch of SAMWU resorted to narrow economistic job protection demands at the expense of the vision that united forces against the plan. Hlubi Biyana is cited in Bachiesi arguing that unions have a limitation of being reformist, justifying the retreat in this struggle. Arguably this lends credence to the pessimistic view that trade unions are integrated into the capitalist production system, therefore cannot transcend their immediate workplace social grievances.

On the contrary, Mbhele has argued that the Johannesburg branch of SAMWU was keen to pursue the struggle against iGoli 2002 to its desired conclusion. The leadership calculated a defeat especially after the failed attempt to stop privatisation through the ANC intervention discussed below. However Mbhele also demonstrates that the national leadership was split down the middle, with the then General Secretary Mxe Nontsele and the provincial

[38] The sentiment for conditional support for the ANC was not confined to SAMWU alone. COSATU and the SACP, perhaps not as overt as SAMWU was, were arguing that that they should be guaranteed active involvement in the policy formulation of government by the ANC.

leadership, arguing for a moderate line than their members in Johannesburg branch. It is worth observing that the strands of left politics within SAMWU seemed to have found their way into the leadership of the union and to a degree, have had an immense influence on the attitudes of other branches of SAMWU towards the anti-iGoli 2002 and the actions of its Johannesburg branch.

Critical in this discussion is a puzzle about workers bond to the ANC understood against fierce anti-iGoli 2002 struggle. Why is it that despite the deepening neoliberal agenda, the working class including organised workers still supports the ANC? In fact Seedat poses a sharper question: Why is it that despite iGoli 2002 and service delivery protests that engulfed Johannesburg in a period preceding the 2000 local government elections, people from these communities who were overtly aggrieved returned the ANC into power with a bigger margin?, albeit with a lower voter turnout (author's addition included). Seedat points out that this rhetorical question underscores a paradox in South Africa's body politic. This partly explains the dilemmas of the new social movements and trade unions with regard to elections as Buhlungu observes elsewhere in the report. There have been many ways this paradox has been explained. According to Buhlungu and Psoulis (1999) the bond has developed on a personal and collective level within the Tripartite Alliance. It was deepened by the struggle against a common enemy. They argue, the national oppression tends to endure the solidarities between the ANC and ordinary members of COSATU affiliates. Citing Fantasia, they add that bonds forged and a culture developed in the struggle against racial oppression is more durable than usually realised (author's addition included). In addition, Jara has also argued that one of the important lessons to learn for socialists is that they must develop a deeper understanding of the complexity of workers' political consciousness. Put differently, the complexity of workers consciousness, in the context of the "enduring solidarities" Buhlungu

and Psoulis theorise, lags behind the material conditions of a contradictory social class location[39] of a kind. This is what has thus far been under-theorised, it is indeed a knot difficult to untangle.

1.3.2 Tacit differences between SAMWU and IMATU

Contrary to Mashishi and Van Rensburg's diplomatic responses on the unity of IMATU and SAMWU in their engagements with GJMC about iGoli 2002, there is evidence that suggests that there were cracks within the labour front. Table 4 breaks down the differences between the unions and somewhat suggests common positions. Strydom points out that due to the different traditions and political culture the cynicism that existed between the two trade unions cannot be downplayed. He confesses that IMATU was still white, with nominal participation of coloured and Indians workers. It was organising mainly middle management and in technical grades in the municipality. This is in contrast to SAMWU that is mainly black African and concentrated in the lower grades of the municipality. Importantly, the political alignment with the ruling party through COSATU, together with communists was a source of considerable anxiety within their ranks according to Strydom. This created an impression that SAMWU was provided information by their political allies long before issues were tabled in the formal meetings of the Special Negotiation Committee (ibid.) which perceptibly put IMATU at a great disadvantage.

2. iGoli 2002, corporatism and trade union strategy

As said in chapter 1, Hibou (2004: 02) argues that the restructuring of the state has amounted

[39] The idea was developed in an informal discussion with Sheri Hamilton 09, January 2009.

to privatisation of the state. She asserts it involves negotiations and compromises with different actors in society for the new outlines in the state and methods of governing (02). This line of thought implies that an institutional edifice found in social corporatism, instead of reinforcing the state and bringing it back in the social and economic policy management, it actually provides a fertile ground for its marginalisation. By implication, it could be argued in fact that social corporatism is not an antithesis to neoliberalism but its synthesis as its structures are important to immunise and stabilise capitalist productive relations against pressures of globalisation within a nation state (ibid). Similar to Hibou, Vally (ibid.) argues social corporatism offers a platform for the cooption of organised labour and undermines its independence. It is a dialectic that Hibou argues that while the state opens itself up for reorganisation of the bureaucracy and reordering of power dynamics with the input of private actors, this can be considered a form of state intervention as the state is the driver of the process of power reordering. The dialectical diffusion of power in the period of neoliberal restructuring where social corporatism has presumably strengthened the so-called the 'hidden hand' of the state returns us to the state-market interface that rebuts the ostensible antithesis/dichotomy that Hughes (1993) and Moore (1995) have respectively remonstrated. SAMWU's strategy towards iGoli 2002 had the following components: negotiations with the GJMC, political negotiations with the ruling party ANC, propaganda and mobilisation to build the profile of the campaign according to Ronnie. Arguably the trade unions found themselves in an unviable condition and had to wrestle with the reality expressed in the following quote:

> The bourgeoisie always seeks to separate politics from economics, because it understands very well that if it succeeds in keeping working class within the corporatist framework, no serious danger

can threaten its hegemony[40].

As observed already throughout the report, confirmed by Maller's typology, the iGoli 2002 context ostensibly fudges the reality of power inequity. Confirming Hibou's earlier assertion Mashishi remarks that SAMWU adopted a two-fold strategy for policy bargaining in terms of iGoli 2002 negotiations[41]. The first fold of their negotiation strategy was the LRA negotiations and this would be complemented by the political negotiations directly with the ANC under the leadership of the ANC, Kgalema Motlanthe who was the convener of the negotiations. In terms of the Record of Understanding of the ANC, COSATU and SAMWU (28/06/2000), there was a principled agreement on the restructuring of the municipal entities provided jobs were not going to be lost and the entities were going to remain in state's hands. Equally important, parties to the agreement seemed to be willing to explore other forms of ownership beyond the "(Pty) Ltd" they had committed to look at as a last resort. Joint submission of IMATU and SAMWU to the SALGBC on moratorium (18 July 2000) suggests that mediation conducted by Charles Nupen and later by Gavin Hartford had failed to break the stalemate on key issues of negotiations including the moratorium hence the political negotiating with the ANC. The political negotiations with the ANC according to this joint submission were about brokering a deal and ensuring that political oversight is exercised on the unions and GJMC negotiations (Roger Ronnie ibid. author's additions included). The joint submission also alludes to another initiative between the MEC for Local Government, Trevor Fowler also the provincial secretary of the SACP in Gauteng[42].

[40] 3rd International: 4th Congress Resolutions cited in Lambert (preface: 1998).

[41] The word negotiation appears in policy documents whereas the word consultation appears in legal documents. Their implication is same at all times except where the context suggests otherwise.

The two hats worn by Trevor Fowler, according to Jara, had serious implications for the positions taken by the

Vally mounts a virulent critique of corporatism with regard to the representivity of varied interest groups within corporatist structures. He argues that it subverts democracy because it affirms the primacy of the golden triangle: government, employers and trade unions to the exclusion of other components of civil society[43]. Webster (1998) argues that NEDLAC is corporatism of a 'special type' due the existence of community chamber in which interest groups outside the so-called 'Big Three' would be represented. This is evident in the exclusion of other organisations in the negotiations between the MEC and the presidents of SAMWU and IMATU on the one hand, and the negotiations with the ANC under the rubric of the Tripartite Alliance on the other. It is worth stating that due to the looming local government elections that the ANC had to contest and the dilemma facing SAMWU, brokering a deal served the political interests of both COSATU and the ANC as allies. IMATU and social movements were marginal participants in the political horse trading that was ensuing between SAMWU, the ANC leadership and GJMC. Left in the cold, Strydom reveals that IMATU approached opposition parties in the GJMC to canvass their support to pressurise the ANC stop the implementation of the iGoli 2002 until there was an agreement on the restructuring process. Strydom disappointingly says all opposition parties ignored them. This begs the question whether it would not have been in the interest of the political parties to support trade unions and community organisations in view of the looming election contest in which they slugged it out with the ANC? This is despite the IMATU's input into the issues for horse trading as follows (joint submission ibid. 02):

SACP especially in the province which were in direct contradiction with the positions of the Johannesburg Central branch of the SACP.

[43] This is notwithstanding the iGoli 2010 Steering Committee discussed above. It seems that the GJMC was able to hoodwink trade union federations and carefully chosen community organisations to a separate process in addition to the Special Negotiations Committee it had with IMATU and SAMWU.

- The institutional form of GJMC after the restructuring process;
- The labour relations impact of the restructuring exercise;
- The socioeconomic impact of the restructuring process on the communities of Johannesburg.

This *modus operandi* — a multi-layered negotiations process had enormous organisational implications for SAMWU than IMATU. Mbhele asserts the process generated fissures within SAMWU which began to grow when the national leadership took the process away from workers. The growing gap between the leadership of trade unions and the rank and file membership has characterised the life of trade unions throughout the period of the South Africa's transition and beyond. Ronnie remarks that tendency towards centralisation and growing divide between the membership and the leadership is a current that has rapidly taken root in South Africa, but continued to exist among the US, North American and European trade unions (author's addition included). This also confirms Vally's point (ibid.) that social corporatism centralises union organisation, blurring its vision and finally leading to its incorporation into the capitalist system.

COSATU unions have gone through a process of organisational modernisation according to Buhlungu (2004). Organisational modernisation, Buhlungu argues, is about finding a creative balance between internal union democracy and workers control on the one hand, and the need for organisational efficiency in policy bargaining required of unions in a corporatist framework on the other (Vally ibid. and Von Holdt: 1998). Buhlungu examining COSATU affiliates has argued that the tension is glaring, between the character of their democratic practice i.e. reporting back, getting mandates, exercising a right to recall, and the need for organisational modernisation required of corporatism in the post-1973 FOSATU unions

(Buhlungu and Psoulis: 1999, author's additions included). However FEDUSA affiliated unions, IMATU in this case, seem to have gone pass the balancing act as they have long adopted business organisational models to promote internal efficiency. He proffers three approaches: oligarchy thesis, integrationist thesis and the incorporation thesis to underline the contradictions of trade unions in his modernisation theory.

The first one is the Michel's iron law of oligarchy (oligarchy thesis). Michel postulates that trade unions go through a natural cycle of membership growth in which they centralise their operations and a few leaders at the top tend to run the union to the exclusion of the rank and file. Secondly due to the strategic relationship with the production process alluded to in chapter 1, they get to be incorporated into system of capitalism. Trotsky's incorporation thesis, cited in Buhlungu (2004) argues that unions are incorporated into the capitalist system and their leaders are turned into agents of the state and the bourgeoisie[44]. This incorporation chips off the capacity of trade unions to transcend the system, they tend to reform it than to

[44] The pessimistic view was part of the critical current in the leadership of the new social movements towards the leadership of trade unions especially COSATU affiliates. Buhlungu (2006, 03) cites John Appolis, the former provincial secretary of the Chemical, Energy, Paper, Printing and Allied Workers Union (CEPPAWU) who had become the chairperson of APF as saying: 'there has emerged a symbiotic relationship between the trade union bureaucracy and the ANC leadership which has nothing to do with politics but self-preservation by the elite. It is worth pointing out that Trevor Ngwane expressed misgivings about this characterisation of union leadership. He argued that it is one of the many factors that expressed sectarianism which was behind the failures of the struggle against privatisation not only in Johannesburg but in the country as a whole. However this self-preservation and symbiotic relationship between union bureaucracy and ANC leadership is evidenced by the appointment of Mxe Nontsele who was the General Secretary of SAMWU, at the time of iGoli 2002, to the position of mayor in one of the small municipalities in the Eastern Cape. Biyana said elsewhere in the report, he is the policy advisor to the Mayor of Johannesburg, also remarked in Bachiesi that unions are reformist justifying the need to protect jobs and compromise on some of the radical positions that the union had taken.

smash and change it. This view is consistent with Appolis views, supported by Ronnie, on the leadership of COSATU and their relationship with the ruling party (footnote 44: p. 59-60). Lastly the integration thesis suggests that by virtue of the exposure of workers to the industrial relations machinery e.g. wage bargaining system, grievance and disciplinary procedures, grading and promotions system to which workers are entitled lay claim to a right, their struggle on the shopfloor is about the best possible deal from the system, thereby do not see themselves overthrowing it but retaining it and, as it were, gaining incremental concessions. It is therefore critical that the whole system does not blow asunder but held together for their interest lies in it and not a different system.

The tendency according Vally is more pronounced in a social corporatist setup. This oligarchy thesis confirms Mbhele's anxiety about the behaviour of the national and the provincial leadership and that the struggle against iGoli 2002 was stifled by centralisation of decision making through the horse trading between SAMWU, GJMC and the ANC. He argues that while the implementation of iGoli 2002 was continuing on the one hand, and workers in Johannesburg were bearing the brunt of privatisation, the national leadership was locked in endless discussions either at NEDLAC, with the GJMC or with the political leadership of the ANC[45] on the other.

The shortcoming I find in Buhlungu's approach is that it disaggregates these theses whereas they are part of a symbiotic whole system. Therefore it requires a conceptual process of totalisation. This disaggregation lies in the separation of leadership and membership in the three pessimistic theses. For example, the oligarchy thesis and incorporation thesis are leadership centric whereas the integrationist thesis is rank and file centric at the point of production. My proposition drawn from empirical evidence, at least from my involvement in

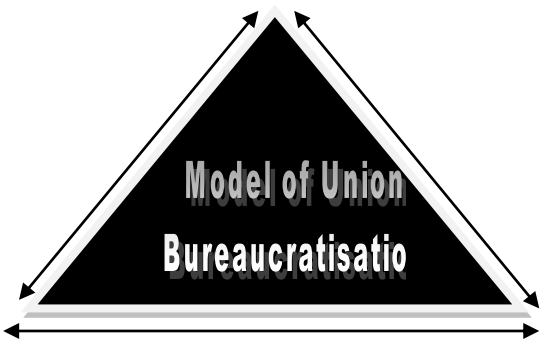
[45] The minutes of the Water and Sanitation Forum (12 June 2000) confirm this dilemma i.e. negotiating with the ANC representative and having asked for moratorium on privatisation while the privatisation process was continuing.

COSATU structures, is that the oligarchy thesis is more a synthesis of the integration thesis and the incorporation thesis. The incorporation thesis and the integration in fact constantly interact in reality and both evolve from workplace employment relations than the oligarchy thesis that exists in union structures. Put differently oligarchy thesis stands at the apex of both the integration and the incorporation thesis buttressing it at the top. For a lack of better description, the synthetic framework is called "Model of Union Bureaucratisation" (MUB) depicted in the diagram below:

Diagram 1

(In the union leadership)

Oligarchy thesis



Integration thesis
(in the workplace)

Incorporation thesis
(in the workplace)

The integration thesis as said is about the socialisation of a worker into work rules contained in grievance procedures, promotion procedures, disciplinary procedures and contract of employment in which there is a tacit injunction that workers should be contractually obedient to their employer. The ideological corruption of a docile worker socialised into these practices is a function of a production process and its rules thereof. Incorporation thesis has to do with the incorporation workers leadership in trade union who are not necessarily always in the workplace but for the sake of this model they learn their leadership rituals and styles in the workplace and in a trade union (a school of ideological training). In their interaction with the bourgeoisie and the bourgeois state, they are bought over by the state and the ruling class

to become their agents in trade unions. Ronnie makes the point as well, that if there is something the employer (GJMC) has done successfully, is weaken SAMWU by taking away its leadership and co-opting them on to their side even when they were still in the union through a carrot dangling method i.e. promise for plumb jobs in the municipality (author's addition included).

My submission is that these tendencies of integrated workers in a trade union and incorporated workplace leadership bear a fertile ground for the kind of leadership that moves up the union leadership rungs to be oligarchs. It is a condition that creates oligarchs in trade unions, also creates conditions for incorporation and integration in the workplace as the oligarchs are agents of the bourgeois state and the ruling class. The dialectically interwoven process between the three poles in the diagram is apparent in SAMWU.

Notably COSATU unions in view of their participation in structures such as NEDLAC established policy and research departments whose work was to coordinate policy inputs either at NEDLAC or parliament. The role of university trained intellectuals is a topic of intense debate in the sociology of South African trade unions. Vally argues that social corporatism elevates the role of intellectuals and determines internal epistemological processes and modes of policy development within trade unions (author's additions included). The elevation of policy and research departments at the expanse of trade union organising and trade union education is a feature of the changes related to centralisation. Mashishi and Ronnie both confirm that Rob Rees was employed for this purpose in Gauteng. Von Holdt's strategic and Ronnie suggests that unions require a considerable intellectual capacity for them to fulfil new roles in the context of strategic unionism and engaging legislated codetermination meaningfully.

Appeal to nationalist sentiments or national patriotism is one of the ploys of governments and the bourgeoisie in social corporatism against trade unions and the working class according to Hibou and Vally. Mbhele and Mashishi both demonstrate that the retreat of SAMWU from the Anti-privatisation Forum (APF) is because misgivings were expressed within the union and the COSATU that social movement were anti-ANC, anti-government and enemies of the national democratic revolution therefore enemies of South Africa's political achievements. In fact Mbhele says that their opposition to Black Economic Empowerment (BEE) was also branded opposition to the democratic and economic participation of historically excluded majority. Mbhele argues the attribution of labour aristocracy to SAMWU was about blackmailing the union[46] than a statement of fact. In a pamphlet to members, SAMWU attempts to rebuff the innuendos suggested in the propaganda of the GJMC (06/04/1999):

> In South Africa workers movement has never confined struggles to narrow interests of organised workers only. The SA Municipal Workers Union (SAMWU) is committed to affordable and efficient public service; and that includes democratic community and worker participation. SAMWU is prepared to accept the responsibility this entails, in the workplace and in communities.

The impact of this blackmail on IMATU with the membership demographics that have changed and a sizeable number of its members owing loyalty to the ANC, according to Van Ransburg is not clear from the research.

[46] This invoked a debate of the 1970s in South Africa captures in Labour Aristocracy Thesis (Waterman: 1975) and the Urban Bias Thesis.

Formative radicalisation of IMATU

Despite that seeming differences highlighted above, Van Rensburg suggests that IMATU's with SAMWU and later with the new social movement has had their own limited radicalising impact on the union. Mbhele in this regard, confirms that IMATU's reliance negotiations and litigation, in his opinion weakened the campaign against iGoli 2002. However there seemed to be a division of labour between the two unions, Van Rensburg had the following to say in this regard:

> If SAMWU was as sophisticated as IMATU is in the boardroom and IMATU was as streetwise as SAMWU is in the streets, we will a hell of a force to be beat.

Van Ransburg continues to argue the reliance on negotiations and litigation was unsustainable because they realised that SAMWU militant actions elicited the desired reactions. He discloses that he once approached his regional structures, after the iGoli 2002 experience, asking them to change tune or he would step down as a regional chairperson. This led to the document called 'Searching the Soul of IMATU' being drafted and adopted that radically shifted the union's strategy from not only pursuing negotiations and litigation but added strike as a critical dimension of the strategy to fighting iGoli 2002. In addition, he qualified that their strike actions in terms of the new strategy should be compliant with the requirements of the law and should be conducted peacefully. The non-violent aspect was emphasised because in spite of the unity of IMATU and SAMWU in the face of iGoli 2002, their members were allegedly killed by SAMWU members in some of the strikes that turned violent in which some of them chose not to participate.

The different interpretations of iGoli 2002 found expression in the trade unions' political responses which often buttressed their policy responses. For example Van Rensburg confirms Kevin's view that IMATU preferred boardroom and courtroom than the mobilizing their members in the streets. As Van Rensburg discussed above, the strike actions were important in the building of IMATU's emerging political consciousness. Clearly the emphases on mass mobilisation vis-a-vis negotiations and litigation actions also have implications for visions of the two unions respectively. The need to be consulted and the submission Mbhele made confirming Maller's concept of tacit knowledge that workers know the municipality, they know what went wrong and in the end, they how to fix it, points to the need for a democratic workplace. This suggests not only the consensus model founded in corporatism, both in terms of the process and the vision itself, however trade unions envisioned a deeply participatory process in GJMC.

4. A contradictory context of iGoli 2002

iGoli 2002 was conceived in a fluid socio-political context of the looming local government elections of 1999. The context of elections threw up a complex situation for organised labour especially SAMWU as part of the COSATU stable that has a formal political relationship with the ANC. The complexity in the situation required the unions to wade through the jubilance and euphoria of the second local elections pitted against the sombre mood of a railroaded restructuring process that led to corporatisation and privatisation of municipal departments. On a different level, the unions were found in the same dilemma as 1999 was characterised by labour and social unrests. The biggest ever public sector strike that took place against this backdrop, on the face of it, a wage dispute but had the undercurrents of a

struggles against commoditisation of government public services (Makhura and Phadu: 1999, my additions included).

This is notwithstanding the dilemmas of the labour movement and other forces on an international scale, for examples, privatisation of an electricity State Owned Enterprise in Turkey[47]. This accompanied by its integration of European money markets that found expression in the introduction of a Euro as a common trading currency among major European countries as a symbol of continental unity. In a nutshell, neoliberal restructuring of the global economy has been pregnant with contradictions that carried the undertones of nationalism within and beyond nation states. Arguably the Federation of International Football Association (FIFA) World Cup played a similar role in the consciousness of workers in South Africa as the Euro did in European countries.

While FEDUSA affiliates were not as involved in the public sector strike as IMATU in the anti-iGoli 2002 struggle and its counterparts in Transet such as UTATU, Mbhele does acknowledge that in the bigger scheme of things, the public sector wage dispute of 1999 and other struggles mentioned above, deflected the negative sentiments that SAMWU and IMATU were up against from the government's establishment and some of the communities[48]. This is notwithstanding pockets of protest actions taking place in many parts of the country. For example, the SECC's waged a campaign to reconnect electricity of communities that were at the receiving end of cost recovery methods of GJMC. Important in

[47] While immaterial for the discussion, Turkey straddles both Europe and the Middle East however it is officially in the European monetary zone.

[48] The GJMC and the ANC apparatchik invoked the argument that organised labour had a narrow view of the challenges faced by GJMC towards meeting its developmental and service delivery mandate. They argued that trade unions are labour aristocracy that Waterman (1976) introduces in chapter 1.

the foregoing discussion is that the broader socioeconomic and political conjuncture existing in the country and the world over placed trade unions and forces that asserted the sanctity of state driven development against the tide. Having sketched out the socioeconomic and political contexts that constrained the potency of trade unions policy proposals in the negotiations and in the social discourse, the following discussion is an elaboration of the policy responses.

5. Corporate Governance and Accountability

IMATU and SAMWU and Ngwane all deride iGoli 2002 due to its lack of accountability of the GJMC to communities of Johannesburg. In the question and answer correspondence [undated] between the trade unions and GJMC, the question is being posed: 'Do business principles set out in the Companies Act meet the object of local government? The response of GJMC emphasises the efficiencies accrued from the impending corporatisation and the fact that the GJMC will have sole ownership and sufficient influence to facilitate accountability of MOEs to itself. For this reason due to the tension between the constitutional provisions and the provisions of the Companies Act, trade unions have argued that 1Goli 2002 was unconstitutional from its inception. In terms of attorneys advice[49] to trade unions the procedure followed in constituting the MOEs was not correct in law. Both in terms of the Constitution which enjoins the GJMC to consult communities and ensure they participate in the affairs of local government. According to the legal opinion provided by IMATU commissioned attorneys, section 152 of the Constitution states:

[49] IMATU was advised by Tim Du Toit & CO. INC. SAMWU was supported by Cheadle, Thomson and Hysom (CTH) Attorneys. Both law firms will be referred to as union attorneys unless the context dictates otherwise.

- To provide a democratic and accountable for local communities;
- To ensure the provisions of services to communities in a sustainable way;
- To encourage the involvement of communities in local government matters.

It (the legal opinion) continues to reveal that corporatisation will violate accountability provided for in the Constitution as MEOs will be registered in terms of the Companies Act. This implies in terms of their financial affairs, they would no longer be accountable to the Auditor General entrusted to audit financial statements of government departments and municipalities. Instead the MOEs have to lodge their financial statements with the Registrar of Companies, established in terms of the Companies Act, and neither the central, provincial governments nor communities of Johannesburg would be entitled to peruse their financial books. It is for this reason that the involvement of communities was a battle cry of unions and community organisations that supported this struggle.

Also important, the legal opinion makes the observation that the GJMC and its different departments, similar to any part of the state, are exempted from paying tax in terms of the Income Tax Act to which private companies registered in terms of the Companies Act are subjected. By implication, they would also not be protected from unfair competition from which they were protected. The principle of cross subsidisation that Van Rensburg and Jara thought would occur between the so-called cash cows and the departments that were technically insolvent would be costly if the planned corporatisation took place according to the legal opinion. It also reveals that cross subsidisation of two independent companies is recorded in the financial statement as a donation which is taxable at twenty five percents. By implication, subsidies across MOEs would be subject to the provisions of the Income Tax Act and the Donations Act.

The corporatized MOEs would have to appoint board of directors, presumably senior councillors, officials and independent industry experts, whose powers are defined by the articles of association of the respective companies. The powers of the directors, and their legal or fiduciary duties, including worker directors an idea mooted in the iGoli 2002 negotiations in terms of Biyana submission, are defined in terms of the Companies Act, unless expanded by a general meeting of the board of directors. The principle that the legal opinion conveys is that boards of directors are neither accountable to the sole shareholders, nor its creditors and subsidiary[50]. '...directors are not servants to obey orders given by the shareholders' the legal opinion argues (point 6.1, ibid.). Van Rensburg, Ronnie, Mbhele and Ngwane argued that iGoli 2002 watered down the role not only of communities as the legal opinion also acknowledges, but their representatives, proportional representative (PR) councillors and ward councillors as well. Despite this reality, the slides by M Dlamini (ibid.) argue that iGoli 2002 is a product of GJMC discussions and it enhances accountability.

The foregoing discussion underscores the primacy of economics and the residual importance of politics (encapsulating the legal system). The political economy analysis found in Marxist jurisprudence seems to be pertinent, despite the criticism levelled at Marxist base-superstructure bifurcation and resultant economic determinism. Clearly the tension that exists between the Constitution and the macroeconomic policy Growth, Employment and Redistribution Strategy (GEAR) resonates in this tension between local government constitutional obligations and iGoli 2002 GEAR underwrites. It is consistent with the Marxist

[50] The GJMC invited the public to participate in the nomination of the 'Advisory Boards established to provide advice to the GJMC about how to establish the MOEs according to a communiqués titled Nomination to Advisory Boards and the Electricity Newsletter: Communication towards Change'. These Boards according to the Nomination to the Advisory Board communiqué would range from 5-10 persons.

mantra that the base shapes the superstructure, although under neoliberal economic framework the superstructure does significantly influence the contour of the economic base (Pashukanis: 1929, author's addition included). For examples, the import substitution industrialisation strategy that Fine and Rustomjee (1997) argue buttressed the evolution of the South African economy and protection of the industries that drove the colossal emergence of Johannesburg is a case in point. In addition, the new found confidence in the notion of a developmental state (Edigheji eta: 2008) is an example of the observation that Pashukanis makes that there seems to be a reciprocity between the base and the superstructure. The point has already been made that GEAR which has been said to be an underwriter of iGoli 2002 has ultimately been a defining feature of the direction of local government in the post apartheid South Africa.

6. Internalisation of municipal services

As said elsewhere in the report, policy responses of organised labour were grounded in the anti-privatisation stance. Trade unions were not opposed to a restructuring of the GJMC however they were opposed to the manner in which it was carried out. Organised labour adopted the view that in pursuit of the idea that the state is central to the delivery of services, all the departments that are core to this mandate should be kept within the realm of state control. This included bringing back the outsourced municipal administration e.g. commercialised of pay points for municipal services through supermarkets and chain stores[51]. This view is adopted in the context of widespread practice of outsourcing i.e. partial

[51] Mashishi, interview: 09-10-08.

privatisation that involved change of ownership and management of operation[52]. The critical dimension of the policy proposals/responses of IMATU and SAMWU were leaned towards internal organisational restructuring which includes sourcing in services that would make GJMC dynamically responsive to the needs of communities.

As already pointed out above, iGoli 2002 outsourced functions that were traditionally departments into private companies that were established in terms of the Companies Act with individual board of directors. In essence, their operations were independent of the GJMC however their authority (governance) were somewhat influenced by the GJMC. Weeks (1999), Mashishi and Mbhele all confirm SAMWU has been opposed to making the different corporatized entities independent business organisations run along profit lines. However, Van Rensburg demonstrates that IMATU was arguing that those municipal entities that were not profitable should be ring-fenced and revived to enable them to make their contributions to the budget of the GJMC (this could have been conceived as commercialisation in terms of the broader definition of privatisation discussed above). In this regard the nuanced difference between IMATU and SAMWU are important to note. Instead of outsourcing and corporatisation, the trade unions preferred internal restructuring Moonsamy (2000) discusses as organisational development process that imbues a learning organisation model. The need to keep MOEs under the direct control of the GJMC was one of the areas of disagreement

[52] This type of organisational restructuring has been hotly debated in international labour studies literature. The operative definition in this context is a legal one legislated in the South African labour law. This form of privatisation implies a 'transfer of a business concern, whole or part of it, as a going concern' (LRA, 1995 as amended in 2002, section 197) defined by COSATU below. While this process was guided by the NFA which is not a piece of legislation but an agreement of intent between the government and federations of organised labour through NEDLAC, the LRA provided the legislative framework for the outsourcing exercise. This discussion is pursued in greater detail in the part that covers collective bargaining in this chapter in the report.

between the GJMC and the trade unions.

IMATU, SAMWU and their respective federations COSATU and FEDUSA in terms of the LRA section 77, socioeconomic rights, notice at NEDLAC 27/10/2000 had predicted retrenchments of workers because as they all argued, corporatisation as a form of privatisation inevitably leads job losses. The legal opinion to IMATU rebuffs the claim by the GJMC that there would not be job losses and workers would only be transferred to the new entities in terms of the LRA section 197[53]. The following passage from the legal opinion (point 7.2) makes a compelling legal argument that confirms the concerns of trade unions and their respective federations:

> The loss making departments have now become the loss making companies will start trading under insolvent circumstances. As soon as that happens directors will have fiduciary duty, beyond the one owing to the company, to the creditors of such a company. Liquidation of such companies has the following inevitable results:
>
> a) Retrenchment of employees
>
> b) The inability of the Council to provide services to communities.

According to the minutes of the Special Negotiations Committee meeting (07&08/06/99) Annexure B the GJMC commits to the following principles, to mention just a few, in its dealings with trade unions and was inviting trade unions adopt them:

[53] It is a section in the LRA that regulates the partial and complete privatisation (sometime sale of entities from one private sector organisation to another) and has implications for conditions of services in contracts of employment and or collective agreements.

- That iGoli 2002 as proposed by the employer guarantees all jobs;
- In instances were pensions and conditions of service will be affected such will be negotiated;
- That potential bidders will guarantee current terms and conditions of service of staff where functions may need to be transferred to non-council parties;
- That where privatisation must occur, early retirements be considered;

Mashishi observes that while the GJMC guaranteed that there would be no retrenchments due to iGoli 2002, the new MOEs enticed workers with voluntary retrenchment packages. The technique of management, argues Mashishi, was not an overt retrenchment process which took place while corporatisation was continuing, but afterwards when workers were already working for new companies under the pretext that it was a voluntary process and not forced layoffs. Mashishi points out that most workers who were employed in critical grades were reemployed as consultants or contracted back in the system after exorbitant payouts costing not less than R 2 million on average from the GJMC. The significance of these layoffs is that they were not subjected to the strict requirements of the LRA section 189 consultation because management argued that people who did not want to take voluntary packages would be retrained for the systems of the new employer. In this regard, Mashishi confirms that the unions had lost control of their members as these retrenchment packages were used to coax workers into accepting them thereby weakening the union membership base.

7. Building management capacity

One of the stated goals of the iGoli 2002 is the institutional design and overhaul to ensure that new structures and systems are manned by the appropriate personnel. Public policy

commentators point to shortages of skilled personnel as a primary cause for the delivery services failures to communities. The reality of Johannesburg, confirmed by the submission of IMATU in its Labour Relations Plan [undated], point to the centrality of bureaucracy in a development process. Andre Strydom (interview: 23/02/09) argues Ketso Gordhan with iGoli 2002 was under the illusion that private sector principles would apply to local government. According to Strydom local government required a bureaucracy not principles imported from private sector organisations. Arguably this reinforces the argument Moore (ibid.) advances that a state requires a developmental apparatus. Evans (1995) demonstrates the significance of an exceptionally skilled and educated bureaucracy to carry out the developmental agenda of South East Asian developmental states and specifically South Korea as a New Industrialising Country (NIC). Evans continues to show that in East Asian developmental state context, public service recruits from a pool of geniuses from leading education institutions and universities in society. This is called a meritocratic recruitment which implies that recruitment is effected on an objectively and scientifically measurable merit. Accordingly, aspirant public service workers go through strict selection examinations for employment in the public service.

According to the theory of developmental states, the bureaucracy is critical for the ability of the state to build the networks that it requires in society for it to drive its ideology of development. The process of ensuring that the state builds networks sufficient for it to acquire the general consent of its vision while at the same time ensuring that it stands above sectional interests of interest groups in society, according Evans, denotes ‘embedded autonomy’. IMATU remarks that (Labour Relations Plan):

> Organisational lack of skills and experience, ineptitude and an unwillingness to learn, magnified by management who showed little willingness to offer assistance in the establishment of functional organisation and recommended financially unsound decisions, contributed largely to the financial crisis of the City.

IMATU's 'Saving the City' document and the 'Labour Relations Plan' both point to the systemic human resources and capacity challenges which lie deep in the belly of the crisis. The recruitment of public service personnel has been a source of sharp and relentless criticism from personalities, organisations and political parties of different political orientations. Ronnie remarked above that key leaders were employed in senior positions such Hlubi Biyana and Mxe Nontsele who were provincial secretary and general secretary respectively during the implementation of iGoli 2002 (the point is made in the discussion about the Model of Union Bureaucratisation). Despite this reality, employment in the public service and local government is about dispensing patronage. Hemson and Mbhele have decried the corruption that corporatisation bought into the local government in terms of both the procurement procedures and appointment of people into positions. Clearly, if the objective of the iGoli 2002 is the construction of a developmental local government, a derivative of a South African variant of a developmental state, it will have to contend with how the local government is populated with appropriately qualified bureaucracy and the developmental apparatus that imbibes the developmental agenda of the state.

8. Development finance mobilisation

Edigheji etal (2008) assert that one of the requisites for the availability of developmental

finance is the availability of state owned and controlled development bank to access the much- needed resources by the state to trigger its development agenda. They argue that other types of developmental states, they cite Asia and Scandinavia[54], where the state had a firm grip on the ownership of a state bank. One of the outcomes of the existence of state owned and controlled financial institutions is that it crowds out private sector. The phenomenal debt of the Johannesburg was seen as an impediment to accessing development finance for the development priorities from the private sector, state banks especially the DBSA. The express anxiety of the Banking Council of South Africa (BCSA) about the ability of the GJMC to manage its finances is evidence of the low credit rating of the council (*Business* Day: 13/10/1999). Macdonald and Pape (2000) also pointed out that the central government imposed stringent loan criteria for local government to borrow from the public sector (within itself) or DBSA or private finance institutions locally and internationally to bolster its budgetary requirements. They continue to argue that this was essentially part of the government's stringent and conservative fiscal policy. Regardless of the skyrocketing debt already discussed at length in chapter 1, development finance was not available and sources to raise it had gone dry. Seedat remarks that, prior to iGoli 2002 the financial institutions had informed the GJMC that they were 'unbankable' due to the negative credit rating.

Despite this according to Ronnie SAMWU was for the expansion of funding to local government so as to realise its service delivery mandate. SAMWU argued for the development of a different funding regime that supports the developmental roles of local government. This was unlike the situation in which it is expected to generate 90% of its

[54] Evans (1995) also regards social corporatism as a form of a developmental state. It is neither a case where one class has subordinated the state such as the working class position or state subordinates classes but embeds itself in a class with which it constructs a developmental agenda such as in South Korea (Evans ibid.).

revenue prescribed by the national government (ibid.). COSATU's article in the *African Communist* (2000: 31) adds the voice to need for intergovernmental grants and transfers. It makes the following additional proposals (please note these are a few items from the original list):

- Increasing payments of rates to the municipalities;
- Improving metering and billing system;
- Forcing affording and wealthy defaulters to pay;
- Restructuring tariffs to achieve through free lifeline;
- Limiting access to municipal services beyond the lifeline entitlements though humane means;
- Increasing of inflow of tariff revenue;
- Taxing unutilised land;
- Mobilising funding such as equitable share grant and international donor aid to subsidise the services such as water, electricity and amenities that promote the objective of gender equity.

A deeper examination into some of the proposals indicates an interesting similarity with some the decisions of the GJMC had already made. In terms of *Masakhane* campaign aimed at raising awareness of eliminating the culture of non-payments, the GJMC increased tariffs on two occasions. For example R 50 million was generated in rates increases that came from the recommendation of 08 August 1999 (presumably to the council) according to the IMATU's Labour Relations Plan. This is notwithstanding Bond's assertion and the confirmation of the document from the Asian Development Bank that the existence of unemployment challenge in Johannesburg was deep and extensive in its impact discussed in the foregoing paragraphs. The concept of prepaid water and electricity meters was not only about cost recovery process

that Macdonald decries, but about free lifeline that COSATU in this article argues for. In fact, the lifeline entitlement is what had been implemented by the city when it provided residents with 6000 free litres of water and 50 free kilowatts of electricity on a monthly basis as part of cajoling communities to accept prepaid meters (Interview: Ngwane, 18/11/08) . The exercise of ensuring free lifeline is a difficult one if this is not complemented by a means tested social security relief as residents would be required to pay for these services once the lifeline entitlements are exhausted.

The proposal of humane means of disconnecting, that is being suggested, water and electricity is in line with the steps taken by the GJMC. This could be a confirmation of Madisha's (Buhlungu 2006) view that COSATU had not been part of community struggles. The above can only explain the statements that COSATU seemed to be off the mark from the point of view of demands put forward by communities. Importantly, recognition that intergovernmental transfers from the national and provincial governments combined with international donations is also an important aspect of the similarities. Essentially the proposal is inconsistent with SAMWU'S positions of the special interest shown by the World Bank and the international donor community reported in *Business Day* (13/10/99)[55].

Consistent with the political economy analysis discussed earlier, the national government is reported to be encouraging municipalities to help ease the burden of the global financial crisis. It is reported that municipalities funding would depend on their ability to create jobs in this period when new Great Depression had crept into economies of developing world

[55] The content of these proposals could mean two possibilities: firstly it might well underscore the reticent support of COSATU at an ideological level. Secondly, the timing of the article could be when the defeat was in sight and when many retreats were happening on the side of SAMWU, SACP Johannesburg central branch and COSATU itself.

(*Sunday Time*: 08/02/09). This is part of the relaxation on the stringent measures associated with GEAR to realise an expansionary fiscal policy. The latter is not only important for the changing patterns of base-superstructure relationship in the political economy analysis, but underscores statism in the new hegemonic development policy discourse.

8.1 The role of private capital

The trade union movement in South Africa has an ambivalent institutional relationship with private capital. The ambivalence expresses itself on many levels including in its conception of its role in development. This has unfortunately textured some of the responses to privatisation. Ronnie demonstrates that SAMWU would not have had problems with a limited involvement of the private sector. Private sector participation should be well defined in a way that does not crowd out local government from its legal and political responsibilities. The Discussion Document [undated] also confirms SAMWU's opposition to PPPs (private). It should be limited to the initial capital and infrastructure outlay and leave the upkeep and maintenance to local government (ibid.). This differs with the PPP (private) in which the private sector is a co-participant in the functions of local government. SAMWU supported the PPP (public) in which government resources in all spheres of government are harnessed and mobilised to ensure cooperative governance according to Ronnie.

Mazibuko Jara showed that in the SACP there were differences within the leadership with regard to the role of the private sector and foreign direct investments (FDIs) in terms of the public sector and local government restructuring. The Provincial Executive Committee (PEC) of the SACP under the leadership of Trevor Fowler regarded the iGoli 2002 as a developmental instrument to realise the goals of the Reconstruction and Development

Programme (RDP). This view should have had its own foothold on the perspective of the provincial leadership of the SAMWU some of whom were in the leadership of the SACP in the Gauteng province. They both demonstrate that there was no internal support for the struggle that was taking place in Johannesburg among provincial leaders of the union. There was a different view advocated by the Johannesburg Central Branch supporting SAMWU's demands was negated privatisation and the blind invitation to foreign direct investors.

One of the stated objectives of iGoli 2002 is that Johannesburg should be a destination for Foreign Direct Investment (FDIs) so as to enhance its international competitiveness. Equally important, from the thinking of iGoli 2002 base document, and the thinking of the ruling party development of Johannesburg requires a purposive development of local entrepreneurs Small Micro and Medium Enterprises (SMMEs). Jara (ibid.) argued that while the SACP had not thought through the plight of the small businesses in Johannesburg, and this did not also surface in their discussions with SAMWU and new social movements, the street vendors were often targets of the Johannesburg Metropolitan (Metro) Police who moved them from the street pavements to Yeoville Food Market away from their clientele in the Central Business District (CBD) of Johannesburg. This seemed to have been a defensive struggle without a conscious decision to locate the plight of small businesses and petty traders in the CBD and in the townships in the overall strategy to shape the restructuring policy of the GJMC. Compared to their counterparts in social movements, especially the Soweto Electricity Crisis Committee (SECC), their location in the inner city exposed them to a different set of realities that included highlighting the plight of street vendors in their opposition to iGoli 2002.

8 .2 Social capital mobilisation iGoli 2002

iGoli 2002 asserts that capitalising the GJMC would require a combination of funding sources. This among others includes PPP (public) wherein public bodies, SOEs and non-governmental organisations would be solicited to invest. Rashid Seedat also remarks that one of the challenges of turning Johannesburg around is the mobilisation of social capital. It is a human capacity and financial resources at the disposal of people of Johannesburg key to deepening human solidarity. The September Commission (1997) also recognises the need to develop a strong social sector to enable workers and their resources to be invested in the economic needs of the society. The social sector includes: union investment companies, Employee Share Ownership Schemes (ESOPS), community owned companies, pension and provident funds etc (ibid.). In addition Beall (etal. ibid) identifies survivalist economic activities and the informal networks that such as: membership of religious organisations, informal savings clubs (stokvels), bulk buying schemes, communal eating arrangements, back-yard rooms renting and other means that generate considerable chunk of the GGP of Johannesburg. The latter according to Beall etal are self regulated, critical to alleviate poverty and mitigate the effects of unemployment in Johannesburg which is one of the stated outcomes of the iGoli 2002. All the above is considered a significant part of the social sector that should be mobilised to realise a partnership with the state under rubric of PPPs (public).

PPPs (public) and the injunction for the mobilisation of social capital provide a context of the involvement of union investment companies in the privatisation debate. Equally important, the PPPs (public) are considered means to crowd out the PPPs (private) including Black Economic Empowerment (BEE) whose participation should be contained in view of globalisation (Ronnie ibid. Dexter: 1999 and September Commission ibid.). The contradiction between commitment to build the social sector and its input into the developmental goals of the country on the one hand and tacit endorsement of privatisation of the economy on the other, underscore final the defeat, not only for SAMWU but the entire

trade union movement in these struggles against privatisation. Mackinely (1999) asserts essentially the union investment companies' participation in the buyouts of many privatised entities endorse capitalism and therefore inconsistent with the socialist vision of COSATU. Drawing from the MUB there is interplay of theses Buhlungu introduced above earlier, arguably the tensions that arose between the anti-privatisation policy of COSATU and its affiliates and the conduct of their investment companies could also be explained in terms of incorporation of union leaders who are directors on the boards of investment companies. Their inability to account to constitutional structures of their union shows the interpenetration of incorporation and oligarchy suggested in the model.

Ronnie asserts that the defeat of the struggle against iGoli 2002 and the cynicism that the SAMWU radical leadership strand attracted could be understood in the context of the changing views on privatisation and the role of trade union investment companies. Ronnie highlights the involvement of the National Education, Health and Allied Workers Union's (NEHAWU) Investment Holding bid to buy privatised ambulance services as a contradiction to the struggle against privatisation of municipal services. In addition, the demand for cheaper public transport system in Johannesburg against the government's determination to build Gautrain, a semi underground rail system similar to the London underground tube in Britain, was undermined by attempts to bid for the constructions of the infrastructure by COSATU's investment company. Despite some of the recommendations in the September Commission for a coordinated strategy for trade union investment companies to invest in the economy and importantly to improve accountability, these companies' behaviour mirror images corporate organisations. For this reason Vally argues socialism as a vision of COSATU and its affiliates is redefined in the process (author's addition included). Vlok (1999) cites Simoko of the South African Railway and Harbours Workers Union (SARHWU)

arguing that trade unions with socialist ideas should ensure ownership of the means of production is shifted to workers (through trade union investment arms). This was discussed in the context of the role of trade union investment companies in realising the vision of the trade union movement. For the investment companies, realising the participation of workers in shaping the direction of the economy, meant buyouts for ailing SOEs as suggested above. Following are some of the proposals made between GJMC and organised labour with regard to the mobilisation of development finance:

Table 5: Organised Labour and GJMC's policy engagements iGoli 2002.

Organised Labour's Policy Proposals/Responses	GJMC Policy Proposals/Responses
• The sources of developmental finance for local government should be intergovernmental transfers from the (central) national and provincial government. • Loans from banks and CMIP [unexplained]. • Housing subsidies (presumably to address the housing backlog in the city and townships that puts pressure on the infrastructure maintenance and restoration) • Taxing the rich. This meant an increase in the rates and taxes of affluent northern suburbs and the policy of cross-subsidisation. This policy proposal was made despite the rates boycotts of the community of Sandton against the rates hike and cross subsidisation during this time. • Tighter credit control over businesses in city that have their debts written off in bad debts amounting to approximately R 4 million. Organised labour was arguing that in addition to tighter credit control, the council must be form on appropriation of defaulting business concerns in the city. • Squeezing the banks especially that do business with the council (where the council's accounts are being held) to stop the redlining and ensuring that GJMC passes a bylaws that bar banks from redlining.	• The GJMC argued that development finance was not part of their mandate or competence. • The national and provincial government spend more than the revenue they receive from citizens. Additional resources would come from borrowing including DBSA, the US government was being used as a guarantor, the SA government would not allow to act as one • According to agreement penalty of interest on call bonds were dropped for banks. The council is reaping the benefits of the decision. • Labour are challenged to bring a proposal to the table that caters for the R 1 bn which is a shortfall, other than that the plans for implementation will be pursued.

Source: Rough Minutes of iGoli 2002 negotiations: 10.09.99

9. iGoli 2002 and sources of energy in Johannesburg

The privatisation of Metropolitan (Metro) Gas was characterised by a considerable controversy[56]. In the minutes of the Special Negotiation Committee (7&8/06/99) trade unions presented complaints about the advertisements in newspapers in which the GJMC was soliciting the purchaser of this function. The sale of Metro Gas and Kevin Power Station were particularly concerning for COSATU and the SACP due to the fact that not all households in Johannesburg have had regular energy supply. Equally important both organisations seemed to have been concerned about the fact that privatisation of Metro Gas did not synchronise with the legislative, policy and regulation changes that were underway led by the Department of Minerals and Energy (DME). Mazibuko Jara and Seedat both acknowledge that the distribution of gas in Johannesburg was confined to parts of the inner city such as Yeoville, Berea and Mayfair. Jara argues that the SACP Johannesburg central branch was of the view that instead of privatising Metro gas, a safe and cheap source of energy for the working class in the inner and outlying peri-urban areas of Johannesburg, it should be used to complement the electrification projects underway in Johannesburg. It seemed a plausible argument in view of the lack of fire and emergency facilities that Bond (ibid.) discussed in chapter 2. In the submission made to the Competition Commission (18/07/2000), SAMWU argues for public investment to alleviate the financial shortfalls of Metro Gas. It calls for PPPs (public) to capitalise the entity. Also important, agreeing with IMATU's observation in Saving the City

[56] According to the minutes of the Special Negotiations Committee (02/07/09) trade unions had agreed on the privatisation of Metro Gas provided discussion about the absorption of its workers amounting to 27 000. At this stage, in addition to the commitment that all potential acquirers would employ workers employed in those privatised entities, the GJMC was only prepared to employ 11 people. It seems from this example and few others such as Kevin Power Station the trade unions opted for a case by case evaluation of restructuring than blanket rejection of privatisation.

document, it calls upon the GJMC to build management capacity in Metro Gas, and ensure that workers including managers are employed on a full time basis and not on fixed term contracts. SAMWU further argues that a private loan could be raised amounting to R 200 million with the Merchant Bank that had agreed to grant a loan to capitalise Metro Gas. According to the GJMC's calculations it would cost them R 1 m to revamp the billing and the metering system which were part of the problems of Metro Gas. Concurring with Jara's view of the developmental possibilities of Metro Gas for the working class in Johannesburg, SAMWU concludes their presentation arguing that gas is cheap and environmentally friendly; it is also an asset rather than a liability for the communities of Johannesburg. Due to the regional economic integration of Southern African region, Metro Gas can be one of the sources of energy in the development of the Southern African Development Community (SADC) (author's additions included).

Asked about the wisdom of privatising Metro Gas and Kelvin Power Station in view of the haemorrhaging blackouts the city is experiencing, Seedat argued that the privatisation of Kelvin Power Station and Metro Gas should be placed in its proper context. He argues that electricity was cheap and South Africa had the largest quantities of coal deposits and electricity reserves in the world. Electricity export was an earner of foreign exchange and good for the country's balance of payment account (author's addition included). The energy shortages and electricity blackouts can be lessons that could be learned with an advantage of hindsight, Seedat implied there was no way they (GJMC) could foretell like soothsayers how the world and the country would be like when certain restructuring decisions were made at the time (author's additions included).

10. Trade unions strategy and mobilisation of power

Maller (1992) drawing from Pateman operationalises the typology of worker participation. The typology is put on spectrum worker participation: pseudo-participation, partial participation to full participation. For purposes of the current discussion, there seems to be a conflation of pseudo-participation and partial participation. Pateman in Maller describes pseudo-participation as a technique which persuade employees to accept decisions that have already been made by the management, in the case GJMC, and no participation in the decision actually takes place (21) Partial participation Pateman describes it as situations in which workers can only influence decisions because they are in an unequal position of permanent subordinates. However final decision making rests with management. The difference between the former and the latter is that in the latter there is use of power play i.e. workers can withdraw their labour power as the only means to extract concessions from management. The descriptions of the process by all informants neatly fit pseudo-participation as iGoli 2002 was presented to trade unions as *fiat accompli* without due regard of their input 1in response to the plan.

However while the aim of the presentation of the plan seemed only to pass a motion i.e. to comply with provisions of the LRA section 189 which enjoins the employer to consult with trade unions and take their submissions in turn. In the event their submissions are unsatisfactory, the employer should reply, explaining the reason for the inadequacy of the proposals from labour. It is worth noting that the legal framework seems to be leaned towards partial participation[57]. This is due to the fact that during the negotiation of iGoli 2002 the two

[57] As the situation stood at the time, unions could invoke strike action which is a distinguishing feature of partial participation. The right to embark on an industrial action in matters such as restructuring were introduced in the

unions embarked on industrial actions, they participated the anti-privatisation campaign of COSATU. The typology cannot be fully operationalised in the context of the iGoli 2002 process, if the view that it was pseudo-participation is taken described by Pateman in Maller. Table 5 also suggests that there was a combination of pseudo and partial participation as budgetary issues and intergovernmental subsidies are decided by the Department of Finance (DOL) at a national level, the issues raised by the trade unions were not the competence of council's negotiators. Also important, the budget process has been argued to be putting the cart before the horse. Budget speech precedes collective bargaining in the public service and local government, thereby compelling trade unions to fit demands to a predetermined national budget. This has been a bone of contention between trade unions in the public service and the government. In addition, the fact that trade unions, despite the limitations of the legal framework, they could not embark on an industrial action on restructuring, they triggered the socioeconomic strike actions in terms of the provisions of the LRA section 77. This type of strikes targeted public policy makers and the central government, not the employer directly. This implied that trade union actions were not to even out power relations in the context of iGoli bargaining process. In this sense the typology is still problematic as there is an inconsistency between cause and effect i.e. employer action rendered the process pseudo participatory but evolves differently due to the power of unions into partial participation.

Webster etal (2008), drawing from Silver, critique Polanyi's theorisation of a countermovement. For this purpose, it could be argued that partial participation relies mainly on the logistical and structural power i.e. strike actions and active campaigning as trade unions did in the context of iGoli 2002. Kevin (ibid.) and Mbhele argued elsewhere in the report that IMATU commanded structural power due to their skills, unique grades and their

2002 LRA amendments.

location in the production process. SAMWU's actions including so-called 'sit ins', disrupting road traffic impacted on the stoppage of municipal services are examples of this logistical power[58]. There was also interplay between the symbolic power and the moral power that the two unions employed. Firstly symbolic power involves the ability of unions to organise and unite a variety of forces such as new social movements, political parties such as the SACP, in society against the iGoli 2002. Trevor Ngwane argued that the ability of trade unions especially SAMWU to campaign against privatisation helped the SECC to relate their community concerns to the struggle of workers at the point of production.

In addition, moral power is invoked where people prick the conscience of society on the basis of what is wrong or right on a moral basis. A group of people without any other source of power such as an oppressed minority group in society are the ones that rely on this form of power (Webster etal). In this case, Ronnie argues that the struggle against water privatisation in Nelspruit and installation of prepaid meters in Phiri, a township in South Western Townships (SOWETO) — Johannesburg invoked moral feelings in communities[59]. By implication, Polanyi's countermovement theory relies on a combination and interplay of

[58] This is notwithstanding the countervailing actions by the GJMC to lodge disciplinary actions against the exercise of the logistical power. According to minutes of the special negotiations committee of the 10 July 2000, the unions and representatives of the GJMC reached a deadlock on the pending disciplinary actions against striking workers. According to Mbhele and Mashishi the disciplinary actions to workers were used to subvert workers militant actions against the iGoli 2002.

[59] According to minutes of the Special Negotiation Committee (02/07/99), trade unions presented moral arguments against the Fresh Produce Market that caters for the needs of Southern African food market. In the meeting, the GJMC had bought into not privatising (effecting change of ownership) the Fresh Produce Market but corporatize due to considerations of food security which has impacted negatively on the working class in the country and the SADC region.

forms of power to protect people's access to nature which was being commoditised through the cost recovery and privatisation processes under iGoli 2002. Roger Ronnie asserts a chequered outcome of these processes for the union. On a symbolic level, he argues that this were in part, the strength of SAMWU, it profiled itself beyond their expectations.

SAMWU and IMATU had multiple sources of power interspersed in the anti-privatisation campaign. Association power is derivative of the right to freedom of association found in international public law (ILO conventions) and national legislation and the country's constitution. The fact that both unions were member affiliates of FEDUSA and COSATU respectively was, in-of itself, a source of power. SAMWU and IMATU's inability to coordinate common actions with other trade unions in the public sector affiliated to both COSATU and FEDUSA during actions against the restructuring process especially during the 1999 public sector wage dispute underscored a weakness in the anti-privatisation campaign and unsuccessful use of their power when the campaign had reached a higher tempo according Ronnie (author's addition included). In addition, despite SAMWU's ability to profile their union, Ronnie decries their inability to take the campaign directly to the communities especially the ones that were affected by the iGoli 2002. By implication, moral and symbolic power SAMWU wielded throughout this campaign was adequately exploited according to Ronnie. The admission to the weaknesses constitutes a subtle rebuttal of Barchiesi's notion of a social movement union. While Barchiesi's justification for the concept social movement unionism is plausible and appropriate to describe unions that are at the coalface of interacting with communities, Ronnie's admission and Jara's submission that beyond SAMWU asserting that iGoli 2002 was going to negatively affect service delivery to communities, on the whole, it was still inward in its political posture and the content of its agenda was economistic i.e. stressed job protection as a primary motive for the campaign.

The logical outcome of this reasoning confirm the pessimistic view that trade unions by virtue of their location in the production process, are unable to transcend shopfloor workers concerns to the fullest extent.

11. Collective bargaining policy and iGoli 2002

The policy of centralised bargaining has defined the collective bargaining policy approach of the trade union movement since the democratic transition set in. Chapter 1 has given a historical account of South Africa's racial dichotomies of the South African industrial relations system. The industrial councils introduced centralised bargaining in the mid 1920s with the ability to extend collective agreements to non-parties, African trade unions [60]. In response to the exclusion, according to Friedman, they adopted the plant level bargaining thereby decentralising collective bargaining. In the 1970s especially, decentralised bargaining was part of the defiance of the illegitimate industrial relations structures, liaison committees and union recognition procedures. The erstwhile apartheid government wanted to use these to co-opt the African trade unions.

The right to collective bargaining is a trans-historical and trans-national one that goes back to the founding of the International Labour Organisation (ILO) the organ of the United Nations (UN) in the post-WW2 period. Despite South Africa's exclusion from the activities of the UN

[60] The exclusion of African trade unions from collective bargaining was attributed to the non-recognition of African workers as "employees" in labour legislation. In addition, the point has already been made that the so-called coloured and Indian workers were marginally integrated into the industrial relations system which effectively means that the forerunners of both SAMWU i.e. provincially based coloured trade unions especially in Cape Town (Buhlungu and Barchiesi) and IMATU i.e. city based unions (Van Ransburg) were differentially part of this industrial relations system.

and its organs, under the old labour legislation especially the Industrial Relations Act of 1956 bargaining rights were juridified[61]. By implication, they were entrenched in the law as rights that could not be downwardly varied. This is a direct result of the 1922 Rand Revolt whose outcomes was not only the introduction of racial enclaves in the industrial relations system but, more importantly, the compulsory obligation on employers and an inviolable right for workers to bargain collectively. However, the relationship between the old IRA and the LRA in terms of the policy implications of collective bargaining is that the latter makes the right to bargain voluntary. It has been argued in labour relations research circles that, with the promulgation of the new LRA in 1995, the so-called that collective bargaining rights had been watered down[62]. This was counterbalanced with the right to strike which could be triggered in the event a stalemate exists with regard to refusal of the employer(s) to bargain with their trade union counterparts.

Collective bargaining has defined South Africa's labour-management relations in South Africa. Von Holdt (1998) and Ronnie remark that trade unions in South Africa are more familiar with a collective bargaining terrain than other terrains of policy bargaining and labour-management engagements. Ronnie also warns that the history of the industrial relations system in South Africa has been steeped in conflict between the employers and black trade unions hence collective bargaining even in respect of issues that require a different approach becomes well-nigh impossible. Arguably legislated codetermination in a form of union based workplace forums in the LRA was suited for iGoli 2002 negotiation

[61] The concept juridification is a legal term that means a right is compulsory and entrenched in law and can neither be changed by contract of employment, a collective agreement nor any policy.

[62] The right to collective bargaining is entrenched in the labour relations section of the South African constitution. However it is a debate whether or not the mere act of enshrining it the constitution introduces the bargaining right as a juridified or voluntary right.

processes. In addition, Van Holdt seems to be arguing for voluntary codetermination, my view is that strategic unionism required a juridified national union based workplace forum (WPF) established in terms of the provisions of the LRA section 81. Ronnie concurs that the opposition to WPF have discounted this option. This was largely due to the history of industrial relations in South Africa. However he argues that there is nothing wrong with WPF if the unions retained their right to strike if the issues designated for codetermination are resolved[63].

Despite the relative right to collective bargaining outlined above, the trade unions had a common historical memory of the need for centralised bargaining introduced through South African Local Government Bargaining Council (SALGBC). According to Mbhele and Mashishi the effort to ensure that workers are not moved from the payroll of the GJMC to MOEs was motivated by the fact that their bargaining rights would be undermined. This is despite the political and legal guarantees that the corporatisation exercise would not compromise any trade union rights and collective agreements between the GJMC and unions would be retained[64]. The immediate implications of iGoli 2002 for collective bargaining were that it threatened the very existence of centralised bargaining that has defined labour relations through the LGBC. Mbhele, Mashishi and Van Ransburg all confirm that some MOEs such as the Johannesburg Road Agency (JRA) and the City Power have informed the SALGBC that it did not have the jurisdiction over their bargaining processes and their businesses are outside the prescribed scope of SAMWU and IMATU. The implication is that companies

[63] The right to strike on retrenchments is now recognised in the LRA since 2002 when the labour legislation went through several important amendments.

[64] The provision of LRA section 197 also requires the employer to transfer all collective agreements and contracts of employment in the same or similar terms when the transfer either of operations or authority (ownership) is implemented.

such as Metrobus, JRA would be classified construction and transport, no longer local government, respectively.

This seeming collective bargaining decentralisation and relocation of bargaining agreements weaken the membership base of both unions and has had serious implications for the centralised bargaining policy discussed above. Both Mashishi and Mbhele argue that decentralisation of collective bargaining and attempts to ensure that affected MOEs move into other bargaining councils of their relevant sectors, is a ploy by the GJMC to derecognise them. If it succeeded according to Mashishi, Metropolitan bus workers would then have to join the South Africa Transport and Allied Workers Union (SATAWU) and City Power workers would be lost to National Union of Metal Workers (NUMSA) and National Union of Mineworkers (NUM) which organise in ESKOM.

Webster etal (2008) paint a picture of insecurity predicated on neoliberal globalisation, it could be argued that the same insecurity of losing membership as the economy is being restructured is felt by the trade unions. Loss of members makes all membership based organisations such as trade union nervous and insecure the world over. This is notwithstanding the threat of atrophying impact of retrenchments as economies gear towards capital intensive production methods such as the services sector and the dominance of the crisis prone finance capital[65]. In a nutshell, the implications of loss of membership are organisational, political and, for purposes of the current discussion, impact negatively on the

[65] The International Labour Organisation (ILO) is reported in the *Business Day* 03/02/09 to be predicting that 5 million workers would be laid off globally due to the current international financial crisis. In fact it also argues that unlike with other crises, in the current crisis employers are quick to lay off workers at a whiff of a slightest impact, contrary to its conventions and the national legislation of member countries.

ability of trade unions to bargain effectively. For example reduction of membership automatically means loss of subscriptions in respective unions and attendant loss of influence in their respective trade union federations. Secondly, it impacts on representivity in the bargaining councils which could imply their dissolution and therefore signifying a quick return to plant level bargaining. Thirdly and lastly, in a society where the legitimacy of trade unions is being questioned and the loss of membership exacerbates their weakening influence in society. This is the extent of organisationally felt insecurity.

Van Rensburg decries the fragmentation that iGoli 2002 has created in IMATU's membership. In fact Ronnie argues that collective bargaining has been completely decimated as a result of iGoli 2002. Van Rensburg poses the following question to underscore the extent of the negative impact of iGoli 2002 on collective bargaining:

> Imagine a meeting of IMATU in Johannesburg where 50% members in the meeting work for MOEs and the other 50% work directly for the council. Some MOEs can afford 10% agreed at the South African Local Government Association (SALGA) on the basic wage when others can afford it on the whole remuneration package? Imagine what it does in the union?

The second implication is that because the bargaining system is hybridised i.e. there is a bargaining process taking place at the LGBC and residual bargaining in respective companies for additional benefits in MEOs whose financial situation is stable[66]. Mbhele agreeing with

[66] Corporatisation as Mbhele has argued above has decentralised bargaining and differential grading, reward and

Van Ransburg points to the unevenness in workers working conditions determined by the financial health of their employer. For example Johannesburg City Power (Pty) Ltd generates enormous revenue for GJMC than Johannesburg Zoo (section 21 company). Mbhele points out that some of their members have had wage increment that was not negotiated by the trade unions to avert industrial action and corrupt workers ideologically (authors addition included). This point underlines some of the propositions made regarding the symbiosis found in the model of union bureaucratisation.

Equally important, members of the same unions would be split down the middle in times of industrial actions due to this lack of uniformity and unevenness in wage settlements. Mbhele argues that managing directors (MDs) of some MOEs sometime have remuneration pecks that are significantly higher than the pecks the city manager to whom they report. Not only has it caused a schism within the union and managerial personnel, but it has also created unstable organisations as the different MOEs entice skilled personnel from one company to another. This has another unintended consequence, the widening of the wage gap between occupation grades and categories of MOEs. Closing the wage gap has been a principle that underpinned COSATU's collective bargaining policy.

This demand was codified in the Employment Equity Act (EEA) in which employers are encouraged to close the wage. This would be regularly monitored and report to the Department of Labour (DOL). This has had phenomenal impact on the solidarity among workers and the slogan 'an injury to one worker is an injury to all' workers. This has further fractured trade unions, not along the lines identified above in terms of their approach to the

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incentive systems became sticky issues for SAMWU as its members in Johannesburg Metropolitan bus embarked on a spontaneous legally unprotected industrial action on the 21st January 2009.

immediate challenges of iGoli 2002, but in this case the aftermath of the plan. Mbhele and Mashishi observe that due to the efforts to centralise the billing system of the different MOEs and the demarcation dispute at the LGBC there is a great possibility that corporatisation of some of the MOEs could be reversed.

As said already that centralised bargaining has been part of the collective bargaining policy of all unions that founded COSATU. The rationale of centralised bargaining was that it would help focus the much-needed resources of the trade union movement to effect economies of scale. Also important it creates a streamlined and a cost effective bargaining process for employers and trade unions. For example it would help to rationalise resources of unions to organising and collective bargaining activities. Van Rensburg points out that in fact with residual bargaining taking place at a company (MOEs) level for specific companies in the newly established local labour forums, it has overstretched the capacity of their negotiations team as they have to deal with diverse realities: different collective agreements, different bargaining issues and demands etc in different companies. It has meant is the *de facto* de-recognition of trade unions. For example minutes of the Johannesburg Branch of SAMWU (28/10/2003) records a 37 days strike due to alleged introduction of a shift system that had not been agreed with the union. iGoli 2002 is a step backwards on the collective bargaining front as it has taken unions back to the pre-1979 period of hybrid bargaining arrangements i.e. industrial councils existing parallel to shopfloor bargaining forums. Anonymous[67] confirmed the structural weaknesses that followed the decentralisation of municipal services as a result of corporatisation. Among these are customer management, community and media liaison which is uncoordinated and whose messages to customer queries is often

[67] This was not an interview but a private conversation with a senior employee of the GJMC (03/02/09) who did not want be mentioned.

contradictory. There is a need for centralisation (de-corporatisation) of functions especially aspects of municipal services that have implications for the rights of the citizenry. According to the anonymous, the neglect may have serious impact on the legal obligations of the council.

There is an observation to make though to underline some of the important questions arising from the discussion above. Not only was the impact of iGoli 2002 a collective bargaining policy challenge as discussed above, but signified 'disrupted identities' of municipal workers. Mashishi says after their disappointment with the failed political intervention of the ANC led by the then General Secretary now President of South Africa, Kgalema Motlanthe. They went to inform workers that they were then no longer employees of GJMC but of individual MOEs and their conditions of service would then and henceforth be bargained for and decided by their new employers. Mbhele confirms that workers went on an uncontrollable rampage damaging the property of GJMC and private property in the city. They both confirm that the angriest workers were those with long employment service record with the GJMC, not only due to the fear of their retirement payouts, but because they served their employer the GJMC loyally for the whole of their working lives. The notion of manufactured insecurity that Webster etal, refer articulated itself at a different level: union membership and employer identity. It could be argued that integration thesis introduced by Buhlungu had a deeply felt de-individuating effect on workers. Despite the promises of higher wages commensurate to higher private sector wage rates some of the workers were made to believe, a fading identity of a "municipal worker" seemed to have resonated in the anti-iGoli 2002 strike actions. Clearly on a psychological level, the strike not only expressed the insecurity of disrupted identity but cognitive dissonance as a form of powerlessness induced by social alienation crept in.

12. IMATU, SAMWU and community platform of action

Roger Ronnie observed that one of the shortcomings of the campaign against privatisation is that they did not connect with communities directly to agree common programmes and ensure regular update them about the negotiations processes. Despite the endeavours to have joint campaigns with the SACP and the APF and its affiliates, it seems common cause that both unions felt they did exactly what they criticised the iGoli 2002 process for. The following observation is instructive from Andre Strydom:

> Our input of Saving the City proposal was as flawed as the iGoli 2002 plan because we did not have the input of all stakeholders we should have had either....

In this regard, Vally (ibid) has argued that social corporatism leads to subversion of democracy as it concentrates policy planning and decision making to the so-called 'golden triangle' of labour, capital and government. This is notwithstanding Webster's characterisation of NEDLAC discussed above rebuffed by empirical evidence. In the case of the iGoli 2002, as it was the case with the restructuring of SOEs, local government and the broader public service regulated by the NFA, this was reduced to the 'golden partnership' of organised labour, GJMC and government's relevant departments respectively.

At the heart of Vally's critique is the ostensible marginalisation of voices outside the partnership and or the triangle such as women's movement, civic organisations, ratepayers association, religious based organisations etc. This sentiment resonates with the concerns echoed by both Ronnie and Strydom that communities were marginalised due to mainly

subjective limitations of the trade unions[68]. Ronnie argues that some of the agreements between GJMC and trade unions have artificially separated community demands from the core labour demands. Ronnie further argues that are confined to so-called disputes of mutual interest i.e. the issues that only affect employment conditions and on which strike action and a lockout could be invoked. By implication, the unions inadvertently agreed to the compartmentalisation of trade unions' concerns and community concerns. Strydom confirms Ronnie's views that the GJMC argued that they can only bargain on issues of mutual employment interest and communities are represented through the GJMC i.e. ward and PR councillors and its structures. This separation should have been justified by the existence of the Steering Committee in which the trade union federations and GJMC sympathetic organisations were participating.

In the document published by the International Labour Research Group (ILRIG), Buhlungu (2006) says labour was exhorted for lack of visibility in community actions against privatisation. He cites the former President of COSATU, Willie Madisha saying that the trade union federation was not quick to respond to the challenges faced by community with the advent of GEAR due to its internal weaknesses. To this extent, this evidences that the struggles have been waged independently of the trade union movement to a degree. However Velodia and Habib find the pessimistic current in the circles of leadership of the new social movement rather unfair because COSATU, in their view has creatively straddled both domains, of production and reproduction. COSATU's involvement in the activities of the

[68] Despite this shortcoming in a Memo Gordhan sent to IMATU and SAMWU (29/10/99) in their dispute declared with the SALGBC trade unions cite the absence of community consultation with regard to iGoli 2002 as one of the procedural grounds of the dispute. While community consultation is not a procedural issues in labour law, but important for municipal law, regardless of the shortcomings already identified, consultation with communities is one of their concerns.

new social movement was evidently cautious. Buhlungu (2006) and Ngwane show that by the time iGoli 2002 was concluded, COSATU and its affiliates had effectively withdrawn. Jara also acknowledges that their branch had effectively withdrawn from this struggle. Yet again, as already indicated in chapter 1, there are contending perspectives with regard to the role of trade unions in community struggles. Put differently, the jury still out on whether trade unions can transcend the concerns of their traditional constituency, organised workers, and represent a broader working class constituency.

While Trevor Ngwane was as critical over the capacity of the common SAMWU-APF platform to realise this democratisation project, Mazibuko Jara's view was sanguine on the ability of the unions to realise the full benefits of this project. Agreeing with Barchiesi to a point, Jara argued that SAMWU from the very onset had been economistic in its conception of the challenges facing Johannesburg and the resultant solutions. He argues that SAMWU and by extension IMATU had fore-grounded job security, important as this was for them, but compromised the visionary perspective about the character of the local government required to secure the jobs that were threatened by iGoli 2002.

However, the disagreement between Barchiesi and Jara's is that there is the stage at which narrow inward economism crept in as Barchiesi's view is that economism crept in towards the end of the struggle when defeat was imminent. Probably, Barchiesi's point is that the struggle against iGoli 2002 was defeated long before its implementation began, underscores the point that Jara makes. As argued in chapter 1, despite the pessimistic view, the trade union movement is the most organised social forces this includes among all the forces that were for and against iGoli 2002. If the observations of Barchiesi and Jara are correct, it still begs the question whether the ability of trade unions to transcend the workplace bread and

butter issues is not a function of a conjuncture, i.e. a period in history with a particular of balance of class forces in their favour. Clearly from the above, the optimistic view of Adler and Webster cannot be absolutised, but should be placed in their own time and space contexts.

Table 4 provides a summation of policy critiques, tactics adopted and actions taken by the trade unions in the process of engaging iGoli 2002. It attempts to summarise the foregoing discussions in this chapter:

Table 6: Summary of SAMWU and IMATU's policy responses

UNIONS	POLICY	TACTICS	ACTIONS
SAMWU	Institutional internalisation as opposed to corporatisation	Negotiations and presenting political and legal arguments.	Socioeconomic strike actions linked to COSATU Jobs and Poverty Campaign
	Intergovernmental grants and subsidies are repository of funding	Negotiations and lobbying government (provincial MEC Local Government and Minister LGCD)	COSATU, FEDUSA, SALGA and IMATU and SAMWU agreement on the Framework for GJMC restructuring
	Privatisation of non-core assets	Negotiations and presenting political and legal arguments.	Socioeconomic strike actions linked to COSATU Jobs and Poverty Campaign
	Moratorium on implementation of iGoli 2002, issues of consultation and flouting due procedure	ANC intervention and facilitation and mediation sessions	Strike actions, sit ins and litigation actions

Table 4: Summary of Trade unions policy responses

UNIONS	POLICY CRITIQUES	TACTICS	ACTIONS
IMATU	Corporatisation of municipal departments	Negotiations and representations	Litigation and negotiations
	Ring-fencing loss making departments to be run as businesses before corporatisation	Making representation at SALGBC	Reaching agreements with GJMC
	Loss of collective bargaining rights and the need to retain them	Making representation and negotiations	Litigation actions, dispute resolution route, strike action together with SAMWU.
	No consultation and the need for moratorium on the implementation of iGoli 2002	Making representation and negotiations	Litigation actions, dispute resolution route, strike action together with SAMWU.

CHAPTER FOUR

EVALUATION AND CONCLUSIONS

1. Conclusions

The research report explored the policy responses of IMATU and SAMWU, the bargaining agents in the Greater Johannesburg Metropolitan Council (GJMC). To realise this objective, the report attempted to develop an understanding of iGoli 2002 in terms of two dominant perspectives: substantive and minimalist approaches. It argued that GJMC and IMATU reduced the challenges of Johannesburg to management and finance; this is not the only way to understand the reality of Johannesburg. Substantive approach is about a broader interpretation of these challenges in the context of both national and international economic developments of the 21st century.

In addition, it attempted to introduce the biographies of both unions and argued that in fact while there are distinct features of the BU and SMU associated with the two trade unions, there are slippages in their conduct and how they are being understood currently. In this regard, the report introduced different stands in the pessimistic view of the role of trade unions and consolidated them in the Model for Union Bureaucratisation. The argument here was that trade unions are part of and products of the capitalist productive relations and they will be militant to an extent but would not on their own topple the system. For this reason the report attempted to argue that even in the case of SMU there is a tendency of business unionism among COSATU affiliates and for this reason a black worker is a subject of a contradictory social class location. The worker is caught between two compromised

positions: being part of broader black masses that view the ruling party as their liberator while at the same it is the same ruling party that have instituted socioeconomic changes that have had an atrophying effect on their livelihoods as residents in Johannesburg and workers in GJMC. This I argued is most expressed when the workers participate in the country's democratic elections. An account was given of 'enduring solidarities' proposed by Buhlungu and Psoulis (ibid.).

Because the study was about Johannesburg as a city, the report introduced it through the prism of industrialisation and the evolution of the South African racially divided working class. In this part of the report it was argued that Johannesburg is actually a metropole. According to Beall etal, it is a colonial city as it relates to other parts of the country and the SADC region as its periphery. For this reason Johannesburg occupies a prominent space in the Macdonald's concept world city model that has informed city planning discourse in the development literature. According to policymakers Johannesburg is destined to become the so-called the world class African city'. However there are contradictory parallels of development and underdevelopment within it. It is in this context that it also argued that iGoli 2002 was part of a modernisation project that is only infatuated with the GGP (economic growth) not broader development vision from the perspective of human needs and capabilities.

Also important, it was recognised that policy responses are a variety and a myriad of proposals made against a plethora of policy arguments from the GJMC about the restructuring plan of Johannesburg. Parties on different sides of the tables slugged it out on the following issues:

- The nature of the state and its role in the management and governance of the MOEs. In this regard, issues of accountability and competence between the newly established advisory boards that later became fully fledged boards of directors and the legal functions of councillors were explored. The report surfaced a tension between the political responsibilities of the GJMC and corporate governance obligations of these boards in terms of corporate governance legislation.

- The finer policy differences between and within the trade unions that weakened the power of unions to slug it out to finality were issues of discussion. Reflections were made of the diversity of views within SAMWU and the cautious perceptions between SAMWU and IMATU. We may conclude that it is sometimes difficult to pigeonhole the two trade unions' perspectives; however it is more a reflection of where they lean.

- Collective bargaining characterises the existence of trade unions. iGoli 2002 was a direct attack on bargaining rights of the trade unions. The discussion surfaced the impact of the collective bargaining changes on trade union organisation. One of the important conclusions made is that in terms of the labour legislation, collective bargaining rights of trade unions were watered due to a voluntarist collective bargaining policy found in the labour relations public policy framework. Voluntarism has given management of the MOEs the confidence to threaten withdrawal from the bargaining process. Despite this setback Mashishi guaranteed that their strength has forced the GJMC that conditions that led to bargaining fragmentation were mitigated.

- Building a bureaucracy for development goals is one of the issues tackled in the report. According to trade unions, this was missing in the iGoli 2002 in view of the local

government has constitutional obligations of services delivery to the communities. In this regard, there was a discussion about the need to build a development apparatuses sympathetic to the development agenda. Equally important, the report also flagged the quality of the bureaucracy as *sine qua non* to the state's ability to carry out its development vision.

- The challenge of development finance, a causal factor of privatisation was a bone of contention between trade unions and the GJMC. It was argued that lack of development finance was a function of fiscal discipline derived from the macroeconomic policies of government. The context of the cutbacks was a growing tendency in international policy circles to 'alienate' the state from society.

- The context of corporatism was also an issue of extensive discussions in the report. It was argued that iGoli 2002 was negotiated in a contradictory climate of a relentless disposition towards adversarial bargaining when in fact the issues facing Johannesburg required consensual bargaining in which the trade unions would have wielded legislated powers. The point though is that the context as Seedat constantly stressed was different and almost hostile to this form of engagement (author's addition included). The extent to which a different bargaining model would have been possible under neoliberalism is a pertinent question for a separate discussion and certainly constraining factor in the face of vicissitudes of neoliberal globalisation.

While the chapter on findings justifiably took a larger space of the report, the chapter 2 explored broad themes such as manifold development challenges of Johannesburg some of the outcomes to date. These challenges include: unemployment and underemployment;

infrastructure backlog; population growth as a result of labour migration. In this regard, it theorised the labour migration and population dynamics in Johannesburg.

2. Evaluation

Despite the richness of the debate covered in the report, there are however important conceptual gaps in the policy responses of the organised labour since this was the focus of the research report. The discussion below is just a summative evaluation of the gaps but not an exhaustive elaboration.

2.1 State-market debate

The theme running through the report is the conundrum of the state versus the market. The general approach of trade unions has cast them in a binary polarity than examining the policy implications of this polarity for the struggles against iGoli 2002. Clearly as both Hughes and Moore have correctly argued that the polarity is artificial, the positions of the unions and indeed their respective federations are generally statist. An observation was made in the report that the state deploys MOEs or SOEs to enter and participate in the market. The debate within trade unions does not surface the political orientation of the state owned business that is under the state's direct control. By implication, the social behaviour of a nationalised entity is not the same as a corporatized MOE both in its outlook and its mandate. Trade unions do also have to reply to a critical question that state ownership does not provide any leverage to the working class, in-of-itself; it is the character of such a state that should articulate with their conceptions. The question that needs to be posed is: What kind of a state? What class interest would it serve? In the final analysis, for COSATU especially in the context of their

discussion of the developmental state, they need to examine the democratic content of work organisation, worker control and the openings for popular democracy beyond the confines of the workplace in the context of municipal services.

2.2 Theory of Development

The point has been made in literature corroborated in interviews that trade unions have a tendency of an inward looking view of the challenges they face in the workplace. Taking the debate Buhlungu introduced forward, I argued that the three theses of the pessimistic view are a symbiotic whole. The point that this discussion surfaced is that due to this unique challenge derived from their specific location in the production process, trade unions have not developed their own theory of development. The statist positions they propose lack the nuanced analysis of state under different conjunctures and class rule. For example, if state led development carries a semblance of their theory of development, there needs to be a deeper analysis of fascism and state led industrialisation. Apartheid state led industrialisation is a case in point, similar to the South Korean context; they co-opted and displaced labour from the development landscape of society (Rustomjee and Fine, author's additions included). Flowing from these clarificatory points, the vision they have for local government will be clearer than expressed in the report and trade unions' policy documents. The vision can only be inferred, but not well articulated in the context of a sound pro-labour development theory.

2.3 Gender transformation and development

Samson's theorisation of the impact of corporatisation of waste management services on reproductive labour which is a domain that connects with the daily experiences of workers is

generally ignored in the policy proposals and counterproposals of parties in the negotiations. Both the trade unions and their counterparts in the GJMC had generally adopted gender muted and neutral perspectives to restructuring. Equally important, Samson continues to demonstrate that waste management is a women concentrated municipal function. For this reason the effects of corporatisation are felt at two distinct levels: women as workers providing productive labour whose jobs were sacrificed; women as subordinates in familial relations who need the municipal services to ease the burden of unpaid reproductive labour. The fact that in the negotiations, women were conspicuously absent and their voices submerged under the tutelage of their male counterparts highlight a weakness in the trade unions policy responses and overall political strategy. By implication, the intensive policy debates that took place for three years of the implementation of iGoli 2002, gender sentiments were absent in the boardrooms, the courts and the hearing rooms of the SALGBC. However their voices were loud in the streets. Arguably this is also a function of centralisation of decision making as women were excluded alongside their male counterparts in the iGoli 2002 struggle. For this reason, the MUB mooted in the previous chapter is not gender free and requires a gendered problematisation.

3. Outcomes of iGoli 2002

Seedat and Van Rensburg argue that the single most important achievement of iGoli 2002 is the financial sustainable of the GJMC. Both demonstrate that the GJMC has had an unqualified financial statement from the auditor general. It should be said though that the individual MOEs are audited separately in terms of the requirements of the law as the legal opinion to IMATU suggested in chapter 3. However Van Rensburg and Ronnie are quick to point out that not all MOEs have had the levels of success that were promised. However, Van

Rensburg concedes that MOEs such as the Metro bus breaks even in its financial performance and in fact like others they are cross subsidised (receive donations in terms of the law).

The improved service delivery is one of the debateable issues. Seedat and Biyana argue that service delivery has improved after the 'successful' conclusion of iGoli 2002. Ronnie, Mashishi and Ngwane feel that it has plummeted in its quantity and quality. Seedat and Biyana point to the fact that there is no single street in SOWETO for instance that is un-tarred; this is an indicator of delivery. Seedat continues to argue that SOWETO is not a matchbox shanty township it used to be before; there are developments such as parks, museums and other tourist attraction places. Caution should be thrown to the wind though SOWETO has an enormous profile due to the 1976 upheaval. It is also boosted by the presence of government's luminaries and the middle class that lives in parts of it that have been gentrified. The point is that it is profiled and marketed as a tourist attraction rendezvous for Johannesburg and changes taking place there might not be felt in other parts of Johannesburg that are not as historically significant. Secondly, according to Bond (ibid.) the iGoli 2002 was a modernisation project. The testimonies of both Seedat and Biyana point to the propensity towards a modernised SOWETO that meets capital accumulation needs of the emergent black local bourgeoisie. The media reports about the state of education, although this is a national competence, health care situation at Chris Hani Baragwaneth Hospital, although this is also a provincial competence, where patients reportedly died unattended due to fatigue experienced by health care workers and lack of facilities, underscore the real development challenges in Johannesburg from the human development and capability perspectives.

In the final analysis, Hibou argued that the restructuring has resulted in autonomisation of MOEs/SOEs. Workshops the author attended in Botswana and South Africa of the PSI and the Canadian International Development Aid (CIDA) also in Johannesburg, point to the tendency towards the centralisation of the public service in many developed and developing countries. The decentralisation that iGoli 2002 conceived was about the financial autonomy, induced by cutbacks. However policy debates in the single public seem to undermine the logic of decentralisation that GEAR supported. COSATU has encouraged its affiliates to merge to form super unions. The concern here is the extent to which this deepens the distance between the top leadership and the membership at the bottom. Trade unionists the author spoke to in Botswana, South Africa and unionists from Canada do not seem to have developed a long term perspective on the transformation of the public service and the local government.

APPENDIX

REFLECTIONS ON RESEARCH METHODOLOGY

1. Introduction

The nature of the topic and research question landed itself to a qualitative study. Specifically, under broad rubric of qualitative methods, the study relied on a combination of face to face and telephone semi-structured interviews and documentary data analysis which included minutes, pamphlets, discussions documents, slide presentation etc. There was a combination of documentary analysis i.e. an analysis of the responses and proposals to the iGoli 2002 restructuring plan and face to face semi-structured interviews.

The central question for investigation is evaluating IMATU and SAMWU's policy responses to iGoli 2002. The expectation (hypothesis) of this research was to develop an understanding of policy alternatives of the transformation of the city of Johannesburg.

2. Face to face Interviews

Bailey (1987) describes interviews as a secondary relationship. This implies it is distant (un-intimate), impersonal, driven by a single purpose only important for information gathering. Bailey argues that like many formal and semi-formal interactions, an interview discussion is textured by biographical features such as race, gender, age and exterior factors such as political proclivities etc. In a study such as this where to great extent there was comparison drawn between the two trade unions and their traditions which are generally known to be

competing for a common membership base but compelled by conditions spawned by iGoli 2002 to collaborate, it surfaced issues of ideological bias. This is notwithstanding the position of the researcher as a known trade union educator with a COSATU political leaning. Bailey argues that because it is a formal relationship in which the researcher is not perceived as part of the in-group, the possibility of a bias was mediated by the fact that the researcher brought a fresh head as he had not been part of the iGoli 2002 processes and the unions, management, and the politicians involved in the negotiations.

3. Telephone Interviews

Semi-structured interviews by digital device i.e. a mechanically recorded telephone interviews were conducted to bridge the physical distance between the researcher and the informants. Of nine interviews[69], only two were conducted by telephone. Bailey shows that telephone interviews were popular in the 1970s in the United States, used in the same way as face to face interviews, for small scale research projects where research should be conducted swiftly. The two informants were located in Cape Town, in the Western Cape Province and in the West Rand, Roodeport respectively. These telephone interviews were used to avoid wastage of time and to save on costs of travel. The response rate is relatively high with telephone interviews and the responses are known to be nonintrusive like the face to face interviews according to Bailey (ibid.). Sudman and Bradburn cited in Bailey (ibid.) argue that unlike a face to face interview, a telephone interview is shorter and precise thereby increasing

[69] They were meant to be ten, one of the interviewees from IMATU preferred to endorse the information given by his colleague after seeing the draft chapter three of the report. He said the comments made by his colleagues should be attributed to him. He made several comments pointing to gaps and inaccuracies in the chapter 3.

the reliability of the information gathered. However the interviews were as long as the face to face interviews, with the same length of time dedicated to answers.

There was a direct correspondence between the data that was gathered in the telephone interview and the data gathered in of the face to face interviews and documentary study. Reliability was established through comparison of the data gathered through different research means. Lack of physical contact makes the interviews impersonal and accordingly hinders other forms of communication such as non-verbal cues e.g. facial expression, gestures etc (ibid.). It is argued generally that a shortfall in the non-verbal cues paralanguages such as: the tone/pitch of the voice, length of the interview etc tend to compensate for this shortcoming. This was not explicit and the researcher cannot determine whether the data could have been different if it were a face to face interview. However it is critical to restate that data gathered in telephone interviews corroborated the existing data in documents studied and face to face interviews conducted.

In addition to the shortcoming with regard to the inability to pick up the non-verbal aspects of the informant's behaviour, the possibility of trust between telephone interlocutors in a discussion of the sensitivity such as the iGoli 2002 is greater and would probably hinder information disclosed. The risk of the interview being out of the control of the researcher is greater as the respondent could be unwilling to reply to certain questions and threaten to terminate the discussion. Lastly, the disruptive effect of control aspect of the conditions of the respondent especially when he/she participates in the interview from the comfort of home environment was minimised. It is only one respondent who was interviewed from home. In this regard a request was made that at the time of the interview, it would be ideal to have him alone at home without the disturbance of his family. The appointment was made to ensure

that this happened. Issues of access were particularly challenges as the discussion below confirms, however once the trust of the organisations affected was won partly through the researcher's participation in the activities of the PSI workshops and confirmation of bonafide purpose of the study, mistrust was greatly reduced. In some cases the contact person in the trade unions would make overtures on behalf of the researcher which facilitated the required trust. The questionnaires were sent to the respondents before the interviews to ease them. The logo of the university (please appendix 2) also helped to legitimate the process. Also important, the tendency of the subjects to be freer to disclose information that would be difficult to divulge in a face to face interview could have been enhanced due to the element of anonymity of the researcher to the subject.

3. Access

It is generally argued that in social sciences qualitative research methods imply not only secondary relationship between the subject and researcher, but a step towards of 'entering the world' of the subjects. This brings up a variety of challenges including, the researcher's personal biases and prejudices to the research process. Lastly entering the world of the research subjects also means unravelling uncomfortable truths that the subjects make a concerted effort to be oblivious of. Due to the sensitivities of the subject and the emotions iGoli 2002 evoked, access was not easy. There was an informant in SAMWU who did not feel 'emotionally ready' to reflect on the challenges that the union had to face. In IMATU's case, the researcher had to make special pleas for further access beyond the person interviewed. This included handing over a draft chapter of findings for it to be perused by the leadership of the union. Also important the informant from the GJMC also needed assurance that the information shared would be handled with utmost care because the municipality

loathes giving interviews to researchers and journalists. Building rapport with informant was critical including allowing the informants to do background check on the researcher in order to ensure that the interview is space for sincerest reflections.

4. Semi-structured questionnaires

The interviews were conducted face to face with interview schedules: for organised labour, for community organisations and the last one for GJMC. Semi-structures interviews are known to allow the researcher a space to allow for a spontaneous flow guided by the interviews schedules. Bailey argues that there is a great possibility of sidetracking from the sequence and the line questioning. Relying on human memory also meant that knowledge of individual is not packaged orderly. For this reason a free flowing interview mainly directed by the responses guided by the schedules helped to ease the respondents as they could move forth and back in answering the questions. Also important, it made an interview more interesting as it evolved in a conversational manner where the researcher was also seen to take a deep intellectual interest in the stories told in interviews.

5. Workshops

The author participated in a workshop organised by the Public Service International (PSI) on the Developmental State in which some of the issues discussed in the report were engaged. The author took copious notes in the discussion within the workshop itself and informal discussions with affiliates of the PSI in South Africa. The second workshop took place in Gaborone, Botswana where the author was a facilitator. It helped draw parallels on the country to country basis and challenges of restructuring of the public service and local

government which remain autonomous from the other arms of the public service like in South Africa. The third was a funding workshop convened by CIDA and organised by the author in his previous capacity as a trade union educator. These workshops helped with the initial thoughts of the challenges of public service and local government transformation in different countries, in respect of Canada, different continental regions.

6. Documentary Study

Documents are usually analysed and studied to investigate and explicate a social phenomenon from written accounts of its existence. Bailey makes a distinction between the primary documentary data and secondary documentary data. Primary documents are the ones that portray informants' direct experience of a phenomenon such as negotiations or a strike and written eye witness accounts. Secondary documentary data is generally written information by people who had not been part of an experience but could have developed their understanding from interacting with those that had been involved. In this regard, the primary documentary data about iGoli 2002 gathered in the minutes, memoranda, correspondence between the GJMC and the trade unions were used to uncover some of the information that was corroborated in interviews. The secondary documentary data gathered was mainly from the newspapers reports, articles written by other organisations, government departments and reputed personalities who were involved either in support of or against iGoli 2002.

One of the advantages of the documentary study is that it makes up for inaccessibility and insufficiency of research subjects. While the number of respondents' interviews is sufficient for the research population studies, it is critical to assert that there is no way in which a study that is steeped in policy engagements cannot rely on documents. Documents were used to

corroborate the evidence presented in the interviews mainly. In some ways they helped to clarify questions and fill the gaps that remained after the interviews were concluded.

In addition Bailey asserts that documentary study is nonreactive and non-obtrusive. Documents are not written with research in mind and therefore could not be made up to suit a particular ideological and political agenda (author's addition included). The non-reactivity seems to be double edged because inasmuch as documents and written without any purpose of future research, this can be a source of bias and exaggeration because personal and or organisational circumstances might require a particular slant according to the challenges of the time (ibid. author's additions included). Union documents and council documents written for specific audiences will have their slants, something that is different when examination is made of policy proposals they jointly produce such as: minutes of joint meetings and meetings with management i.e. Special Negotiation Committee meetings. In this regard, it was clear in the study that policy responses found in unions documents against decisions of the Special Negotiation Committee and information gathered in interviews were slightly different. It is for this reason that a point has been made that unions could have adopted a case by case study of privatisation and engaged the GJMC on that basis. There is however inconclusive evidence of blanket rejection of privatisation, this includes the fact that IMATU did not seem to be opposed to corporatisation but was anxious of outright privatisation due to loss of members and attendant loss of jobs for their existing members.

Bailey (ibid.) argues that one of the many advantages of documentary studies is that unlike other methods it is amenable to confessions such as suicide notes and personal journals. While the history of organisations involved including the GJMC itself after and an evaluation of iGoli 2002 is not yet written to capture personal confessions that would enable the

researcher to enter the inner space of participants of this process, it is critical to observe that personal confessions and hindsight assertions were made not in documents but in interviews. The part of the report that deals with internal ideological strands within SAMWU is an example of some of these confessions. Some of the confessions made were not attributed due to their sensitivity and the request of respondents themselves. Finally it is argued that documentary analysis is less costly as it does not involve travelling and telephoning etc (ibid.). Contrary to this view, it can be expensive due to the time invested in tracking down the documents themselves, calling some of the respondents to help the researcher to properly interpret data contained in them sometime photocopying bulks of information is both tedious and could be expensive for a student researcher.

The quality of documents is considered a boon for such a study as they are written professionally such as the union general secretaries, secretarial staff and journalists. This was the case with many documents used to complete the report. However, as it was argued above with regard the fact that documents are generally nonreactive, the point made that the gap between the leadership of trade unions and their membership base finds expression in the literacy differences between the top and the base. Bailey (ibid.) argues that due to the stratifications within an organisation such a union the probability of what he calls a sampling bias is greater (author's additions included). While for example, SAMWU's publications are multilingual, however most of their policies are written in English which may capture the views of the leadership than the membership. Secondly, going back to the conundrum that Buhlungu (2004) is trying to unravel, the extent to which a drive for organisational efficiency and deepening internal democracy seems to be an insurmountable contradiction. While professionalism found in documents may contribute to high quality research depending on the

nature and the objectives of the study, it may well be that documents become a fertile ground for bias and submergence of important data.

It is not usual that documents are organised in a particular way i.e. a standard format that ensures a seamless understanding of a phenomenon and its evolution (ibid.). They sometime represent unconnected fragments of human experience such as issues explored in the report. The intellectual exercise a researcher shoulders is connecting these fragments into a comprehensible whole. This was particularly challenging as the researcher in this case does neither have any background to the issues explored in the report nor was he a participant in the iGoli 2002 negotiations and union policy formulation. For this reason, similar to open ended questionnaires, Bailey shows that documentary study leads to enormous coding difficulties. Some of the difficulties and the manner in which they were resolved are discussed in greater detail below.

7. Sampling method

Looking at negotiators of parties to the iGoli 2002 process, the researcher used a non-probability sampling method. This is generally used when a probability does not exist for any members of a group to be chosen for the purpose of a study. Bailey (ibid.) Payne and Payne argue that such a sampling method is appropriate if generalisation of the finding of such a study is not required for the research exercise. Due to the focus on negotiations of iGoli 2002 with a specific focus on the trade unions policy responses, it is a targeted group of people who usually participate in such complex negotiations. For this reason, purposive sampling was appropriate for the negotiators of unions and the GJMC. Equally important, while negotiations were a bigger part of the picture, the mass actions and building of strategy by

trade and community and political organisations was another layer of negotiations. There was however a need to focus on a select people in leadership of such organisations. For this reason, activists in the leadership of both the SACP and APF were purposively sampled as well. Payne and Payne (2004) argues that the purposive sampling as one of the non-probability sampling methods picks its subset for a particular non-statistical purpose, by selecting key informants because they are *not* typical: they know more about the community, organisation, processes and policy than other people (author's addition included).

8. Coding method

The researcher adopted a qualitative coding, thematic procedure appropriate for a research studies in which social policy mainly influences social and political processes and balance of power between social classes and social groups. The thematic coding procedure meant that the researcher teases out themes from the primary sources of data i.e. interviews and documents from the trade unions and the GJMC. The secondary sources of data such general literature on the subject of local government restructuring and associated topics on development and the role of the state. The themes identified were broad enough to constitute discussions in their own right. Attenuating broad themes such as these, notwithstanding the documentary data spanning approximately four years of intense negotiations was particularly challenging. Missing out on nuanced details of the research topic is a great possibility. The researcher has ensured that information gathered in the interviews is checked against the information gathered in interviews not only to rectify potential biases, inaccuracies but to ensure that the themes identified properly captured in the summative form.

9. Challenges of memory

A research project that deals with a policy process that was concluded not less than seven years ago, and where people recollection of facts and processes is critical to it, memory is an inescapable hurdle. This study was no exception. While SAMWU and IMATU respondents sometime showed enormous power of their long term memories especially with regard to their own internal union processes, they would not sufficiently recollect intricate details of processes that led to the outcome of iGoli 2002. However a combination of interviews, documentary data, both primary and secondary data, helped to uncover the data that would have been lost due to the natural process of oblivion.